

UK Gender Pay Report 2020: B&Q Limited

B&Q

B&Q is part of the Kingfisher Group and we are committed to being a fair and inclusive employer. We welcome the greater transparency on this issue driven by the gender pay regulations. We are focused on enabling all colleagues, 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.

This report sets out our gender pay report for B&Q for 2020, prepared in line with the UK Government's methodology.

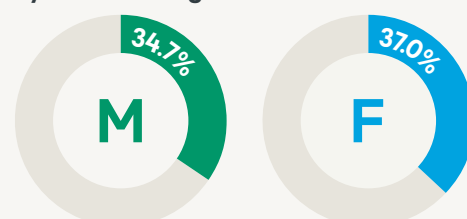
To ensure alignment with UK regulations, we have not included any colleagues who were on furlough as at 5th April 2020 in our hourly pay gap and pay quartile analysis. This is because these colleagues received less than their normal pay. As this equates to c.40% of the UK B&Q workforce, we also undertook further analysis in which these colleagues were included. This analysis confirmed that their inclusion would have not changed the findings of this report.

The table below shows B&Q's median and mean hourly gender pay gap¹ (as at 5th April 2020) and bonus gap (for the 12 months to 5th April 2020).

Bonus and pay gap	Median	Mean
Hourly pay	1.1%	9.5%
Bonus	0.0%	53.6%

Proportion of employees receiving a bonus:

This diagram 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 hourly pay gap is a result of the higher pay offered to our senior management, a higher percentage of whom are male. As senior management only makes up a small proportion of the overall colleague

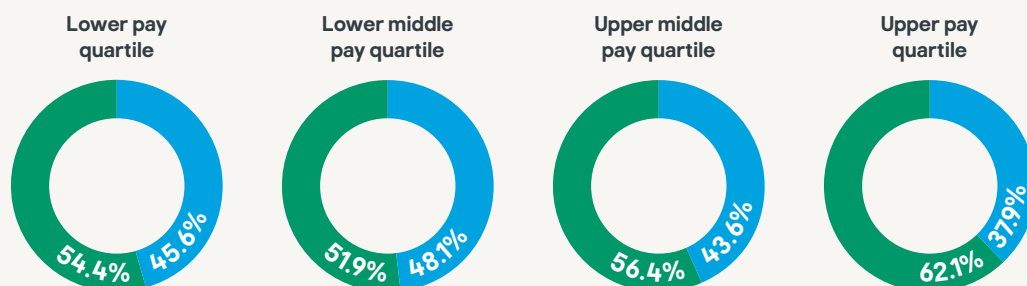
population the median hourly pay gap is significantly lower at 1.1%. This is considerably below the national average. Similarly, the median bonus gap is much lower (with no difference between the genders) than the mean bonus gap. As shown in the charts above, the proportion women receiving a bonus in our organisation is broadly the same as that of men.

We are confident that the differences in our gender pay gap figures are driven by lower female representatives in senior roles and not by our reward policies. We also undertake regular checks to ensure no gender bias is applied across the same roles at the same grade.

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



Our planned approach to improve our gender pay gap

As outlined in previous years to improve our gender pay gap we are focused on improving our female representation in senior leadership. We continue to take steps to address this through:

- Talent processes and practices that make sure we have inclusive job adverts, balanced recruitment shortlists and succession plans that reflect the representation we want to achieve.
- Leadership development that supports our leaders to have a greater awareness of bias, the value of building diverse teams and how to be inclusive leaders.
- Colleague led network groups and listening initiatives that help us to understand the lived experience of our diverse colleagues including gender.
- External partnerships including the 30 percent club where we have a number of mentors and mentees participating to support the progression of women in leadership.

This year, as part of launching our new 'Powered by Kingfisher' strategy, we have created a comprehensive and holistic inclusion plan that is sponsored by the Group Executive and has led to several planned initiatives that will come to fruition over the coming months at Group and B&Q:

- B&Q, along with other Kingfisher banners each have a three year inclusion plan directly linked to our strategy at Group. At B&Q, a culture review was undertaken by Green Park, a specialist Diversity and Inclusion agency, which resulted in a detailed report used to inform our strategy and plan.
- Appointment of a new Kingfisher Group Head of Inclusion and Diversity to drive the agenda for the group at pace and offer best practice expertise.
- Formation of a group wide Inclusion Advisory Board that will shape, guide and champion the inclusion plans across the organisation. At B&Q we have also introduced a Colleague experience team, focusing on developing and delivering our inclusion plan.
- Commitment to representation targets that will form part of bonus payments for leaders.
- Continued education of our leaders, on all areas of inclusion and supporting them to create an environment where everyone belongs.
- Our annual engagement survey will be refreshed to incorporate inclusion and give us insight into how we can further improve.

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

¹ In line with regulations, an hourly pay figure had to be calculated for each applicable employee regardless if they are paid hourly or not.