

UK Gender Pay Report 2017: B&Q plc

B&Q is part of the Kingfisher Group and we are committed to being a fair and diverse employer. We employ c.25,000 people in the UK and ROI, aged from 16 to 89 and last year recognised over 3,400 staff who reached a length of service milestone between 5 and 40 years. We welcome the greater transparency on this issue driven by the new gender pay regulations. We are focused on enabling all employees, regardless of gender, race, background or any other characteristics to reach their full potential and believe that having a diverse workforce, with fair representation is strategically important and generates value for all our stakeholders. We are continuing to make progress and have included some of our current and future initiatives below.

At B&Q, we embrace flexibility in working patterns and are proud to be part of the independent Timewise retail pioneer programme pilot to identify the constraints on working part-time in senior store roles and come up with ways to overcome them. We have reward practices which remove any bias and are proud of having a median pay gap which is well below both the overall and retail sector benchmarks.

This report sets out our gender pay figures for B&Q plc for 2017, prepared in line with the UK Government's methodology. In addition to setting out the key gender pay figures this report provides context as to the significance of the figures and the actions we are taking to improve them.

The table below shows B&Q's median and mean hourly gender pay gap (as at 5th April 2017) and bonus gap (for the 12 months to 5th April 2017).

Bonus and pay gap	Median	Mean
Hourly pay	2.0%	8.8%
Bonus	-23.1%	28.9%

Proportion of employees receiving a bonus:

The diagram below shows that broadly the same proportion of men and women received a bonus.

The above figures show the difference between average hourly and bonus pay levels for women at B&Q compared to men. For the pay gaps, a positive % indicates the extent to which women earn, on average, less per hour and a negative % indicates how much women earn more per hour than their male counterparts. The calculations above include all elements of pay as defined in the regulations. The mean pay and bonus figures are affected by the higher pay for our senior management, many of whom are male. In contrast, the median gap reduces the impact of this and is therefore much lower at 2% and considerably below the national average.

Similarly, the median bonus gap is negative (the median woman is paid more than the median man), whilst the mean bonus gap is positive. The calculations required for the bonus gap do not take into account that part time workers or individuals that joined during the year have a lower apportioned bonus opportunity. We are confident that we pay people fairly, irrespective of their gender. The proportion of women receiving a bonus in our organisation is broadly the same as that of men.

Pay quartiles:

These charts show the proportion of males and females across B&Q in four equally sized groups, sorted by level of pay.

M Male F Female

This analysis shows that our gender pay gap is driven by a lower level of female representation in senior roles within the Company.

Our planned approach to improve our gender pay gap

We will continue to remove barriers which prevent females reaching senior roles and store management positions. We have updated legacy practices to ensure that our reward structures are fair, consistent and free from bias on any grounds.

B&Q and the wider Kingfisher Group have taken several steps already to address the diversity of our workforce. As part of our continued efforts, we are currently in the process of:

- Continuing to review our recruitment processes and colleague experience to promote fairer hiring practices;
- Looking at more than just gender. We are working to ensure we have fair representation across different ethnicities and other characteristics.

Across our business we have robust and strong reward processes, maintaining these will support us in ensuring we are fair to all.

Kingfisher and B&Q are committed to fairness across all aspects of our business. We will be working on the opportunities arising from gender pay reporting across our whole business, not just in the UK and are considering ways to analyse our gender pay gap across the Group internationally. We also aim to investigate the pay gaps for different ethnicities and other characteristics. This ongoing analysis will ensure we are pro-actively managing our pay fairly and equitably.

Kingfisher and B&Q are considering new and different ways to achieve our diversity goals. Our colleague experience is a key priority for us and we're trialling a number of initiatives to improve how we hire people and how they can progress in their career at Kingfisher. These include changing how we write job adverts; introducing programmes to help women returning to work and reviewing benefits for parents within the Kingfisher Group; making more senior store jobs open to flexible working and reduced hours. As part of our leadership development programmes we will help leaders understand the importance and benefits of building inclusive teams, and understand the concept of unconscious bias.

The information contained herein is confirmed as accurate by Karen Witts, Chief Financial Officer, Kingfisher plc.