

# Modern Slavery Act

Transparency Statement  
2022/23



**At Kingfisher, we are committed to respect and uphold the human rights of every individual influenced by our business activities including our customers, employees, supply chain, and local communities. We do not tolerate any form of modern slavery in our business or supply chains.**

Our commitment to address modern slavery risks starts at Board level and is embedded into key business processes.

## About the statement

This statement has been published in accordance with the UK Modern Slavery Act, which requires businesses to disclose the steps they are taking to tackle slavery, servitude and forced or compulsory labour and human trafficking (together known as modern slavery). It covers the six areas outlined in the Home Office guidance:

- Organisation structure and supply chains.
- Policies in relation to slavery and human trafficking.
- Risk assessment and management.
- Due diligence processes.
- Key performance indicators to measure effectiveness of steps being taken.
- Training on modern slavery and trafficking.

This statement sets out the steps taken by Kingfisher plc and all its subsidiary undertakings inclusive of its UK operating companies and its UK retail banners, to prevent modern slavery in its own business and supply chain, for financial year ending 31 January 2023.<sup>1</sup>

## Contents

- 2 Our company structure**
- 3 Suppliers and customer offer**
- 4 Governance**
- 5 Policies**
- 6 Risk assessment**
- 8 Working with suppliers**
- 8 Goods For Resale
- 12 Goods Not For Resale
- 14 Going beyond audit: addressing our salient issues**
- 16 Whistleblowing and escalation**
- 17 Employee training and awareness building**
- 19 Partnership and collaboration**
- 21 Looking to the future**
- 22 Modern Slavery Act Transparency Statement approval

<sup>1</sup> Data on ethical audits (goods for resale and goods not for resale), training and beyond audit programmes are based on a 12-month calendar year ending 31 December 2022.

# Our company structure

Kingfisher plc is an international home improvement company with a network of over 1,900 stores and a strong online presence, as well as franchise and joint venture partners. We are a global team of 82,000 colleagues.

We offer home improvement products and services to consumers and trade professionals through our stores and ecommerce channels. At Kingfisher, we believe a better world starts with better homes. We help make better homes accessible for everyone.

## Banners, partnerships, franchises and marketplaces

Our retail banners include B&Q, Castorama, Brico Dépôt, Screwfix and TradePoint. In addition, we operate joint venture partnerships, such as Koçtaş and NeedHelp, work with franchise partners and have a growing digital marketplace to extend our customer product and service offer and reach new markets.



**82,000**<sup>1,2</sup>  
Colleagues



Operations across  
**8 countries**<sup>1</sup>



**Over 1,900**<sup>1</sup>  
Stores



**£13.059 billion**<sup>3</sup>  
Sales



**Over 16,800**<sup>4</sup>  
Supplier Partners



All figures on this page relate to the year ended 31 January 2023.

1 Turkey joint venture included.

2 Total, not full-time equivalent.

3 Total sales based upon financial year ending 31 January 2023.

4 This includes both GNFR suppliers (over 14,000) and GFR (OEB, Non-OEB and International Brand) suppliers (over 2,700).

# Suppliers and customer offer

We work with over 16,800 supplier partners, who provide products and services to support our business operations and the wide range of goods and services which we sell to our customers.

Our global supply chains are split into two main areas of focus: **Goods & Services For Resale (GFR)** and **Goods & Services Not For Resale (GNFR)**.

The diagram provides an overview of our supply chain and the different ways we procure goods and services.



# Governance

## We have established responsibilities for modern slavery and ethical sourcing at Board, Group and banner level.

### Board and executive level

The Kingfisher plc **Board of Directors (the Board)** has overall responsibility and accountability for the effective management of our modern slavery risks.

Our **Responsible Business Committee**, a committee of the Board, has oversight of modern slavery risks.

### Group level

Our central **Responsible Business team**, led by our Director of Responsible Business, is responsible for developing our strategy and reporting on Responsible Business issues, including human rights. We have a dedicated Group Human Rights Manager who reports to our Director of Responsible Business and chairs the Human Rights & Modern Slavery Working Group.

Our **Group Offer & Sourcing (O&S) teams** drive the development and sourcing of our market-leading own exclusive brand (OEB) products and manage global relationships with our top International Brand suppliers. The teams are based at global sourcing offices in Asia and Europe.

Within Group O&S we have a dedicated **Ethical Compliance team**. The team are responsible for implementing our ethical sourcing approach with OEB suppliers and their factories in our sourcing countries. They also act as a Centre of Excellence (CofE) supporting our retail banners to implement our ethical audit programme for non-OEB suppliers.

Our **Group Procurement (GNFR) team** purchases the goods and services not for resale (GNFR) we use to operate our business. Our GNFR Sustainability Manager works with the procurement team to implement our ethical sourcing approach for GNFR.

### Banner level

Our retail **banners** develop the category strategies and product range for their own markets to reflect local preferences, and source non-OEB products. Our banners have sustainability teams who apply our Group ethical sourcing policies and implement our ethical compliance programme across factories and suppliers, which is in alignment with our ethical sourcing requirements for OEB products. The banner sustainability teams are supported by the Ethical Compliance team within Group O&S.

## Key committees and processes



### Committees

#### Responsible Business Committee (RBC)

– A committee of the Board, with oversight of modern slavery risks. The RBC leads and oversees delivery of our Responsible Business strategy (including human rights), setting our ambition and monitoring progress. It meets twice a year and is chaired by Non-Executive Director (NED) Sophie Gasperment. Its members include our CEO, a second NED, the Chief Offer & Sourcing Officer, Chief People Officer, the CEO of Screwfix and the Director of Responsible Business.



### Human Rights and Modern Slavery Working Group

Our Human Rights and Modern Slavery Working Group, established in 2019, monitors activities across the Group and reviews and updates our Modern Slavery Action Plan which is used by stakeholders across the organisation. Its members represent key functions including Responsible Business, O&S (GFR), Group Procurement (GNFR), Supply & Logistics, Legal Compliance and Community functions. Colleagues from our Internal Audit/Risk, People, and Inclusion and Diversity functions also attend to challenge and hold the Group to account for its work on human rights and modern slavery.

The Group met three times in 2022 and discussed topics including: modern slavery training, updates to our risk matrices, updates to our data systems, audit findings, our work with community group and charity Hestia who support survivors of modern slavery, a review of our ethical audit approach by Rainforest Alliance and other matters.

Our Modern Slavery Action Plan uses a traffic light system to track progress each quarter on all human rights and modern slavery projects and activities.



### Networks

**Ethical Working Group** – Sustainability representatives from Group O&S, sourcing offices and banners as well as our Human Rights Manager meet every 4–6 weeks to share best practices and discuss operational issues in relation to ethical sourcing and other sustainability topics.

**Responsible Business Network** – Enables colleagues from Group O&S, sustainability, procurement, logistics, brand, investor relations, customer and marketing and our banners to share ideas and best practices on Responsible Business and human rights.

**Business Critical Surgery** – Holds regular meetings (every 6–8 weeks) to discuss remediation and progress on any business critical issues (the most serious breach of standards) found within our product supply chains. The meetings are attended by sustainability leads from Group O&S, our banners and Responsible Business, who share best practices and discuss approaches and provide updates on ongoing cases. All activities are recorded in our Business Critical tracker.

# Policies

## Our policy framework sets out clear standards in relation to human rights and modern slavery for our business, and our suppliers and partners.

We aim to review our policies each year and update them where necessary. All policies have been approved by members of our Group Executive and apply to all suppliers (GFR and GNFR).

We have a number of policies that help us to implement our commitment to human rights. These include:

### Code of Conduct

- Sets out personal and shared responsibilities for meeting high ethical standards including a duty to report any potential breaches of the Code.
- Includes a section on modern slavery and states our commitment to human rights and ethical sourcing.
- Applies to all Kingfisher colleagues, contractors and suppliers.

### Human Rights Policy

This is our key policy on modern slavery. It states our commitment to respect human rights, in line with international agreements and guidelines including: the United Nations (UN) 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 Organization's Declaration on Fundamental Principles and Rights at Work; the Children's Rights and Business Principles; and UN conventions on the elimination of discrimination.

The Policy also states our commitment to implement due diligence procedures to avoid infringing on the rights of others and includes a detailed section on ethical sourcing and ethical audits (see '[Working with suppliers](#)').

### Supply Chain Workplace Standards

- Sets out minimum standards on labour practices and environmental practices that suppliers must abide by and which we check through our ethical audits (see '[Working with suppliers](#)').
- Prohibits slavery and child labour and sets expectations in areas such as health and safety, working hours and wages, and freedom of association.
- Reflects the requirements of the Ethical Trading Initiative (ETI) Base Code and International Labour Organization (ILO) fundamental Conventions on worker rights and aligns with the audit standards set by Sedex and Amfori BSCI.

### Whistleblowing Policy

- States our commitment to provide a process for colleagues and third parties, including suppliers, to raise any concerns securely, confidentially and without fear of recrimination including in relation to human rights and modern slavery (see '[Whistleblowing and escalation](#)').

You can read our policies at [kingfisher.com/ResponsibleBusinessPolicies](https://kingfisher.com/ResponsibleBusinessPolicies).



# Risk assessment

**We have a large global supply chain, so we take a risk-based approach, prioritising the most significant human rights impacts and modern slavery risks.**

Through our due diligence processes and ongoing approach, we continue to mitigate and address human rights risks within our business and supply chains, this includes collaboration with suppliers, peers, industry bodies, NGOs and governments, to address human rights issues and raise standards. We worked closely with third-party human rights experts to identify the salient human rights issues and the higher-risk areas, most relevant to our business.

More information on our approach to risk assessment in sourcing is included in '[Working with suppliers](#)'.

## Our salient human rights issues

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



**Freedom of association/  
collective bargaining**



**Health and safety**



**Wages/  
working hours**



**Land rights**



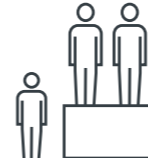
**Depletion of natural  
resources**



**Impact of  
climate change**



**Air, water and  
land pollution**



**Discrimination**



**Modern slavery**



**Child/underage  
labour**

We have previously carried out a detailed risk and gap assessment to ensure we understand where the identified salient risks are most likely to appear within our supply chain and business. This was informed by engagement with almost 100 colleagues across the business, the findings of our previous materiality assessment that considered 25 key raw materials used in our products, external human rights frameworks such as the UN Guiding Principles on Business and Human Rights, external risk assessment tools, and the findings from our ongoing engagement with civil society and industry organisations including Slave Free Alliance, Elevate and allianceHR.

The results 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.

We use the saliency assessment to inform our supplier engagement and our 'beyond audit' programmes that look to tackle wider issues and root causes in our supply chain.

## Managing risk within our operations and supply chains

### Risk assessment for GFR

We use a number of risk assessment tools to mitigate risk within our product supply chains. We aim to target suppliers in the highest-risk countries, sectors and locations. These tools include:

- **Our ethical risk matrix**, which uses data from Verisk Maplecroft to help identify the high-risk product areas and countries in our GFR supply chain. The matrix is updated annually.
- **Compliance platforms:** Sedex, Amfori BSCI and EcoVadis. These collaborative platforms enable us to access data on inherent risks related to country and industry sectors. The Sedex Self-Assessment Questionnaire (SAQ) allows us to make a risk assessment based on a supplier's and/or factory's response.
- **Ethical audit reports**, which provide information regarding the operations within the factory, including if any issues were found.

See '[Working with suppliers](#)' for more details on the ongoing audit programme and due diligence approach.

## Risk assessment for GNFR

The key risk areas we have identified for GNFR include businesses providing contracted services such as construction, cleaning, security and logistics, particularly where labour providers are used. This assessment was informed by our saliency assessment, work with Slave Free Alliance, participation in the Indirect Procurement Human Rights Forum (IPHR) and a formal risk review conducted in partnership with Stop the Traffik, an organisation dedicated to preventing human trafficking.

During 2023, we will be working with Slave Free Alliance to review and update this assessment, making sure it reflects changes brought about by the pandemic, Brexit, rising costs of living, the war in Ukraine and other external factors.

To monitor ongoing risks, we also use:

- **EcoVadis Sustainability Assessment Platform**, which allows us to collect data on our GNFR suppliers, sustainability and ethical processes.
- **Vendor Engagement Assessment (VEA)**, used to conduct due diligence checks on new suppliers (with whom we have an estimated spend over £5,000 or equivalent in local currency) and existing suppliers where there have been changes in the terms and conditions of their engagement.

See '[Working with suppliers](#)' for more details on our supplier assessment programme and due diligence approach.

## Risk assessment for our operations

We have identified a low risk of modern slavery occurring in our business operations and among our direct employees, based on our human rights saliency assessment and our work with Slave Free Alliance. Colleagues working in our offices and stores are protected by strong local employment laws as well as our own employment policies and practices.

Risks are higher for workers providing contracted services such as construction, cleaning, security and logistics, particularly where labour providers are used. These risks are managed through our ethical sourcing programme for GNFR suppliers (see page 12).

## Risk assessment and due diligence for new acquisitions, partnerships and third-party suppliers

Our current partnerships include:

- Franchise agreement with AI-Futtaim.
- Marketplace B&Q and Brico Dépôt Iberia Marketplace (an ecommerce platform where third-party suppliers can sell their products), digital marketplaces in Spain and Portugal.
- NeedHelp, an online digital platform offering customers DIY, handiwork, gardening and home improvement services.

We expect all our business partners to share our commitment to human rights and to uphold our standards. Our Human Rights Policy commits us to work to promote human rights across our business partnerships and to assess risks relating to new business acquisitions and partnerships.

When we acquire new businesses or enter into new partnerships, we carry out due diligence and embed our Code of Conduct and our Human Rights and Responsible Business policies into the partnership agreements. As part of the due diligence process, our Responsible Business team work closely with our acquisitions and commercial teams to review potential risks and to put in place measures to mitigate these. Our ongoing engagement with our partners includes training on our Code of Conduct and other topics and support on assessing modern slavery risks within their supply chains.

## The war in Ukraine

On 1 March 2022, we took the decision to stop selling products directly sourced from Russian and Belarusian suppliers across the Group, and those products have been removed from our shelves. We have also updated our terms and conditions of business with other suppliers to state our requirement that no products, raw materials or components are sourced from Russia or Belarus. We asked suppliers to confirm compliance with this requirement.

Unfortunately, due to the impacts and disruption of the war, some of our Ukrainian suppliers were also no longer able to continue working with us.

Where we have switched our sourcing to new locations as a result of the war, we have put in place additional due diligence as needed.

We have been working with Slave Free Alliance to identify and address human rights risks relating to the war in Ukraine. Slave Free Alliance also provide insight regarding the potential risks, such as the exploitation of refugees, and how to monitor and address these.



# Working with suppliers

## GFR Goods and services for resale



### Goods For Resale

We buy goods for resale (the products we sell to our customers) from over 2,600 suppliers (OEB and non-OEB) across 63 countries.

Our ethical audit programme scope and due diligence process is focused on directly sourced products, including OEB and banner sourced non-OEB products. It includes **tier 1** suppliers, those with whom we have a direct business relationship, and **tier 2** suppliers, who are the main production sites that manufacture the goods.

#### Tier 1: OEB and non-OEB suppliers

Below is an outline of the work we do with OEB and non-OEB suppliers, both at tier 1 direct level and beyond.

As detailed within our Responsible Business policies we require all OEB suppliers as well as non-OEB suppliers above a spend threshold of £50,000 to disclose all production sites supplying us with finished goods. Suppliers share this information with us via collaborative social audit platforms including Sedex (the online supplier data exchange) and Amfori BSCI.

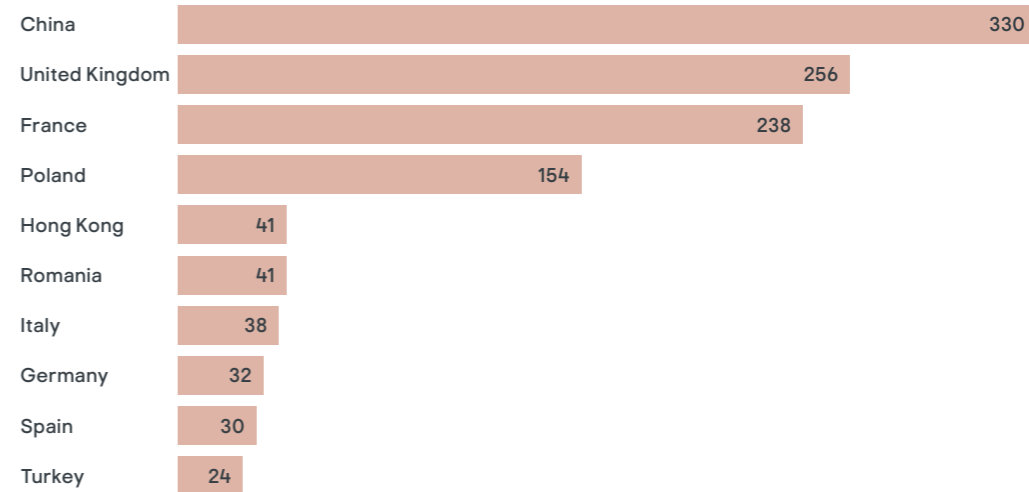
2,654 OEB and non-OEB suppliers.  
62% of suppliers disclosing production sites.  
98% of OEB suppliers disclosing production sites Vs 80% in 2021.  
57% of non-OEB suppliers disclosing production sites Vs 48% in 2021.

We continue to work with our supplier partners to disclose their production site information, which is in alignment with our policies and our ongoing commitment to improving transparency. This includes working towards our goal for all OEB suppliers to disclose sites to us. For non-OEB suppliers, we are working with our banners to implement action plans to increase disclosure.

We have been working to improve our data in 2022 and establish a Vendor Index, with clearer information on the suppliers we work with, which parts of the Group they supply and what we buy from them. We have also developed a Factory Index.

We have also been working with our banners to increase the number of non-OEB suppliers disclosing their production sites. Each banner has an action plan and targets to further increase this.

### Top 10 supplier countries Number of suppliers



#### Tier 1: International Brand and third-party suppliers

We require suppliers of International Brand products and our joint venture, franchise and marketplace partners to commit to implementing their own ethical compliance programmes in compliance with the law and our company policies.

International Brand suppliers are not included in our disclosure and audit data.

These suppliers have their own well-developed approaches to ethical sourcing, in line with our requirements. We confirm this through a desktop review and, from 2022, by requiring them to submit a signed letter of conformance, confirming they meet our standards.

If an International Brand supplier is found not to have a sufficient ethical sourcing programme of their own, we will require them to be included in our disclosure and ethical audit programme.

**OEB**  
Own Exclusive Brand products

**Non-OEB**  
Non-Own Exclusive Brand products

**International Brand**

**Third-Party Products,  
Services & Partnerships**

## Tier 2: OEB and non-OEB production sites

Through our supplier partners we work with over 2,800 known production sites, across 63 countries, to manufacture our goods for resale (both OEB and non-OEB products).<sup>1</sup> Our policies require suppliers to disclose their production sites as part of the ongoing ethical audit programme. This requirement includes suppliers registering the production site details on Sedex, Amfori BSCI or another approved audit platform and sharing full ethical audits the production site has undergone in the last two years.

2,801 declared production sites.

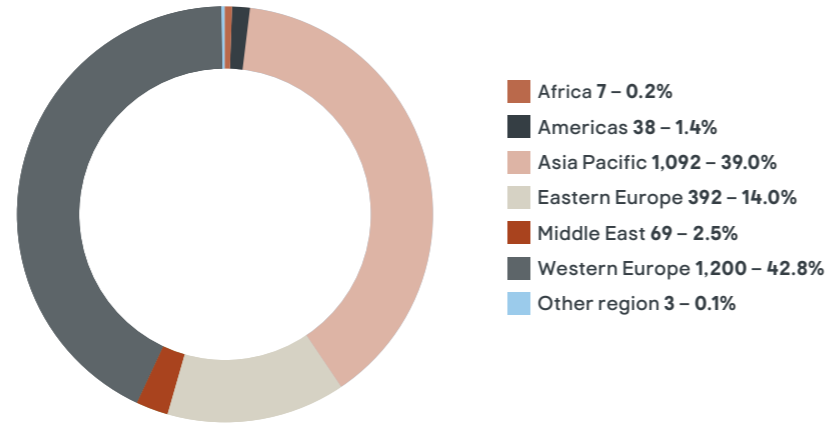
64% of declared production sites comply with our disclosure requirements.

Over 500,000 people working at our declared production sites.<sup>2</sup>

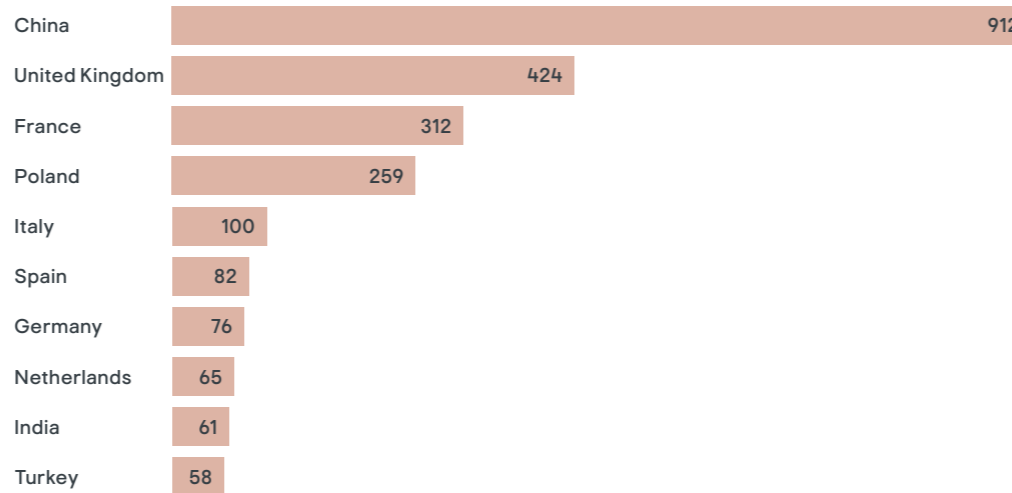
38% of workers are female and 62% of workers are male.<sup>3</sup>

We continue to work with our supplier partners to disclose their production site information, which is in alignment with our policies and our ongoing commitment to improving transparency.

## Sourcing by region Number of production sites



## Top 10 sourcing countries Number of production sites



## Tier 2: Production site due diligence

We aim to improve ethical standards in our supply chain through our supplier engagement and ethical audit programmes.

Our due diligence for modern slavery issues also includes ethical risk assessment processes (page 6), supplier training and engagement (page 15), and collaboration with human rights experts and others in our sector (page 20).

### Ethical audit programme

We take a risk-based approach to our ethical audit programme. This includes prioritising high-risk sites supplying OEB and non-OEB finished goods across our OEB and non-OEB supply chains to undergo an ethical audit at least once every two years or more frequently depending on the audit grade they receive.<sup>4</sup>

### Requirements

Ethical audits must meet the requirements set out in our Human Rights Policy. We accept 4-Pillar Sedex Members Ethical Trade Audits (SMETA) and Amfori Business & Social Compliance (BSCI) audits or those that meet equivalent standards. Further details of our audit requirements are in our Ethical Sourcing Vendor Guidelines.

It is our policy that Sedex Members Ethical Trade Audits (SMETA) must be carried out by social compliance auditors certified by APSCA (Association of Professional Social Compliance Auditors). To become APSCA certified, auditors must complete training,

sign a professional Code of Conduct and have gained professional auditing experience.

There were some delays to our audit programme in China in 2022 due to the ongoing impact of the pandemic.

### Roll-out and effectiveness of measures

Ethical audits review factory performance and identify any instances of non-conformance with our standards relating to labour practices and human rights, health and safety, business ethics and environmental performance.

Total number of declared production sites identified as high risk	1,307
Total number of audited high-risk production sites in the past two calendar years	905

As part of the audit process, the auditor will identify any non-conformances and set out corrective actions required to address these. It should be noted that the auditor also provides a recommended timescale for closing out non-conformances (which varies according to the type of non-conformance), and this is stated in the Corrective Action Plan of the audit report. Sites are required to implement any corrective actions within the timeframe recommended by the auditor and to report progress to their auditor. We will work with the supplier and factory sites to address and close the audit non-conformances, prioritising the most critical

<sup>1</sup> This is the number of production sites disclosed to us via Sedex or other platforms. The total number of production sites is likely to be higher.

<sup>2</sup> Number of people within tier 2 based upon Sedex audit data only.

<sup>3</sup> New data addition for this year.

<sup>4</sup> Any sites with business critical, critical or four or more major non-conformances should have a re-audit within 12 months.

issues. Once complete, the site should verify their corrective actions and improvements with the auditor via desktop review and/or a follow-up audit.

**Remediation**

We track audit findings and progress on remediation to monitor the effectiveness of our ethical audit programme.

We have adopted the Sedex SMETA audits risk rating 'Minor', 'Major', 'Critical' or 'Business Critical'. Business critical non-conformances represent the most serious breach of standards. Kingfisher requires suppliers to take immediate action to close out any business critical non-conformances.

We also track total non-conformances under the heading 'employment is freely chosen' of which there were 39 in 2022.

Within the last calendar year, we have worked with our supplier partners and production sites to close 45% of the identified non-conformances. We continue to monitor and work in collaboration with production sites to address outstanding issues, through our ongoing audit programme.

**Top five non-conformances by category (GFR)**

The table shows the top five non-conformances by category for all ethical audits carried out in the past two years. Most non-conformances relate to health and safety, which includes fire safety issues such as provision of fire extinguishers and fire exits. Other common non-conformances include working hours, wages, management systems and environmental factors.

Non-conformances	Number
Health, safety and hygiene	4,247
Working hours	784
Wages	489
Management systems	333
Environment	307

Note: data covers production sites disclosed to us that are registered and linked to Kingfisher on Sedex.

**Addressing business critical issues**



In some cases, an audit finds that suppliers don't meet our minimum standards; those production sites are classified as business critical.

Business critical non-conformances represent the most serious breach of standards. Kingfisher requires suppliers to take immediate action to close out any business critical non-conformances.

A site will be risk rated as business critical if one or more business critical non-conformances or four or more critical non-conformances are identified during the ethical audit.

When a business critical issue is identified, we require suppliers to act swiftly to ensure the welfare of workers. We take the following steps:

– **Escalation and notification** – A member of our Responsible Sourcing team will ensure the correct people are notified internally and

externally. Our escalation and notification process is reviewed annually.

– **Remediation** – Our Responsible Sourcing team works with key internal stakeholders, as well as the supplier and factory, to manage and address the issues identified through a Corrective Action Plan. We agree a timescale for implementation.

– **Engagement** – Depending on the nature of the issue, a member of our Group O&S team or Quality team may visit the factory to help with the remediation plan. We engage with the factory throughout the process and work to ensure the wellbeing of workers is prioritised.

– **Close out** – We require third-party confirmation, via an ethical audit or desktop review, that the issues identified have been resolved. We use a tracker to monitor suppliers identified as having business

critical non-conformances. Any factories with business critical non-conformances are recorded as 'open' until an ethical audit confirms the issues have been addressed and the case is then 'closed'.

– **Follow-up** – We continue to work with and monitor the factory post-incident. We carry out spot checks on our suppliers and carry out regular follow-up audits to ensure factories comply with our standards.

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 Corrective Action Plan and we agree enough time for them to develop their knowledge and implement changes. During 2022, we stopped working with two business critical production sites. Only as a last resort, we will cease to trade with factories if they don't work with us to address business critical issues.

**Beyond tier 2: Indirect suppliers**

There are many more indirect suppliers in our extended supply chain, including suppliers of raw materials and component parts used in the products we sell and buy.

We continue to map our indirect supply chain and are working on several projects aimed at improving standards among indirect suppliers in key areas of our supply chain. We prioritise indirect supply chains using the results of our saliency and risk assessments. See 'Going beyond audit: addressing our salient issues' for examples.

1 During 2022, we stopped working with two business critical production sites. Only as a last resort, we will cease to trade with factories if they don't work with us to address business critical issues.

## Addressing cases of modern slavery

Any potential instances of modern slavery or child labour identified via ethical audits are considered business critical – the most serious breach of our standards. We take immediate action to resolve such cases. The below are examples of cases identified in 2022, through the ongoing ethical audit programme:

### Withholding identification documents

#### Group O&S

A business critical non-conformance was identified during an ethical audit of a new production site in Thailand, providing products to one of our sanitaryware suppliers. The audit identified that the production site was retaining the passports of migrant workers. Our Responsible Sourcing team from our Far East office worked in collaboration with the buying office and the supplier to implement an improvement programme.

We worked with the supplier to ensure they understood our requirements, the corrective actions needed and how to implement them. All passports were returned to the migrant workers and a proper procedure for handling passports was established. A follow-up audit was conducted by an independent third-party auditor to confirm that the corrective actions had been satisfactorily implemented.

### Child labour

#### B&Q Ethical Compliance team

During an ethical audit at a ceramics factory in Gujarat, India, one child was observed working in the facility. We immediately initiated an investigation, working with a local NGO and enforcement agencies, which revealed a further 38 children present in the factory, at least 20 of whom were found to be working. These children were rescued by the local NGO and either returned to their parents or placed in managed accommodation.

We continued to work with the NGO to determine whether any further children were working in the facility. However, the factory management would not engage with the remediation process and sought to block attempts to rescue the children involved. As a result, we took the decision to stop working with the site and prevent any future purchases.

After further investigation it was confirmed that products sold by B&Q in previous years had been produced within the factory. Our principles state that we will not profit from child or forced labour and therefore we will donate any profits from those product lines to a relevant charity, supporting those directly impacted by child labour.

### Addressing critical non-conformances

#### Screwfix Ethical Compliance team

The Ethical Compliance team at Screwfix has been working with a factory in China after an ethical audit found more than four critical issues. These included an inadequate fire notification system, a lack of payroll records and breaches of our policies in relation to working hours.

The vendor and factory responded quickly to address the non-compliances and implemented a number of physical changes to improve the building safety for workers. They also changed production planning to improve productivity, and increased pay and bonuses to ensure no income was lost when working hours were reduced. The factory also established an employee consultation mechanism, with employee representatives meeting monthly with factory management to feed back employee opinions and suggestions. A follow-up audit found that, to date, 28 of the original 30 findings had been addressed.

**We work with  
suppliers to ensure  
they understand our  
requirements, the  
corrective actions  
needed and how to  
implement them.**

# GNFR

Goods and services not for resale



## Goods Not For Resale

**Goods not for resale are goods and services we use to operate our business, such as IT equipment, cleaning and security services and logistics. We source goods and services from over 14,000 GNFR suppliers in our direct (tier 1) supply chain.**

The supplier assessment programme for GNFR has two phases:

**Phase 1:** Our Vendor Engagement Assessment (VEA) procedure is used to conduct due diligence checks on GNFR suppliers. It must be completed before we buy any GNFR goods or services above £5,000 (or equivalent in local currency) for annual recurrent or one-off estimated spend with:

- A new supplier.
- An existing supplier where the contract conditions have changed, for example due to a different scope of work, goods/ services to be provided in a different country, or a different estimated spend.

**Phase 2:** We request that suppliers with an annual spend greater than £75,000 complete a regular EcoVadis Sustainability Assessment, in addition to the VEA process. An EcoVadis assessment includes a labour and human rights module.

## Tier 1 GNFR suppliers

Through the EcoVadis supplier assessment programme, we collected the following data:

Suppliers accounting for **79%** of GNFR spend have been assessed. This relates to suppliers with an annual spend over £75,000<sup>1</sup>

## GNFR due diligence: ethical assessment

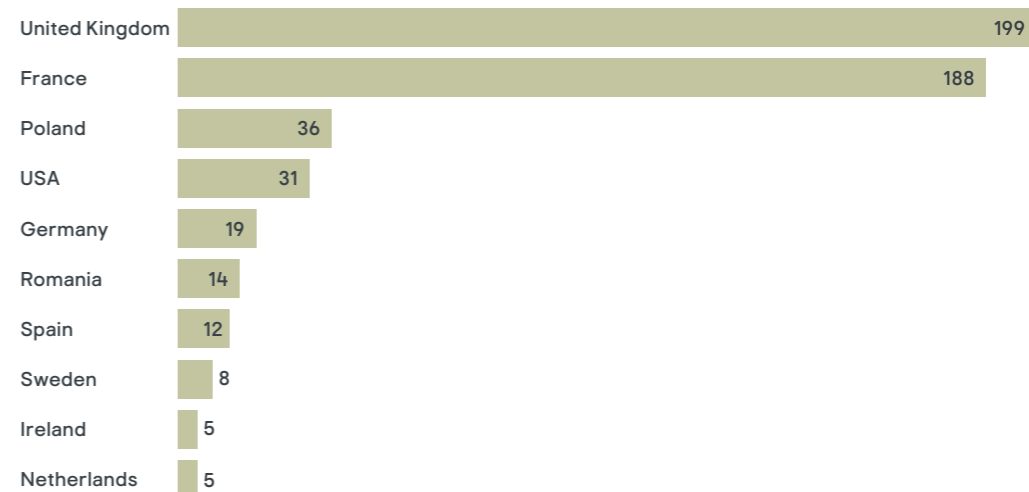
Adherence to our Responsible Business policies is a part of the contract negotiation process for all new GNFR suppliers and we embed human rights criteria into new supplier contracts.

## Vendor Engagement Assessment (VEA)

Our VEA process (outlined above) screens for the following:

- Integrity (e.g. risks of payment of bribes by third parties representing Kingfisher).
- Data protection (e.g. processing of customer and colleague personal data by third parties).
- Information security (e.g. protection of Kingfisher data to be shared with or accessed by third parties).
- Ethical practices (e.g. modern slavery, labour conditions).
- Credit check (for contracts above a spend of £75,000 or equivalent in local currency only).

## Top 10 supplier countries assessed on EcoVadis Suppliers by country/territory



The VEA process includes a due diligence screening service provided by the Dow Jones Risk Centre platform to check for adverse media relating to the potential supplier as well as other red flags such as economic sanctions and association with PEPs (Politically Exposed Persons). Any concerns are identified and followed up.

## EcoVadis Sustainability Assessment

EcoVadis is a third-party assessment tool and collaborative platform, used by more than 100,000 companies. It covers four themes:

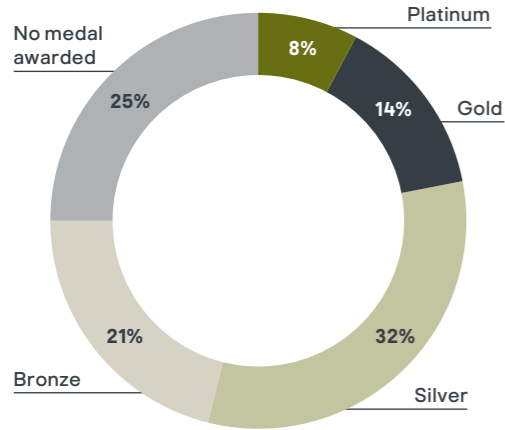
- Labour and human rights
- Environment
- Business ethics
- Sustainable procurement

New GNFR suppliers with annual spend over £75,000 are required to complete an EcoVadis assessment, as outlined above.

Supplier assessments are reviewed by EcoVadis, and a scorecard is provided highlighting strengths, weaknesses and risk areas. EcoVadis also provides participating companies with a rating medal based on the percentile rank of the company's score and minimum theme score. These range from Bronze for the top 50% of companies to Platinum for the top 1%. Suppliers who do not meet the EcoVadis Bronze rating are required to put in place an action plan to improve and complete a re-assessment within 12 months. We expect them to reach at least Bronze level within a year of the assessment.

<sup>1</sup> This excludes spend on real estate rates, taxes, leases and rentals.

**EcoVadis medals**  
Scored suppliers



In 2022, suppliers that were assessed covered 79% of in-scope GNFR spend (annual spend over £75,000), compared to 85% in 2021.<sup>1</sup>

During 2022 we updated our end-to-end source to pay system which impacted the integration of our internal reporting system with the EcoVadis system. This affected our ability to track progress on our GNFR EcoVadis requirement and to follow up on lower scoring suppliers. This led to a reduction in the percentage of spend covered by the EcoVadis assessment this year. We have now completed the update process and aim to increase the number of suppliers on EcoVadis during 2023 and to identify lower scoring suppliers for engagement.

**Monitoring progress**

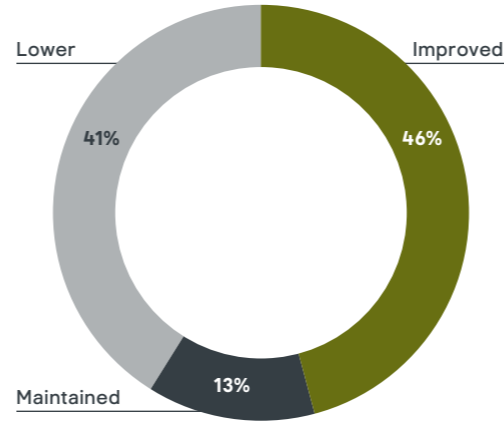
We continue to monitor progress of all suppliers who have been EcoVadis assessed. During 2022 **46%** of suppliers who were re-assessed by EcoVadis improved their score, through changes to their internal processes, reporting and systems. In total, 59% of suppliers improved or maintained their score. As part of our ongoing assessment programme and action plan we will be targeting the lowest performing suppliers to support improvements in 2023.

**Labour and Human Rights**

The EcoVadis assessment has a key theme of Labour and Human Rights. This covers topics such as child labour, forced labour and human trafficking, working conditions and stakeholder engagement on human rights. It includes questions about company human rights policies and governance and whether they have nominated colleagues with responsibility for human rights.

We are integrating a 'right to audit' clause into new contracts with GNFR suppliers. We plan to complete ethical audits, prioritising high-risk suppliers, during the second half of 2023 using the results of our updated risk assessment for GNFR.

**Evolution of re-evaluated suppliers**  
Assessment score



**In total, 59% of suppliers improved or maintained their score.**



<sup>1</sup> This excludes spend on real estate rates, taxes, leases and rentals.

# Going beyond audit: addressing our salient issues

**Ethical audits play an important role in improving supply chain standards. However, on their own, audits may not address the root causes of non-compliance with our policies. That is why we are initiating and supporting projects aimed at stimulating wider positive change within our supply chains.**

The projects focus on addressing the identified salient human rights issues and seek to mitigate modern slavery risks, build supplier capacity, and enable direct engagement with workers in our supply base.

## Improving standards among indirect suppliers

Our tools and hardware suppliers often work with a large number of indirect manufacturing suppliers (beyond tier 2). We want to make sure that these indirect suppliers meet our responsible sourcing standards and to improve awareness among suppliers of roles and responsibilities for ethical compliance in the extended supply chain.

We are working with tools and hardware suppliers in China, requiring them to disclose the indirect suppliers they work with and how they select, manage, audit and review indirect suppliers. Where we find that suppliers do not have a robust approach to responsible sourcing, for example due to poor record keeping or failure to implement our policies, we are working with them to address this and agree an action plan to meet our standards.

We now have 200 factories involved in the project.

## Understanding risk in the ceramics raw material supply chain

In 2022, we started an engagement project with ceramics suppliers in Turkey to understand human rights risks in their raw materials supply chain. We visited five ceramics suppliers (tiling and sanitaryware) to understand their current risk management processes. We have developed a questionnaire which will enable us to map their raw material providers and to identify areas of risk. This will be rolled out in 2023 and we will use the results to work with suppliers to implement improvements. We expect to extend the programme to ceramics suppliers in other countries including Spain and China.

## Horticulture transparency project

The horticulture sector relies on migrant workers, giving rise to a risk of human rights impacts.

We're working with our five biggest OEB horticulture suppliers to map the growers they work with and identify higher risk areas of the supply chain.

Working with an expert consultancy we have selected a number of growers used by our suppliers to be included in this risk assessment.



## Our current programmes

Programme	About	Salient issue/s	Partner	Impact
<b>Indirect suppliers</b>	Embedding responsible sourcing standards among tools and hardware indirect suppliers	Modern slavery; child/underage labour; freedom of association/collective bargaining; health and safety; wages/working hours	Internal	Extending to 200 factories in 2023, with six suppliers and 16 indirect suppliers involved in the previous pilot phase
<b>Responsible recruitment of migrant workers</b>	Engaging suppliers on responsible recruitment of migrant workers	Modern slavery	Elevate	12 suppliers trained in Taiwan, Thailand and Malaysia
<b>Working hours project</b>	Working with factories to tackle excessive overtime in China	Working hours	Internal	New project – aiming to develop a process for identifying sites with a higher risk of excessive overtime and to support factories to find alternative ways to improve productivity
<b>Horticulture deep dive</b>	Identifying the risks to workers in the horticulture supply chain	Modern slavery and working conditions	2050	New project – initial focus on mapping the growers working with our key horticulture suppliers
<b>Assessment against the Accountability Framework initiative (AFi)</b>	In 2022, Rainforest Alliance assessed our alignment to the AFi's Core Principles in our wood and paper supply chain. This includes principles relating to human rights, indigenous rights and worker rights	Depletion of natural resources	Rainforest Alliance	We will use the gaps identified through the AFi assessment to define the next steps for our sustainable sourcing approach and ensure alignment to best practices

## Supplier training

We have an ongoing supplier engagement programme and provide training to help suppliers develop their approach to managing and mitigating human rights and modern slavery risks. Training plays an important role in helping suppliers to build their knowledge and understanding of human rights issues and how to address them.

We sponsor the Responsible Recruitment Toolkit developed by Stronger2gether (an industry collaboration) to provide free training and support to suppliers and labour providers. The toolkit provides good practice guidance based on global standards and includes a self-assessment process to help suppliers monitor and improve progress on responsible recruitment among their labour providers. We include information about the toolkit in our GNFR sustainability questionnaire.



# Whistleblowing and escalation

**We have a confidential reporting system in place to enable colleagues and suppliers to report any ethical concerns, including about modern slavery and any other human rights violations, securely and without fear of recrimination.**

Our approach includes:

- **Hotline:** Our independent and confidential whistleblowing hotline is available to all employees, contractors and suppliers. See 'SpeakUp' on Kingfisher.com.
- **Training:** Employees and contractors learn about our hotline through our annual Code of Conduct compliance training including guidance on the types of issues they can report.
- **Investigation:** All reports to the hotline are reviewed and, where necessary, investigated. Non-sensitive cases are investigated by the respective banner, and the outcome is reported to the relevant local Ethics and Compliance Committee. Sensitive cases are investigated at Group level and reviewed by the Group Ethics and Compliance Committee.

– **Board oversight:** The Board and the Audit Committee (of the PLC Board) receive regular updates on whistleblowing reports, cases and trends.

There were no substantiated reports relating to modern slavery made via our whistleblowing hotline in 2022.

We require suppliers to maintain a means by which workers can openly communicate and share grievances with management, without fear of reprisal, intimidation or harassment. This requirement is included in our Code of Conduct and Supply Chain Workplace Standards and our ethical audits check that suppliers have grievance mechanisms in place.

## Modern slavery escalation procedures

We have established a protocol for handling any incidents of modern slavery, to ensure we respond quickly, effectively and consistently. This involves escalating issues to senior director level, gathering information and investigating non-compliances, as well as a process for deciding further action or escalation. The protocol means we can co-ordinate a quick response to any concerns raised. It has been communicated to the relevant people in our Risk, Legal and Compliance, and Sourcing teams.



# Employee training and awareness building

**Regular training and awareness sessions help us to build capacity within our teams, and to ensure relevant colleagues understand modern slavery risks and how to report concerns.**

Training is delivered through a combination of digital e-learning modules, interactive specialist workshops and awareness presentations to reach relevant colleagues.

We collect feedback after training sessions and use this to update and improve our training provision. We have also used insights from reports to our SpeakUp channel to make sure our training is as relevant as possible for colleagues.

## Modern slavery e-learning module

With an estimated 50 million people globally trapped in some form of modern slavery,<sup>1</sup> it's the responsibility of all businesses to actively work to eradicate any form of labour exploitation within their operations and extended supply chains. This includes empowering and training employees on how to reduce the risk of modern slavery occurring.

We developed a modern slavery e-learning module for our colleagues in 2022 with specialist input from Slave Free Alliance. The module provides an overview of the different forms of modern slavery, the risk areas in our supply chain, our approach to modern slavery and real-life case studies, as well as guidance on how to spot indicators of modern slavery, how to raise concerns and what to do if a case is found.

We piloted the training with a sample group of 20 colleagues at the end of 2022 and are now rolling it out to our Supply and Logistics function and Group Procurement (GNFR) colleagues. We will also adapt the training for other priority areas of the business including legal compliance teams, retail banner trading teams and People teams. We will prioritise employees who work with suppliers and labour providers, or who interact with workers who are provided by labour providers, agencies or other intermediaries.

To support accessibility, the training has been translated into eight languages and will be delivered as an online module, which can be accessed on demand via our training platform and will include short quizzes to test user knowledge. We also aim to run specialist workshops for participants to further develop their knowledge in this area.



<sup>1</sup> Figure published by the International Labour Organization.

## Training activity in 2022

Our training programme reached over 600<sup>1</sup> colleagues in a variety of roles during 2022 and we developed new training to roll out in 2023.

Training title/Topic	Description of content	Who is the training for?	Training provider
<b>Modern slavery e-learning module (Pilot)</b>	An online digital training module, which provides an overview of modern slavery risks and educates our teams on how to spot the signs and what action to take if a case is found.	Currently being piloted with our Supply and Logistics function	Training content developed in partnership with Slave Free Alliance
<b>Virtual sustainability training</b>	We trained 244 colleagues in our global sourcing offices in Hong Kong, Shanghai, Shenzhen and Vietnam. The sessions provided an introduction to our ethical sourcing approach and why it is important, how we track progress, latest performance and how colleagues should contribute to implementing our policies. Colleagues complete a quiz at the end of the session to check they have understood the training.	Global sourcing offices	Group Responsible Sourcing
<b>Introduction to modern slavery</b>	An interactive training session on modern slavery, how to spot indicators within our supply chains and the latest best practice in relation to modern slavery reporting.	Responsible Business Network	Slave Free Alliance
<b>Commercial sustainability briefing: Screwfix</b>	A refresher session on Kingfisher policies including Human Rights, and our ethical sourcing expectations of vendors/suppliers.	All Screwfix trading managers	Screwfix Sustainability Manager
<b>Commercial teams training: B&amp;Q</b>	Training on our ethical sourcing requirements and process for addressing business critical issues.	B&Q commercial buying teams	B&Q Sustainability Manager
<b>Ethical compliance training</b>	An introduction to ethical sourcing for banner colleagues. This covered Group policies, due diligence, audit requirements, factory grading, non-compliances and how they are remediated.	Sustainability leads and commercial teams at Screwfix, B&Q, Castorama and Brico Dépôt	Group O&S, Ethical Compliance
<b>Modern slavery statement</b>	A review of the Modern Slavery Act Transparency Statement and the importance of transparency in reporting.	Responsible Business Network	Human Rights Manager

In 2022, we updated the Code of Conduct e-learning training. This training is mandatory for all Group and retail banner colleagues. As part of the update, we have revamped the Modern Slavery & Human Rights section of the training, to provide all colleagues with an introduction to the indicators of modern slavery, as well as our human rights approach. This training will be rolled out in 2023.

<sup>1</sup> Total attendees counted for each training session, some employees may have attended more than one session.

# Partnership and collaboration

We work with human rights and modern slavery experts, industry organisations, trade unions, peer companies, government agencies, multistakeholder initiatives, audit platforms, sustainability assessment tools, NGOs and others to develop and implement our programmes and tackle wider challenges for our sector.



SLAVE-FREE  
ALLIANCE

Working Towards a  
Slave-free Supply Chain



## Slave Free Alliance: A key partner on modern slavery

Tackling modern slavery and human rights impacts in our supply chain is complex and we want to learn from experts to make sure our actions have the maximum positive impact.

We have been working with Slave Free Alliance (SFA), a social enterprise initiated by anti-slavery charity Hope for Justice, for several years. They have helped us develop our policies, train our teams and our suppliers and strengthen our audit and due diligence approaches.

In 2022, we worked with SFA to identify and address human rights risks relating to the war in Ukraine. This included training for our teams and guidance for suppliers on the human rights risks associated with the war such as potential exploitation of refugees, and how to monitor and address these.

SFA also helped us to develop a new e-learning module on modern slavery for colleagues in higher risk areas of the business. The training uses examples of real cases and different scenarios to help colleagues identify risk factors and potential instances of modern slavery, see page 17. SFA also trained our Responsible Business network colleagues, and we participated in their conference including presenting our approach to conference delegates.

SFA review and provide feedback on our Modern Slavery Statement to enable us to keep strengthening our disclosures.

In 2023, we will continue our partnership with SFA, including utilising their support and expertise to improve our policies and review our current human rights approach.

## Our key partners

We continue to work with partners to address human rights and modern slavery risks, and participate in forums with the aim of improving standards across the retail sector.

Partner	About	How we're working together
<b>Amfori BSCI</b>	A platform for social-related supply chain information and creator of the BSCI audit methodology.	We use the platform to monitor the ethical performance of our suppliers and sites through audits.
<b>Better Retail, Better World</b>	A retail sector collaboration led initiative by the British Retail Consortium (BRC) supporting the UN Sustainable Development Goals including on human rights and decent work.	We are working with the BRC utilising the Better Retail, Better World framework to address the UN Sustainable Development Goals.
<b>BRC (British Retail Consortium) Ethical Working Group</b>	A sharing forum for updates on the latest ethical labour developments in the supply chain, including human rights due diligence and modern slavery.	As a member of the working group, we collaborate with our industry peers and share best practice for human rights due diligence in the retail supply chain.
<b>EcoVadis</b>	An online assessment tool that provides sustainability ratings for our suppliers.	Used to assess our GNFR suppliers with whom we spend over £75,000.
<b>Elevate</b>	A supply chain consultancy specialising in responsible recruitment.	We're working on a project to help improve working conditions and protect the human rights of migrant workers in the Far East.
<b>Hestia</b>	A UK charity that provides safe houses and support to survivors of modern slavery in London and the south-east of England.	We made a donation to support Hestia's work and together we will be running training for our Responsible Business teams.
<b>Indirect Procurement Human Rights Forum</b>	A collaboration between businesses to understand and address human rights risks associated with GNFR sourcing.	We helped establish the IPHR Forum and discuss ongoing issues.
<b>Rainforest Alliance</b>	An international non-profit organisation working at the intersection of business, agriculture and forests. They aim to create a better future for people and nature by making responsible business the new normal.	As part of the Forest Allies initiative, the Rainforest Alliance reviewed our policies and commitments against the Accountability Framework initiative and made some recommendations for how we can strengthen our approach to human rights and land use rights in relation to our work on forest stewardship.
<b>Sedex</b>	A collaborative platform for sharing ethical supply chain data and creator of the SMETA audit methodology.	We require our suppliers and production sites to share supply chain information with us through the platform.
<b>Slave Free Alliance</b>	A social enterprise that works with victims, law enforcement agencies and businesses to help bring about a slavery-free supply chain.	Training and guidance on our ongoing approach to tackling modern slavery. See page 18 for more details on our activities in 2022.
<b>Stronger2gether</b>	A not-for-profit organisation that provides businesses with practical training, resources, business services and collaborative programmes.	We are sponsoring their Responsible Recruitment Toolkit to provide free training and support to suppliers and labour providers.
<b>UN Global Compact Child Labour Working Group</b>	A UN responsible business pact covering human rights, labour standards, anti-corruption and environment.	We report progress against the UNGC Ten Principles annually. In 2022, we participated in the Child Labour Working Group sharing examples of how we approach this topic.

# Looking to the future

**Tackling human rights and modern slavery risks is an ongoing process and we want to keep improving performance year on year. Our next priorities include:**

## Risk mitigation

Manage and mitigate risks within our supply chains by:

- reviewing and updating our Human Rights and related ethical policies in line with best practice and with input from Slave Free Alliance,
- completing the update to our GNFR risk matrix and identifying high priority factories for third-party ethical audits.

## Training

Continue to train, empower and raise awareness among colleagues on the risks and indicators of modern slavery by:

- rolling out our modern slavery e-learning module to Supply & Logistics teams and Group Procurement,
- adapting the e-learning module for other areas of the business focusing on colleagues working with our global supply chains,

- piloting a new ethical sourcing e-learning module 'Overview of Ethical Compliance' for Group O&S colleagues,
- rolling out the modern slavery section of our Code of Conduct training to all new colleagues.

## Supply chain transparency

Increase transparency within our global supply chains for both GFR and GNFR by:

- increasing the number of GNFR suppliers assessed by EcoVadis,
- making progress on our target of 100% disclosure of production sites by OEB suppliers,
- continuing to support our banner sustainability teams, in driving disclosure of production sites by non-OEB suppliers.

## Beyond audit and supplier capacity building

Extend our 'beyond audit' programmes including:

- implementing our horticulture and ceramics 'beyond audit' projects,
- rolling out direct worker reporting to additional suppliers in Turkey and the United Arab Emirates.



# Modern Slavery Act Transparency Statement approval

## Entities covered by this statement

This statement covers Kingfisher plc and all its subsidiary undertakings. This includes the following UK subsidiaries with a turnover of £36 million or above:

- B&Q Limited
- Kingfisher International Products Limited
- Kingfisher Information Technology Services (UK) Limited
- Screwfix Direct Limited

## Approval process

This Transparency Statement was approved by the Board of Directors for each entity, see below. It is signed by the Kingfisher Chief Executive Officer who is also a member of the Board of Directors.

**Thierry Garnier** Chief Executive Officer  
27 June 2023

## Date signed off by Board of Directors

Kingfisher plc: 27 June 2023

B&Q Limited: 21 June 2023

Kingfisher International Products Limited: 20 June 2023

Kingfisher Information Technology Services (UK) Limited: 20 June 2023

Screwfix Direct Limited: 20 June 2023

Slave Free Alliance has completed a review of Kingfisher's Modern Slavery Act Transparency Statement 2022/23. This included the structure and content of the Modern Slavery Statement and provided feedback in respect of compliance with current and proposed new UK legislative requirements and alignment with good practice. All observations and recommendations were fed back to Kingfisher as part of a separate report.

Kingfisher



castorama



SCREWFIX

