

# Modern Slavery Act

Transparency Statement  
2021/22

B&Q

SCREWFIX

Kingfisher



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

There are modern slavery risks for all businesses and global supply chains. We have a responsibility to understand these risks and we work in partnership with others, especially our suppliers, to identify and mitigate them.

## About this 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:

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

Our statement sets out the steps taken by Kingfisher plc, its UK operating companies and its UK retail banners, to prevent modern slavery in its own business and supply chain for the financial year ending 31 January 2022.

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## Glossary of abbreviations

We use the following abbreviations within this statement:

- **GFR – goods for resale.** The products we source from suppliers and sell to our customers.
- **GNFR – goods not for resale.** The products and services we buy to run our business, such as IT equipment for our colleagues and offices, cleaning services and logistics.
- **O&S – Group Offer & Sourcing.** This team drives the development and sourcing of our own exclusive brand products and manages global relationships with our top international brand suppliers.
- **OEB – Own Exclusive Brand products.** The products we design and develop ourselves that are sold across our banners.
- **Non-OEB –** local products and ranges sourced by our banners.

# Company structure

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

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

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

**82,000<sup>†\*</sup>**  
colleagues

**Over 1,470<sup>\*</sup>**  
stores

**8**  
countries

**£13.2 billion**  
total sales

1. B&Q UK & Ireland 312, Screwfix UK & Ireland 790.

2. Castorama 93, Brico Dépôt 123.

\* Turkey joint venture not included.

† Total, not full-time equivalent.

Map figures relate to store numbers in each country.

## Our markets and our stores

(at 31 January 2022)



# Responsibilities for modern slavery

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

**Board and executive level:** Our Responsible Business Committee has oversight of modern slavery risks. It is a subcommittee of our Kingfisher plc Board. It leads and oversees delivery of our Responsible Business strategy, setting our ambition and monitoring progress. The RBC is chaired by Non-Executive Director (NED) Sophie Gasperment. Its members are our CEO, a second NED, our Chief Offer & Sourcing Officer, our Chief People Officer and the CEO of Screwfix. The Kingfisher plc Board of Directors has ultimate responsibility for modern slavery.

**Group Responsible Business:** 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 recruited a dedicated Human Rights Manager to join the team in 2021, who reports to our Director of Responsible Business.

**Group Offer & Sourcing:** Our Group Offer & Sourcing (O&S) team drives the development and sourcing of our market-leading own exclusive brand products (OEBs) and manages global relationships

with our top international brand suppliers. Our Responsible Sourcing team within Group O&S is responsible for ethical sourcing of OEB and international brand products. It serves as a Centre of Excellence to support our retail banners on ethical sourcing – holding quarterly meetings with commercial directors and Responsible Business leads in each banner. Its members participate in our Modern Slavery Working Group and O&S Sustainability Forum. We have global sourcing offices in China, other Asian countries and Europe which implement our ethical sourcing approach at the local level.

**Our banners:** Our retail banners develop the category strategies and product range for their market to reflect local preferences, and are responsible for buying non-OEB products. Our banners are responsible for implementing our ethical sourcing programme for non-OEB products, supported by the Responsible Sourcing team within Group O&S.

**Goods not for resale:** Our Group Procurement team purchases the goods not for resale (GNFR) we use to run our business. Our GNFR Sustainability Manager works with the team to implement our ethical sourcing programme for GNFR (see page 4).

## Internal engagement and review for modern slavery



### Responsible Business Committee

A subcommittee of the Board, chaired by Non-Executive Director (NED) Sophie Gasperment. Has overall oversight of modern slavery risks.



### Modern Slavery Working Group

Chaired by our Human Rights Manager, the Working Group meets three to four times a year to oversee due diligence and disclosure on human rights and modern slavery. It brings together stakeholders from across the business who are working on ethical sourcing issues. Its action plan includes internal training, supplier training, supplier ethical risk assessment, ethical audit, supplier and colleague engagement, policy and reporting.



### O&S Sustainability Forum

Held every four to six weeks, the Forum brings together the sustainability representatives from Group O&S, sourcing offices and banners as well as our Human Rights Manager to share best practice and discuss operational issues in relation to ethical sourcing and other sustainability topics.



### 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 on Responsible Business and human rights.

# Our supply chain and sourcing approach

**We work with suppliers across the world to bring our customers great products at great prices, without compromising on our ethical standards.**

## Goods for resale (GFR) sourcing

In 2021, we purchased goods for resale (the products we sell to our customers) from over 3,100 suppliers across 65 countries. These include:

- **Own Exclusive Brand products (OEB)** – the products we design and develop ourselves that are sourced by Group O&S and sold across our banners. These account for 55% of our sales.
- **Non-OEB products ('Other/Unbranded')** – local products and ranges which are sourced by our banners. These do not carry a widely recognised brand name.
- **International Brand products ('Branded')** – products made by 24 international brands. These products carry a brand name that is widely recognised (e.g., Black & Decker, Bosch) and are generally sold across more than one market.

As a first step in our ethical sourcing programme, we aim for OEB and non-OEB suppliers to disclose all production sites supplying us with finished goods. Suppliers share this information with us via collaborative

platforms including Sedex (the online supplier data exchange) and Amfori BSCI.

Through our approach we prioritise OEB suppliers and in 2021/22, 80% of those suppliers disclosed their production sites to us. We are working towards our goal for all OEB suppliers to disclose sites to us. For non-OEB suppliers the figure was 48% and we are working with our banners to develop action plans to increase disclosure, working in collaboration with our supplier partners<sup>1</sup>.

In total, around 3,078 suppliers (409 OEB, 2,669 non-OEB) disclosed a total of 1,931<sup>2</sup> production sites (of which 370 supply OEB). We will be focusing on increasing disclosure during 2022/23 at both Group and banner level. Read more in 'Future plans' (page 14).

Our 24 major international brands have their own well-developed approaches to ethical sourcing. We carry out a desktop review to check that international brand suppliers have a broadly equivalent ethical sourcing process to our own, in line with our ethical audit requirements. We have completed this check for all 24 and our disclosure and audit data therefore does not include international brand 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

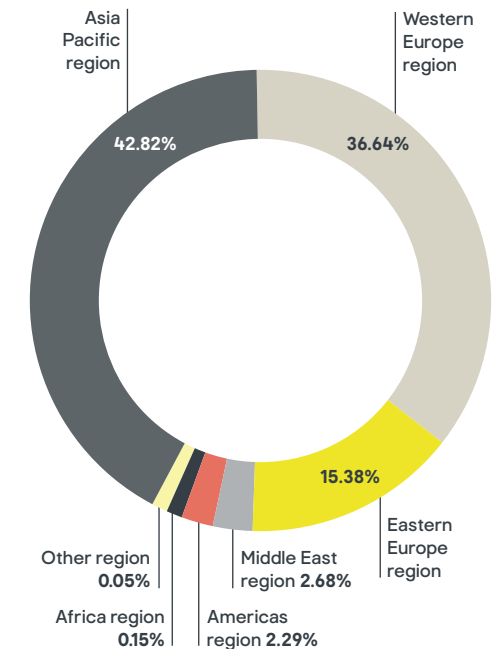
among indirect suppliers in key areas of our supply chain. We prioritise indirect supply chains using the results of our saliency and risk assessments. See 'Beyond audit' for examples.

## Goods not for resale (GNFR) sourcing

We source services and goods not for resale (GNFR) which support our business, such as IT equipment for our colleagues and offices, cleaning services and logistics. We focus our GNFR ethical sourcing approach on key suppliers with whom our annual spend is over £75,000. In 2020/21, we had around 1,370 key GNFR suppliers<sup>3</sup>; see page 10 for details of progress on ethical sourcing in GNFR. Most GNFR suppliers are based in Europe.

For GNFR suppliers with an estimated spend between £5,000 and £75,000, we conduct due diligence checks as part of our Vendor Engagement Assessment (VEA) process and any concerns identified are followed up. Adherence to our Responsible Business Requirements is an integral part of the contract negotiation process for all GNFR suppliers and this includes embedding a Human Rights & Modern Slavery Clause in supplier contracts.

## Goods for resale – supplier production sites by continent (%)



% Figures displayed above have been rounded.

<sup>1</sup> The pandemic, internal restructuring and changes to our data processes impacted our progress on achieving disclosure of production sites during 2021/22.

<sup>2</sup> We updated our data collection process this year to improve its accuracy, ensuring we only report on factories that we placed an order with during the year, rather than all suppliers/factories listed as active on our systems. This means our total number of active production sites is not comparable with previous years.

<sup>3</sup> Suppliers where our annual spend is over £75,000.

# Our policies

**We have clear policies and standards on human rights and modern slavery. All policies have been approved by members of our Group Executive and are regularly updated. They apply to all suppliers (GFR and GNFR).**

We aim to review our policies each year and update them where necessary. We made a number of updates to our policies in 2021/22, taking into account feedback from internal and external stakeholders including Slave Free Alliance. Key changes included integrating our Ethical Sourcing and Supplier Workplace Ethical and Environmental Assurance (SWEAA) Policy into our Human Rights Policy, clarifying the different roles, responsibilities and processes for ethical sourcing between our Group teams and banners, and making it clearer to suppliers that we require them to resolve all business-critical and critical non-conformances.

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

## Code of Conduct

Our Code of Conduct sets out personal and shared responsibilities for meeting high ethical standards. It promotes a culture of transparency, honesty and fairness. The Code includes a section on modern slavery and states our commitment to human rights and ethical sourcing. The Code applies to all Kingfisher colleagues, contractors and suppliers, and states that all employees have a duty to report any potential breaches of the Code.

See our [Responsible Business Report](#) for further details of how we work to ensure compliance with the Code.

## Human Rights Policy

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.

It states our commitment to implement due diligence procedures to avoid infringing on the rights of others (see 'Due diligence processes'). Our policy also includes a detailed section on ethical sourcing and our approach to ethical audits (see 'Due diligence processes').

## Supply Chain Workplace Standards

Our Supply Chain Workplace Standards set out minimum standards on labour practices and environment that our suppliers must abide by. These reflect the requirements of the Ethical Trading Initiative (ETI) Base Code and International Labour Organisation (ILO) fundamental Conventions on worker rights. They are also aligned to the audit standards set by Sedex and Amfori BSCI. They prohibit slavery and child labour and set out our expectations in areas such as health and safety, working hours and wages, and freedom of association.

Our ethical audits check supplier compliance with our Supply Chain Workplace Standards (see 'Due diligence processes').

## Whistleblowing

Our Whistleblowing Policy and hotline enable staff and suppliers to report any concerns, including about modern slavery and any other human rights violations (see 'Due diligence processes'). A new confidential whistleblowing hotline was put in place in 2021, followed by a Group-wide communication campaign aiming to encourage colleagues to raise ethical concerns. The Audit Committee of the Board receives regular updates about whistleblowing reports as well as the outcome of sensitive internal investigations.

## Embedding our policies into procurement

We embed the requirements of our policies, Code of Conduct and Supply Chain Workplace Standards into our procurement processes. This includes:

- Potential new suppliers are informed during the tender process of our Code of Conduct, policies and ethical audit requirements, so they can take these into account when deciding to quote to provide products or services.
- Supplier contracts include clauses on compliance with our Code of Conduct and related policies.
- Our Vendor Manual for all GFR suppliers summarises the key elements of our policies and ethical audit requirements.
- Our Factory Handbook (available in English and Chinese) provides guidance to support the implementation of our Supply Chain Workplace Standards at the factory level. It shows how the standards should be applied, reflecting local circumstances and regulatory requirements and summarises key aspects of labour law in China. We will be updating the Handbooks in 2022 to provide more detailed guidance in key areas. We also plan to develop versions for India, Malaysia, Taiwan and Vietnam in 2022.
- Training for our colleagues and suppliers (see [next page](#)).



# Employee and supplier training and awareness

**Training builds capability among our teams and our supplier base to implement our ethical sourcing standards.**

## Employee training and awareness

In 2021, our training for colleagues included:

- All new colleagues were required to complete a short online training module on modern slavery as part of our Code of Conduct training.
- Our Responsible Sourcing team within Group O&S delivered training on ethical sourcing to O&S colleagues in our banners.
- Castorama France ran several workshops to train their commercial teams on our minimum ethical sourcing standards.
- Slave Free Alliance trained Screwfix colleagues working in logistics, supply chain and quality on how to spot indicators of potential modern slavery and explored real-life case studies. See page 13 for more about our work with Slave Free Alliance.
- We run regular training sessions for the GNFR Procurement team on Responsible Business issues, including human rights. In 2021/22, three training sessions were held.

## Supplier training

We have an ongoing supplier engagement programme and provide training to help them 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.

Examples from 2021/22 include our work with the consultancy Elevate to provide training for suppliers in Asia on the responsible recruitment of migrant workers, see box page 12. Some opportunities for training had to be postponed during 2021 due to the pandemic as well as some supplier conferences and meetings. However, we continued to communicate with suppliers throughout this period.

We are also sponsoring the Responsible Recruitment Toolkit from Stronger Together, an industry collaboration. This provides a package of free training and support to help suppliers and their labour providers to embed responsible recruitment practices. It provides good practice guidance based on global standards and includes a self-assessment process to help suppliers monitor and improve progress among their labour providers. We have started to offer the Toolkit to suppliers that use labour providers. Sixteen are currently registered and using the tool. We aim to roll it out further across our European supply base, prioritising those suppliers that use labour providers.



# Risk assessment

## We have a large global supply chain, so we take a risk-based approach to human rights and modern slavery risks.

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

More information on our approach to risk assessment in sourcing is included in '[Due diligence: ethical audit](#)'.

## Our salient human rights issues

We have identified 10 salient human rights issues across our business and supply chains, as defined by the UN Guiding Principles Reporting Framework. These are modern slavery; child/underage labour; freedom of association/collective bargaining; health and safety; wages/working hours; land rights; depletion of natural resources; air, water and land pollution; impacts of climate change; and discrimination.

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

Our assessment of salient risks and gaps was informed by engagement with almost 100 colleagues around 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 United Nations 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. We are using the findings from our saliency assessment to update our human rights action plan.

## Risk assessment for GFR

We use a number of risk assessment tools to target our supplier ethical audits on the highest-risk countries, sectors and locations (see '[Due diligence: ethical audit](#)').

## Risk assessment for GNFR

We regularly review human rights risks in GNFR taking into account 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.

The key risk areas we have identified include businesses providing contracted services such as construction, cleaning, security and logistics, particularly where labour providers are used. Our due diligence for GNFR suppliers is summarised on page 10.

## Risk assessment for our operations

Our human rights saliency assessment and our work with Slave Free Alliance, indicates there is a low risk of modern slavery occurring in our business operations and among our direct employees. 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 GNFR programme (see page 10).

## Risk assessment and due diligence for new acquisitions and partnerships

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 together (including with franchise partners and joint ventures) 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 Responsible Business policies into partnership agreements. As part of the due diligence process, our Human Rights Manager works closely with our acquisitions and commercial teams to review potential risks and to put in place measures to mitigate these.

In the last two years we have agreed a number of new partnerships and acquisitions including a franchise agreement with Al-Futtaim, establishing the B&Q Marketplace (an ecommerce platform) and entering a joint venture in France with NeedHelp (an online DIY services marketplace). All of these were subject to our due diligence processes with human rights and modern slavery policies embedded into contracts.

## Due diligence in practice

B&Q has entered a franchise agreement with Al-Futtaim to open stores in the Middle East.

Al-Futtaim is a well-established and respected franchise retailer in the Middle East, with a history of successful partnerships with a wide range of retailers. Before starting any commercial and legal discussions with Al-Futtaim, we conducted due diligence on their policies and practices. As part of the franchise agreement, Al-Futtaim is obliged to adhere to key Kingfisher policies which include our Code of Conduct and IT security, human rights, ethical sourcing, and environmental policies. These requirements are further supported by our detailed Franchise Manual, which includes a 'right to audit' clause. A transparent working relationship with Al-Futtaim means we reserve the right to monitor and audit key practices to ensure both compliance with our policies and that breaches will be acted upon and corrected. We have also carried out training on our diversity and inclusion policies for store managers and other colleagues working in the Al-Futtaim franchise stores.



# Due diligence: ethical audit

**Our due diligence for modern slavery issues in our GFR supply chain includes ethical risk assessment processes, ethical audits, supplier training and engagement, and collaboration with human rights experts and others in our sector. Our due diligence approach for GNFR is explained on page 10.**

## Ethical audits – goods for resale (GFR)

We aim to improve ethical standards in our supply chain through our supplier engagement and ethical audits for high-risk production sites of finished goods across our OEB and non-OEB supply chains.

We use a number of risk assessment tools to target our supplier ethical audits on the highest-risk countries, sectors and locations. These include:

- **Ethical risk matrix:** Our ethical risk matrix uses data from Verisk Maplecroft to help identify the high-risk product areas and countries in our GFR supply chain.
- **Sedex and Amfori BSCI:** We also use the Sedex and Amfori BSCI platforms to help us assess risks for GFR production sites. Sedex,

for example, provides two indications of risk for each production site – an inherent risk based on sector and country, and a self-assessment risk based on a site's response to the Sedex Self-Assessment Questionnaire (SAQ). By the end of the year, 818 high-risk production sites (or 85% of identified high-risk production sites) had fully completed the Sedex SAQ.

We ask each production site identified as high-risk to undergo an ethical audit which meets the specific 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 set out in our [Ethical Sourcing Vendor Guidelines](#).

We aim for sites to undergo an ethical audit at least once every two years or more frequently depending on the audit grade they receive<sup>1</sup>. 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.

## Ethical audit roll-out

During 2021, 961 production sites (294 OEB and 667 non-OEB production sites) were identified as 'high risk' (this equates to 50% of production sites disclosed to us via Sedex or other platforms). Of these, 804 production sites had completed an ethical audit within the past two years. This equates to 84% of the 'high risk' sites disclosed to us (92% of sites supplying OEB products and 80% for non-OEB products).<sup>2,3</sup>

## Ethical audit – addressing business-critical issues

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 remediation action plan. We agree a timescale for implementation.
- **Engagement** – depending on the nature of the issue, a member of our 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 remediation action plan and we agree enough time for them to develop their knowledge and implement changes. As a last resort, we cease to trade with factories if they don't work with us to address business-critical issues.

See ['Ethical audit results – effectiveness of measures'](#) for details of how we have worked with suppliers to remediate business-critical issues in 2021/22.

<sup>1</sup> Any sites with business-critical, critical or four or more major non-conformances should have a re-audit within 12 months.

<sup>2</sup> Our audit data covers 80% of OEB sites and 48% of non-OEB suppliers.

<sup>3</sup> As outlined on page 4, our disclosure and audit data does not include international brand suppliers. However, if a production site produces goods for both international brands and Kingfisher OEB products then it is included within our disclosure and audit data.

Ethical audit – the impact of Covid-19

During the pandemic it has often not been possible to carry out physical audits due to Covid-related travel restrictions, national and local lockdowns in our markets and sourcing regions, and the need to change some working practices to ensure the safety of colleagues and suppliers.

We engaged with the Sedex Working Group to support the use of Sedex Virtual Assessments (SVAs) for factories which could not be visited in person. We accepted SVAs as an alternative to an ethical audit for existing suppliers, with the audit result valid for one year, rather than the usual two years. Where possible, we continued to conduct physical audits.

We also used a SVA for one new supplier, with a new factory in China, in conjunction with worker voice surveys, see page 12.

We surveyed suppliers in China, Taiwan and Vietnam on their response to the pandemic to find out which measures they were putting in place to protect worker health. We shared guidance and supported suppliers to improve their safe working procedures where necessary.

Ethical audit results – 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. We track audit findings and progress on remediation to monitor the effectiveness of our ethical audit programme. We are establishing a baseline for the percentage of total non-conformances closed out each year and expect to report this from 2022/23.

Business-critical issues in 2021/22

In some cases, an audit finds that suppliers don't meet our minimum standards. This means they have one or more business-critical non-conformances or four or more critical non-conformances (the most serious breaches of our standards).

During 2021/22, nine production sites of finished GFR did not comply with our minimum standards.

We were able to work with eight of these sites to resolve the non-conformances. The remaining site has uploaded evidence of their corrective actions, and at the end of the reporting period these were still pending auditor review with some items requiring a follow-up audit.

We also track total non-conformances under the heading 'employment is freely chosen' of which there were 21 during 2021/22. One of these was business critical – see below.

During 2021/22, there was one business-critical non-conformance under the heading 'employment is freely chosen'. This related to a site in Malaysia where migrant worker passports were held for safekeeping by the facility manager. Following our discussions with the factory, they returned passports to workers. This was verified through a follow-up audit.



Data covers sites that have had at least one business-critical non-conformance in the past two financial years.

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 and benefits, and environmental factors. Our data is currently for Sedex audits only but we expect to be including Amfori BSCI audits from next year.

Non-conformances	Number
Health, safety and hygiene	2,822
Working hours	537
Wages	341
Environment	225
Management systems	214
All other non-conformance categories	365

Note: data covers production sites disclosed to us that are registered and linked to Kingfisher on Sedex. It covers all Sedex ethical audits carried out in 2020/21 and 2021/22.



## In practice: addressing business-critical issues

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.

### Potential child labour

In 2021, during an ethical audit at a glove factory in China an auditor found two children aged 11 in the packing area of the factory. A member of our Responsible Sourcing team immediately visited the supplier together with the auditor to carry out a further investigation. The investigation included a document review, interviews with factory management and the children's family, checking surveillance videos, and obtaining attendance proof from the children's school.

The investigation concluded that the children were visiting relatives at the factory during their school lunchbreak and that the factory was not using underage workers. We have worked with the factory to ensure it improves its safety and control procedures to prevent unauthorised

access to the factory. We also met with the children's families to explain the potential health and safety risks from children visiting the factory.

The follow-up audit showed that the supplier had addressed this non-conformance.

### Fire safety

During an audit at a production site in Turkey, the auditor found that there were not enough fire exits for the size of site and number of workers. Following the feedback from the audit, the site installed additional fire exits and the follow-up audit confirmed this business-critical non-conformance had been closed out.

### Poor record keeping

During an ethical audit at a production site in China in 2021, the auditor identified falsified, duplicate and incomplete working hour / time records and inconsistencies between records. The factory was required to improve its record keeping systems and practices and a follow-up audit confirmed it had addressed this non-conformance.

## Ethical sourcing – goods not for resale (GNFR)

We work with EcoVadis, a sustainability ratings platform, to help us assess and manage risk in our GNFR supply chain – focusing on our key suppliers where our annual spend is over £75,000<sup>4</sup>. Suppliers over this spend threshold that are awarded contracts are required to complete the EcoVadis assessment 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.

We have added the EcoVadis assessment request as a requirement in our tender process for suppliers over £75,000. Suppliers must meet a minimum score threshold (Bronze level) within a year of the assessment. All suppliers who do not meet the EcoVadis Bronze level must put an action plan in place to improve and complete a re-assessment within 12 months. We have been supporting suppliers to implement their improvement plans and address any non-compliances with our policies.

In 2021/22, we met our target to assess 85% of our GNFR spend (with suppliers with whom we spend over £75,000). The average supplier score was 59 out of 100, a Silver rating<sup>5</sup>. Suppliers that continue to work with us must complete a re-assessment within 12 to 24 months, depending on their score.

Our contracts with GNFR suppliers include a 'right to audit' clause. We plan to complete a number of supplier audits during 2022/23, focusing on higher-risk categories such as cleaning services, logistics, uniforms, construction and facilities.

**“We work with EcoVadis, a sustainability ratings platform, to help us assess and manage risk in our GNFR supply chain.”**

<sup>4</sup> Our policies apply to all GNFR suppliers; however, we prioritise those with whom we spend over £75,000 to complete an EcoVadis audit.

<sup>5</sup> The EcoVadis overall score (0–100) reflects the quality of the company's CSR management system at the time of the assessment. The EcoVadis CSR recognition levels are based upon the percentile ranking of the company's EcoVadis score. Silver represents the top 25% of companies.

# Due diligence: whistleblowing and escalation

**Our Whistleblowing Policy and hotline system enable staff and suppliers to report any concerns, including about modern slavery and any other human rights violations, securely and without fear of recrimination. Our independent and confidential whistleblowing hotline is available to all employees and suppliers. See ‘SpeakUp’ on Kingfisher.com.**

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. The Board of Directors and the Audit Committee receive regular reports on whistleblowing cases and trends.

There were no reports relating to modern slavery made via our whistleblowing line in the 2021/22 financial year.

Employees learn about our hotline through our annual compliance training including guidance on the types of issues they can report. During 2021/22, we also ran an awareness campaign to encourage more colleagues to report concerns via the hotline, including videos from our senior leaders. This resulted in a significant

increase in reports, with 380 in 2021, compared to 155 reports in 2020.

We also trained colleagues responsible for investigating reports and switched to a new hotline provider. This will enable us to better track the types of cases being reported and to identify trends.

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 Supply Chain Workplace Standards and our ethical audits check that suppliers have grievance mechanisms in place.

We are also using worker voice surveys to supplement some audits, see page 12.

## 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 Sourcing teams.





# Due diligence: beyond audit

**Our Human Rights Policy includes a commitment to go ‘beyond audit’ – working in partnership with stakeholders including suppliers, peer companies and nongovernmental organisations to find solutions to human rights issues.**

We are working on several such projects to identify and address human rights risks across our extended supply chain.

## Worker voice survey

We’ve been working with &Wider, a worker engagement company, to hear directly from factory workers during a virtual audit at a new glove factory in China.

Workers were able to scan a QR code from posters displayed in the factory. They could then respond to a survey giving their views anonymously on working practices including in relation to working hours and wages, health and safety, wellbeing, labour rights and freedom of association, and any abuse or unethical practices they had encountered.

The results showed high levels of satisfaction in relation to aspects such as health and safety, rest times and medical treatment. It also showed some lower scoring areas such as wages that we plan to work with the factory to address. We were able to use the worker feedback alongside findings from the virtual audit to develop an action plan for the factory.

A follow-up worker voice survey took place three months later enabling us to see whether feedback was being implemented. Follow-up surveys are important because workers are likely to become more confident about sharing their views over time as they see how the factory is using the survey results.

Further follow-up surveys are taking place at the factory in 2022 and we are exploring opportunities to extend the use of worker voice surveys to other locations.

## Managing risks across our forestry supply chain

Human rights risks can be more significant further up the supply chain, including among raw material suppliers and the producers and processors they work with. While we do not have direct relationships with these organisations, we can, in some cases, help to influence standards in our extended supply chain.

For example, we require the wood and paper used in our products to be responsibly sourced, meaning it is certified to schemes such as FSC® and PEFC™ or is certified/verified as recycled. Both the FSC® and PEFC™ certification schemes prohibit all forms of forced or compulsory labour and include a range of social and human rights requirements relating to workers’ rights, health, safety and labour issues in the supply chain.

We are also a member of the Leather Working Group which aims to improve standards and traceability in the leather supply chain.

Leather production can be associated with deforestation (to clear land for cattle) and related human rights risks.

More information on wood and paper and leather is included in our Responsible Business Report (see [our website](#)).

## 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, 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 have also carried out an audit visit for one supplier to check implementation.

Six suppliers with 16 sub-contractors have joined the project which is helping to improve awareness of roles and responsibilities in relation to ethical compliance in the extended supply chain.

## Responsible recruitment of migrant workers

Migrant workers are often vulnerable to exploitation and at risk from unethical recruitment and labour practices. High recruitment fees paid to agents are one example and can result in workers being unable to leave their jobs because they can’t repay the debt. Our audit results show that this is a particular challenge among our suppliers in Taiwan and Malaysia.

During 2021, we worked with Elevate, experts in responsible recruitment, to engage suppliers in Taiwan on responsible recruitment of migrant workers, reinforcing our policy that no workers should pay recruitment fees at any stage of the recruitment process.

We surveyed our 22 active suppliers in Taiwan to understand their approach and current practices in relation to migrant workers. This found that most suppliers were using migrant workers and some were charging recruitment fees. Next, we ran training for suppliers on legal requirements and Kingfisher expectations. Further training and follow-up audits with higher-risk suppliers will take place in 2022 to ensure suppliers are not charging recruitment fees.

In future, new suppliers in Taiwan will complete the training before they start working with us. We are extending the project to suppliers in Malaysia, starting with training held in late 2021.

# Working with others

**We work with partners to address human rights and modern slavery risks and participate in several groups aimed at improving standards across the retail sector.**

For example:

- We have a partnership with **Slave Free Alliance**, a victim-focused social enterprise developed by anti-slavery charity Hope for Justice (see box).
- We are a member of an **EDRA (the European DIY Retail Association) Working Group**, which aims to develop a collaborative approach to responsible sourcing within the home improvement retail sector.
- We are members of the **BRC Working Group on Ethical Labour and Responsible Sourcing** and we are signatories to **Better Retail, Better World**, a collaboration led by the BRC aimed at supporting the UN Sustainable Development Goals (SDGs) in areas including modern slavery and decent work. We are also a member of the **UN Global Compact** and report progress against its 10 principles annually in our Responsible Business Report.
- We helped establish the **Indirect Procurement Human Rights Forum** to promote collaboration with other businesses and Sedex on ways to understand and address risks associated with GNFR. For example, it has developed a set of standards for labour providers. We are one of 11 core members who meet on a quarterly basis.

- We're working with **Elevate**, experts in responsible recruitment, on a project to help improve working conditions and protect the human rights of migrant workers in the Far East.
- We're working with **Stronger Together** to sponsor the Responsible Recruitment Toolkit (see 'Supplier training').



## Partnering with Slave Free Alliance

Modern slavery is a complex issue – to help strengthen our capabilities, we're working in partnership with Slave Free Alliance, 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.

To date, Slave Free Alliance have shared their expertise and experience to help us to:

- Develop training content for suppliers, focusing on the indicators of modern slavery.
- Provide awareness training around modern slavery risks for our supply chain, logistics and quality teams.
- Update our human rights approach, policy and action plan including in relation to governance, training, supplier engagement, ethical audits and due diligence.

Slave Free Alliance also met with our Responsible Business Committee in 2021 to discuss their work with us and to share best practice from around the world.





## Future plans

**Improving standards in the supply chain is an ongoing process. We will continue to roll out our ethical audit programme and further strengthen our risk management and due diligence processes for modern slavery, within our business and in partnership with others.**

Over the next two years, our priorities are to:

- Fully map our supply chain production sites. This is an ongoing process. Our initial focus is to complete the mapping of our OEB suppliers.
  - Continue to improve our supplier data to help us assess risk and meet our commercial procurement, Responsible Business and reporting needs.
  - Develop action plans in our banners to increase disclosure of non-OEB production sites and monitor progress.
  - Extend the use of worker voice surveys to more production sites.
  - Add a section on ethical sourcing to the supplier scorecard used by our commercial teams for OEB GFR.
  - Roll out further training and tools on modern slavery to colleagues in our sourcing regions and our banners, including with our partner Slave Free Alliance.
- Roll out the Responsible Recruitment Toolkit to more suppliers in the UK and Europe, prioritising those that use labour providers.
  - Continue to roll out EcoVadis assessments to GNFR suppliers and support low-scoring suppliers to improve.
  - Continue our work with external partners to protect the human rights of migrant workers in our global supply chain.



# 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
- B&Q Properties 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  
22 June 2022

### Date signed off by Board of Directors

Kingfisher plc: 22 June 2022

B&Q Limited: 25 May 2022

B&Q Properties Limited: 6 June 2022

Kingfisher International Products Limited:  
26 May 2022

Kingfisher Information Technology Services  
(UK) Limited: 14 June 2022

Screwfix Direct Limited: 30 May 2022

DNV Business Assurance Services UK Limited completed a review of Kingfisher's Modern Slavery Act Transparency Statement 2021/2022, and found it to be complete, detailed and transparent. The review confirmed Kingfisher had met the UK Home Office Statutory Guidance for England and Wales (under s49 of the Modern Slavery Act 2015). Their observations and areas for improvement were raised in a separate report to Kingfisher.

Kingfisher



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SCREWFIX

