

# Modern Slavery Act

transparency statement  
2019/20



**At Kingfisher, we respect human rights and do not tolerate any form of modern slavery. However, we recognise that no supply chain is without risk of modern slavery and it is our responsibility to ensure we understand these risks and work in partnership with our suppliers to identify and mitigate them.**

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, forced labour and human trafficking (together known as modern slavery).

It sets out the steps taken by Kingfisher plc and its UK operating companies, to prevent modern slavery in its own business and supply chain for the financial year ending 31 January 2020.

Our statement covers the six areas outlined in the legislation and takes into account good practice, including Home Office guidance.

#### Responding to COVID-19

The impact of the COVID-19 pandemic did not directly affect the contents of this statement which covers the time period 1 February 2019 – 31 January 2020. However, the pandemic presents a huge challenge to society, to business and to all our colleagues, customers and suppliers, and will have a dramatic impact on demand and our supply chains.

At the time of publication, we don't yet know the full scale of this impact, but we remain committed to supporting our communities, including our suppliers, and governments to manage the COVID-19 pandemic, and to ensuring the ongoing health and safety of all our colleagues and customers.

#### Company overview

Kingfisher plc is a home improvement company with over 1,350 stores in nine countries across Europe.

We employ 77,000 people and nearly six million customers shop in our stores and through our websites and apps every week.

At Kingfisher, our purpose is to make home improvement accessible to everyone.

**77,000**  
Colleagues

**1,350+**  
Stores

**9**  
Countries

**6 million**  
Customers every week

**£11.5 bn**  
Total sales

## Our stores



## Our business structure and strategy

**Kingfisher is a multiformat retailer. Our retail businesses occupy number one or two positions in our core home improvement markets of the UK, France and Poland with over 90% brand awareness.**

Over the last four years, Kingfisher has leveraged its collective buying and sourcing scale and developed our own exclusive brands to differentiate us from our competitors and drive sales and gross margin growth.

To serve customers effectively today, we need to be digital and service orientated, while leveraging our strong store assets. Under our new strategic plan, Powered by Kingfisher, we will utilise our core strengths and commercial assets, and 'power' our distinct retail formats in order to address the significant growth opportunities that exist within the home improvement market, returning the business to growth.

1. B&Q UK & Ireland 296, Screwfix UK & Ireland 686.  
 2. Castorama 100, Brico Dépôt 121.  
 3. Turkey joint venture not consolidated.

## Our supply chain

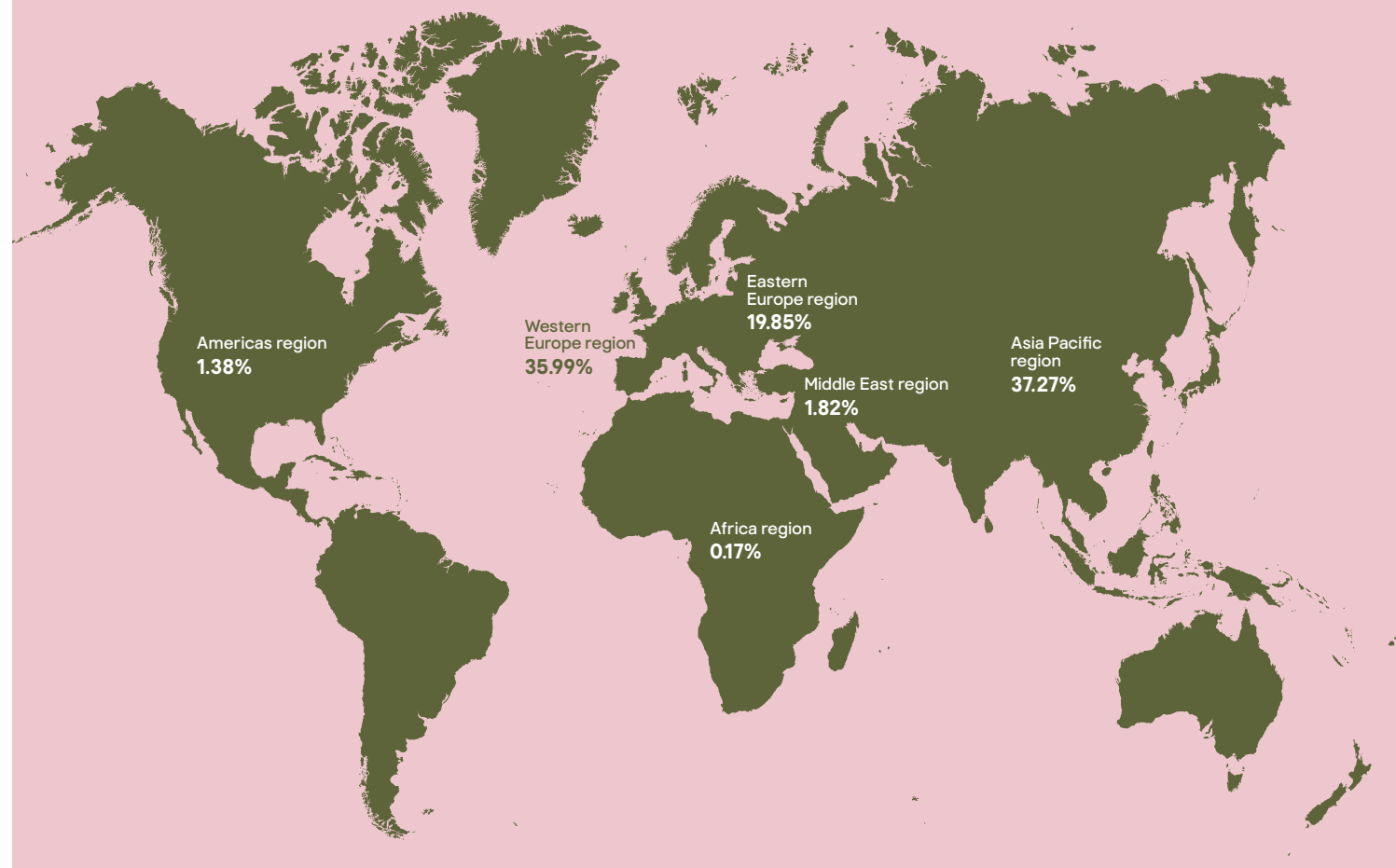
The products we sell are currently sourced globally from around 3,250 suppliers that are listed on our system in 61 countries and there are around 2,970 known production sites that supply us with finished goods.

The map shows the percentage of production sites by continent based on data disclosed to us by suppliers via Sedex (the online supplier data exchange).

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. Read more in [‘Assessing risks among materials suppliers’](#).

We also source goods and services not for resale (GNFR) with our 1,000 top suppliers accounting for around 85% of GNFR spend.

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



## Our target

**We aim to support human rights in our supply chain and have one target relevant to our work in this area (see table).**

We support a number of external initiatives that aim to protect and promote human rights. We are committed to playing our part in working towards the United Nations Sustainable Development Goals (SDGs) and are a signatory to 'Better Retail, Better World', the British Retail Consortium (BRC) commitments on the goals. We are also a member of the UN Global Compact and report progress against its 10 principles annually in our Responsible Business Report.

We believe it is important to report openly on our approach and progress. Our Modern Slavery Act Transparency Statement was ranked 16th in the 2019 Global Governance FTSE 100 League Table compiled by the non-profit Development International.

Target	Progress in 2019/20
<b>Ensure all suppliers meet our ethical and environmental standards by 2020.</b>	904, or 68%, of our high-risk production sites have had an ethical audit in the past two years. 62% of our suppliers are currently registered on Sedex, the online supplier data exchange ( <a href="http://www.sedexglobal.com">www.sedexglobal.com</a> ).
To monitor progress, we require high-risk production sites of finished goods for resale to have an ethical audit by 2020. We assess our suppliers of GNFR using the EcoVadis assessment.	Unfortunately, this means that we are currently not on track to meet our target. We are, however, continuing to focus our efforts on auditing high-risk production sites, and we will review our approach in 2020/21.
	230 GNFR suppliers completed an EcoVadis assessment. These suppliers represent 42% of our spend with our top 1,000 GNFR suppliers.
	See ' <a href="#">Due diligence processes</a> ' for further details.

**We are committed to playing our part in working towards the United Nations Sustainable Development Goals and are a signatory to 'Better Retail, Better World', the British Retail Consortium commitments on the goals.**

# Company policies

**Our policy framework addresses human rights and modern slavery and is supported by training. Our key policies and standards include:**

## 1. Code of Conduct

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

Our Code forms part of the contractual terms and conditions for all employees and is integrated into training (see page 15). Our compliance network, including a compliance officer in each operating company, helps us implement our Code.

Our internal audit function monitors compliance among businesses to the Code requirements, using a risk-based approach to plan their work. The Audit Committee of the Board of Directors receives regular updates on the outcomes from our internal audits.

## 2. 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 sets out our commitment to implement due diligence procedures to avoid infringing on the rights of others (see '[Due diligence processes](#)').

## 3. Supply Chain Workplace Standards

Our Supply Chain Workplace Standards explain the ethical standards we require from suppliers. These are aligned with the Code used by Sedex in the Sedex Members Ethical Trade Audit (SMETA). This includes the Ethical Trading Initiative (ETI) Base Code and additional elements agreed by the Sedex Stakeholder Forum. 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](#)').

## 4. Ethical Sourcing Policy

Our Ethical Sourcing and Supplier Workplace Ethical and Environmental Assurance (SWEEA) Policy sets out our approach to ethical audits. The policy requires all high-risk production sites of finished goods for resale to have an ethical audit by 2020.



We review our policies annually and update them where necessary. During 2020, our policies relating to human rights and modern slavery will be reviewed by Slave Free Alliance, a social enterprise and membership initiative launched by anti-slavery charity, Hope for Justice, see page 8. Our policies have been approved by members of our Group Executive. You can read our policies at [www.kingfisher.com/sustainability/policies](http://www.kingfisher.com/sustainability/policies)

More information on our governance and control framework is in our Annual Report and Accounts, available at [www.kingfisher.com/investors/company-reports](http://www.kingfisher.com/investors/company-reports)

### Embedding our policies into procurement

We embed the requirements of our policies, Code of Conduct and Supply Chain Workplace Standards into our procurement processes in a number of ways:

- 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 quoting to provide products or services.
- Supplier contracts include clauses on compliance with our Code of Conduct, policies and standards. Our buying offices review compliance with our ethical audit requirements before any vendor is offered

- a contract to supply goods for resale.
- Our Vendor Manual for our goods for resale summarises the key requirements of our policies and ethical audit requirements. It is usually shared with vendors when we request a quotation.
- Our Factory Handbook for China, which provides details of our Supply Chain Workplace Standards and shows how these should be applied in the factory reflecting local circumstances and regulatory requirements, is available in English and Chinese and on our website. Over 300 printed copies of the Handbook have been distributed to suppliers in the Far East. We will publish Factory Handbooks for suppliers in Vietnam and India during 2020 which also summarise key aspects of local labour law. See [www.kingfisher.com/en/sustainability/supplier-resources](http://www.kingfisher.com/en/sustainability/supplier-resources)
- Training for our colleagues (see page 15) and suppliers (see page 11).

### Whistleblowing

- Our whistleblowing policy and procedures enable staff and suppliers to report any concerns, including about modern slavery and any other human rights violations.

Our independent and confidential whistleblowing hotline is available to all employees ([intouchfeedback.co.uk/kingfisher](http://intouchfeedback.co.uk/kingfisher)) and suppliers ([intouchfeedback.co.uk/kfsupplier](http://intouchfeedback.co.uk/kfsupplier)).

All reports to the hotline are reviewed and, where necessary, investigated with the outcome reported to the Audit Committee of the Board of Directors.

Many employees, including those in our quality, buying and logistics teams, will visit supplier factories in the course of their work. We want them to support our efforts to improve supply chain standards by reporting any unsafe or unethical practices they encounter during these visits. We launched 'CSR Watch', an online reporting tool to make it easy to report such issues, for our employees in China and the Far East. All reports are investigated by our ethical sourcing team. We have provided training to help our teams use the tool and understand the types of issues they might encounter.

There were no reports relating to modern slavery made via our whistleblowing line or other reporting channels in the 2019/20 financial year.

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 (see '[Due diligence processes](#)').

**Our Factory Handbook provides details of our Supply Chain Workplace Standards and shows how these should be applied in the factory, reflecting local circumstances and regulatory requirements.**

# Risk assessment

**We have an extensive global supply chain so we need to take a risk-based approach, focusing on the highest-risk countries and sectors for modern slavery and human rights issues. We assess risk on an ongoing basis using:**

- **Ethical risk matrix:** Our ethical risk matrix uses data from Maplecroft to help identify the high-risk product areas and countries in our goods for resale (GFR) supply chain. We are currently focused on risks in our direct supply chain, particularly labour risks among suppliers of finished GFR. We are also developing approaches to reducing risks in the wider supply chain including among raw materials suppliers, see [‘Assessing risks among materials suppliers’](#).
- **Sedex:** We also use Sedex to help us assess risks in our GFR supply chain. Sedex 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 risk assessment questionnaire).

We aim for all suppliers of GFR to be using the Sedex platform by the end of 2020. We are not currently on track to meet our target, see page 5 for more detail. Around 2,000 suppliers, incorporating 2,973 factory sites, have now joined the Sedex platform. This equates to around 62% of suppliers of GFR<sup>1</sup>.

We use the results of our risk assessment with Stop the Traffik, an organisation dedicated to preventing modern slavery and human trafficking, to help us prioritise risk areas in our GNFR supply chain.

## Our salient human rights issues

We aim to identify and manage ‘salient’ human rights issues.

During 2020, we are working with a consulting partner to identify our salient human rights issues as defined by the UN Guiding Principles Reporting Framework. These are the human rights at risk of the most severe negative impact through our activities. We are also undertaking a review of our high-risk sectors. We will report on this in our statement next year.

## Partnering with Slave Free Alliance

We know modern slavery is not an issue that any business can tackle alone, given the complexity of the issues involved, including aspects of organised crime. Collaboration with others in the retail sector and beyond is therefore key to raising awareness, sharing information on risks as well as good practice.

To help strengthen our capabilities, we have launched a new 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.

During 2020, Slave Free Alliance will review our policies and implementation procedures and make recommendations for improvement. They will review our risk assessment process for the UK, and also deliver training to our colleagues. Our work with Slave Free Alliance is one of the steps we’re taking in response to modern slavery identified in our UK supply chain. See [‘Responding to modern slavery in the UK’](#).

1. This is the percentage of suppliers that had joined the Sedex platform by the end of the Kingfisher financial year (31 January 2020). In order to fully onboard suppliers onto Sedex, Kingfisher also requires that suppliers disclose and link Kingfisher to all production sites of finished goods for resale (including direct and indirect sites) and work is in progress to achieve this.



### Goods and services not for resale

We are working with EcoVadis, a sustainability ratings platform, to help us assess and manage risk in our GNFR supply chain. Any new suppliers are required to complete the EcoVadis questionnaire 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 as a requirement in our tender process for new suppliers and set a minimum score threshold which must be achieved within a year of the assessment.

We aim for our top 1,000 suppliers that account for around 85% of our GNFR spend to complete the EcoVadis assessment by the end of 2021. 230 suppliers have done so to date<sup>1</sup>. The response rate among existing suppliers was lower than anticipated and we are looking at how we can increase this.

Our contracts with new GNFR suppliers in high-risk categories now include a 'right to audit' clause. We have asked some of our suppliers to undergo a third-party ethical audit to help us better understand risks in our GNFR supply chain. Our findings show that the level of risk can vary significantly from supplier to supplier and that not all suppliers in high-risk categories will present a high risk. For example, facilities management have been identified as a potential high-risk area. However, we have

audited one of our contractors in the UK and found it to meet high standards with a low risk for human rights. We have a plan in place to undertake further audits with other suppliers.

### Assessing risks among materials suppliers

In some cases, we can help to influence standards in our extended supply chain, including among raw material suppliers.

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 recycled. These certification schemes ensure wood is from well-managed forests. Both schemes are also in the process of developing new requirements to increase protection for workers' rights including strengthening their criteria relating to health, safety and labour issues in the supply chain. More information is included in our reporting, see [www.kingfisher.com/en/sustainability/about-our-reporting](http://www.kingfisher.com/en/sustainability/about-our-reporting)

We use the results of a materiality assessment from 2017, which considered 25 raw materials present in our products, to help focus our work on raw materials. This assessed their level of risk for human rights and environmental practices. We will update the assessment during 2020 following our review of our salient human rights issues.

**We are working with EcoVadis, a sustainability ratings platform, to help us assess and manage risk in our goods and services not for resale supply chain.**

1. EcoVadis assessments are completed at a parent company level. Where we work with multiple subsidiaries of the same parent company, we therefore use the same EcoVadis assessment. This means one assessment may cover more than one of our top 1,000 suppliers.

# Due diligence processes for modern slavery

**Our due diligence on modern slavery issues includes ethical risk assessment, ethical audits, supplier engagement, training and broader collaboration, including with others in our sector and expert partners.**

## Governance of modern slavery risks

Our Modern Slavery Working Group meets three times a year and brings together senior managers and ethical sourcing representatives from our group functions including procurement (both for GFR and GNFR), logistics, property, human resources, community, sustainability and legal and compliance. The Working Group coordinates implementation of our business-wide modern slavery action plan covering due diligence, ethical audit, supplier and colleague engagement, and training, policy, and reporting.

In 2019, we further strengthened governance of modern slavery risks by establishing our Modern Slavery Steering Committee made up of senior directors from risk, corporate affairs and procurement of GFR. The Committee was formed after the high-profile Operation Fort case in the UK (see '[Responding to modern slavery in the UK](#)'), to oversee the Modern Slavery Working Group's response to this issue and support required process improvements, such as strengthening our due diligence process for labour providers in our GFR supply chain; further training for colleagues; and our partnership with the Slave Free Alliance which supports businesses to tackle modern slavery, but also supports victims to rebuild their lives.

The Committee will now report to our new Responsible Business Committee, a sub-committee of our Board of Directors, established in early 2020.

## Responding to modern slavery in the UK

During 2019, we became aware that a labour provider used by one of our suppliers had been trafficking people in the West Midlands area of the UK since 2015. The labour provider also worked for suppliers to several other major UK retailers. The landmark case, known as Operation Fort, resulted in arrests and jail sentences for members of the people trafficking gang.

We were alerted by our supplier in June 2019 and immediately set up a steering group to coordinate our response. We carried out audits at the production sites of the supplier concerned; conducted a full investigation; and collaborated with expert organisations and other retailers to inform our response. The police investigation established that our supplier was not complicit in the human rights abuses and that the labour provider used had been infiltrated by a criminal gang.

Following this case, we have reviewed our approach to labour providers in our supply chain. Labour providers can help suppliers to plan and react efficiently to seasonal demand and production peaks and flows. However, poor recruitment, supply and management practices by labour providers can leave their workers vulnerable to human rights violations.

Following this incident, we have begun our partnership with the Slave Free Alliance to strengthen our due diligence in the UK (see page 8). We are also sponsoring the Responsible Recruitment Toolkit from allianceHR, a specialist trade organisation. 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.

The Toolkit will initially be made available to our suppliers of finished goods in the UK, with a view to rolling this out to other sourcing regions, as well as GNFR suppliers, at a later date. We also developed a protocol for handling incidents of modern slavery, to help us coordinate future responses effectively and consistently.

We met with the UK's Independent Anti-Slavery Commissioner during 2020 to discuss our response to this case.

## Supplier ethical audits

Our most significant human rights and modern slavery risks are in our supply chain. We continue to roll out our programme of ethical audits for high-risk production sites of finished GFR (see the '[Risk assessment](#)' section for details of how we identify risk). Each production site identified as high-risk is required to have a SMETA or equivalent at least once every two years.

The audit reviews suppliers' performance and identifies any instances of non-conformance with our standards relating to labour standards and human rights, health and safety, business ethics and environmental performance. Non-conformances are prioritised according to the Sedex classifications of minor, major, critical, and business critical. Any instances of modern slavery or child labour would be classified as business critical – the most serious breach of our standards.

We set up a new tracker in 2019, to improve how we monitor suppliers identified as having business critical non-conformances. Any factories with business critical non-compliances are recorded as 'open' until we have third-party confirmation (via an ethical audit) that these issues have been resolved, and can be marked as 'closed'. At the end of January 2020, we had three factories classified as 'open'.

We require suppliers to act swiftly to address non-conformances and to ensure the welfare of workers. We monitor the effectiveness of our audit programme by grading suppliers and tracking the number and type of non-conformances that are found and remedied (see '[Effectiveness of measures: supplier audit results](#)'). 941 production sites have had an ethical audit in the past two years. We aim for all high-risk production sites of finished GFR to be audited by 2020 and we are currently at 68% (904 sites).

We carry out spot checks on our suppliers and carry out regular follow-up audits to ensure improvement within our suppliers' factory base.

## Supplier training

We are collaborating with suppliers to help build their knowledge and understanding of human rights issues and how to address them. Examples are included in the section '[In practice: supplier engagement](#)'.

In the UK, suppliers of finished goods and their labour providers will be able to use the Responsible Recruitment Toolkit, see '[Responding to modern slavery in the UK](#)'.

We have held two training sessions for GNFR suppliers to raise awareness about the EcoVadis platform and answer supplier questions.

## Top five non-conformances by category

The majority of non-conformances relate to health and safety, which include fire safety issues such as provision of fire extinguishers and number of fire exits. Other common non-conformances include working hours, wages and benefits, and environmental factors.

The number of non-conformances in the table are from ethical audits carried out in the past two years (2018/19 and 2019/20). The data covers production sites registered so far on Sedex.

Non-conformances	Number of non-conformances
Health, safety and hygiene	6,192
Working hours	1,624
Wages and benefits	1,358
Environment	749
Management systems	658
All other non-conformance categories	744

## In practice: supplier engagement examples

### Excessive overtime

Excessive overtime remains a challenge in China and is detrimental to the health and wellbeing of factory workers. We're exploring how we can engage suppliers to address excessive overtime and raise awareness of the business benefits of doing so, including improved productivity and reduced staff turnover.

During 2019, we worked with one of our garden furniture suppliers in China. An expert consultancy benchmarked the factory's current position, conducting site visits and interviews with management and workers. This found that working hours are not currently accurately recorded and that many workers are working excessive hours with too few rest days. The study also identified a number of process improvements that could be implemented to improve efficiency in production, enabling the factory to increase output and quality while reducing working hours, without reducing compensation levels for workers.

During 2019, we held two training sessions with factory managers and supervisors covering process improvements, worker incentives and attendance management, and helped the factory develop an action plan.

### 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 have been 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, we are working with them to address this and put in place an action plan to meet our standards.

### Protecting migrant workers

Migrant workers are often vulnerable to exploitation. In Malaysia, for example, many migrants end up in bonded labour, working for months or even years to pay back debts to recruitment agents.

During 2020, we will be working with the UN's International Organisation for Migration on a project to help improve working conditions and protect the human rights of migrant workers in the Far East. This will include training suppliers on responsible recruitment and use of recruitment agents. We will also be training our teams to engage suppliers on responsible recruitment.

## External initiatives and partnerships

We participate in several partnerships aimed at improving standards across the retail sector. For example:

- 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 sector.
- We are members of the **British Retail Consortium (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 SDGs in areas including modern slavery and decent work.
- 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 10 core members who meet on a quarterly basis.
- We have launched a partnership with **Slave Free Alliance**, a social enterprise developed by anti-slavery charity Hope for Justice. During 2020, Slave Free Alliance will review our policies, implementation procedures and risk assessment process for the UK, and deliver training to our colleagues.

# Effectiveness of measures

**We aim to drive up ethical standards in our supply chain through our supplier engagement and ethical audits (see ‘[Due diligence processes](#)’).**

## Performance indicators

We monitor supplier progress and the effectiveness of our ethical audit programme for production sites supplying GFR using a number of indicators. These include:

- percentage of suppliers and production sites on the Sedex platform (currently 62%)
- percentage of sites according to audit grades (see pie chart)
- number of sites that failed to comply with our minimum standards and the number of these which have been remedied (see ‘Audit results’ below)
- top non-conformances identified by category (see [table](#)).

## Audit results: business critical grades

During 1st February 2019 – 31st January 2020, our buying offices identified 37 production sites of finished GFR that did not comply with our minimum standards (i.e. they achieved a business critical grade).

We were able to work with 33 of these sites to resolve the non-conformances. One factory

was discontinued for business reasons. One factory has submitted a corrective action, which is pending a follow-up audit. The remaining two factories are pending investigation and will require follow-up audits to ensure any business critical non-compliances are resolved.

During 2019/20, ethical audits identified 35 non-conformances under the heading ‘employment is freely chosen’. These included one case of employers illegally withholding worker passports, see ‘[In practice: audit examples](#)’.

## Audit grades – goods for resale

We allocate grades based on the results of the most recent ethical audit that has been carried out in the past two years.

We use the Sedex audit grade classifications to develop our own [internal grading](#). The grades are based on the number of non-conformances identified during the audit, see pie chart:

- grade 1 (no non-conformances);
- grade 2 (some observations);
- grade 3 (minor non-conformances);
- grade 4 (1–3 major non-conformances);
- grade 5 (4 or more major non-conformances or 1–3 critical non-conformances); and
- business critical (business critical non-conformances or 4 or more critical non-conformances).

# 37

**production sites did not meet our minimum standards (i.e. they achieved a business critical grade) of these:**

# 33

**production sites resolved the non-conformance**

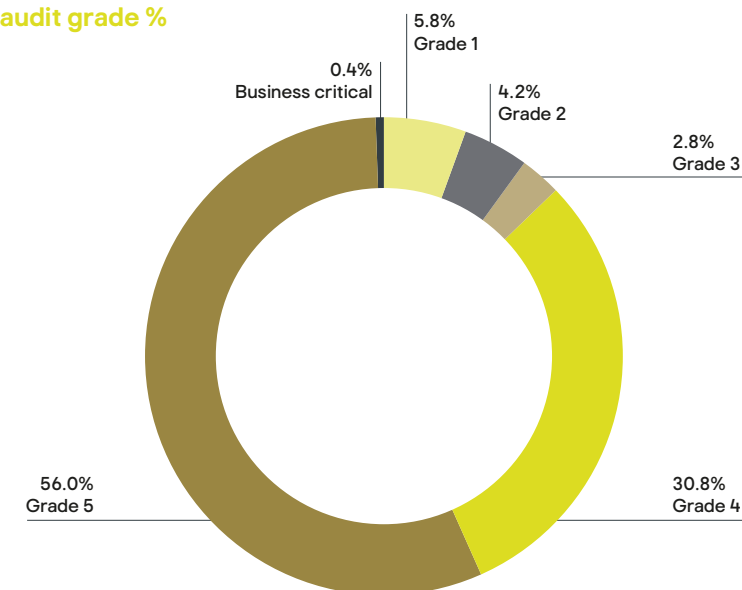
# 1

**production site was discontinued for business reasons**

# 3

**production sites submitted corrective actions and are pending auditor approval**

## Supplier production sites – GFR by audit grade %



The chart shows the audit grades for the production sites that have had an audit in the past two years. It includes the results from the latest full audit at each site. It therefore does not reflect any corrective actions taken or results from follow up audits.

A minor non-conformance represents an occasional or isolated incident, which represents low risk to workers. A major non-conformance represents, for example, a material breach of local law which represents a danger to workers, whereas a business critical failing represents the highest level of breach and requires immediate action. It includes non-conformances which present imminent risk to workers' safety or constitute a significant breach of workers' human rights.

Over time, we aim for our suppliers to improve performance and require suppliers with low grades (5 and business critical) to have an annual re-audit. Other suppliers are re-audited within two years.

We follow-up with suppliers to ensure the most serious issues are remediated. As a last resort, we cease to trade with factories if they don't work with us to address business critical issues.

The chart shows the audit grades for the production sites that have had an audit in the past two years. It includes the results from the latest full audit at each site.

It therefore does not reflect any corrective actions taken or results from follow-up audits.

We work with sites graded as business critical to resolve the issues (see '[Audit results](#)'). During 2020, we plan to review how we monitor

and work with suppliers to improve factory performance grades over time.

### EcoVadis scores – GNFR

230 GNFR suppliers completed an EcoVadis assessment. These suppliers represent 42% of our spend with our top 1,000 GNFR suppliers. The suppliers achieved an average score of 55 out of 100. A score of 55 equated to a silver rating<sup>1</sup>.

## In practice: addressing business critical issues

### Withholding passports

During 2019, we identified two cases of employers withholding the passports of migrant workers. The production sites were located in Malaysia and Taiwan. We worked with these suppliers to ensure that clear processes are in place to safeguard worker rights, and regular re-audits are in place to continually monitor their performance.

In Malaysia, it was identified during an audit visit that a glove-making factory was holding passports for safekeeping with a signed consent letter from workers. Following our discussions with the factory, they returned passports to workers. This was verified through a follow-up audit which included worker interviews and the factory received a grade 5.

In Taiwan, passports were held by a labour provider. These were returned to workers and this was verified through an audit and worker interviews. A follow-up audit found the factory had addressed all business critical issues and received a grade 4.

### Child labour

Auditors identified two cases of child labour in an electronics factory in China. The children were removed from the factory and we implemented our standard operating procedure. This included: contacting the parents of the children to make sure they were involved in the remediation plan; medical checks to confirm the children had not been injured while working at the factory; and helping the children to return to education. The factory assisted one of the children to find a place at a technical school and is in the process of securing a place for the second child. We worked with the factory to improve its human resources and recruitment processes to ensure underage workers are not hired in future. Visits by our responsible sourcing team and a follow-up audit confirmed no further cases.

Another factory, also in China, was found to be using an underage worker (aged 15) on a temporary contract during the school holidays. The child was removed from the factory and received medical checks. The child returned to her hometown to continue with her schooling. A follow-up audit confirmed that the factory has strengthened its HR procedures for hiring temporary staff.

1. 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 your company's EcoVadis score. Silver represents the top 25% of companies. EcoVadis updated their scoring system in January 2020 and this means our results from 2019/20 will not be directly comparable with those in 2020/21.



## Employee training and awareness

**Employees complete an e-learning module on modern slavery as part of our Code of Conduct training. Over 40,000 employees completed this training in 2019/20.**

### Training our buying teams

We run regular training sessions to build awareness of modern slavery and ethical sourcing risks among key employees, including those responsible for overseeing our modern slavery due diligence and buyers of products and services.

Our buying offices carry out training for appropriate employees on ethical sourcing, which includes modern slavery. In 2019, buyers and quality assurers in our Middle East and Romanian buying offices were trained on responsible sourcing and our audit programme and learnt how to identify good and poor practices during factory visits.

We will be conducting training during 2020 through our partnership with Slave Free Alliance.

### GNFR training

We held four training sessions for our GNFR buyers to introduce them to the EcoVadis platform so they can encourage their suppliers to participate. The sessions were attended by 90% of our GNFR buyers.

## Future plans

**Through our Modern Slavery Working Group, we will continue to identify risks and implement due diligence to help tackle modern slavery. Over the next two years, our key priorities are to:**

- on board all suppliers and production sites of finished GFR on to the Sedex platform;
- roll out ethical audits to all our high-risk production sites of finished GFR;
- strengthen our UK due diligence processes, including training for colleagues, through our partnership with Slave Free Alliance;
- roll out training and tools on modern slavery to our colleagues in our sourcing regions;
- roll out the Responsible Recruitment Toolkit to suppliers in the UK with a view to rolling this out to other sourcing regions, as well as GNFR suppliers, at a later date;
- conduct a review of our salient human rights issues and high-risk sectors;
- continue to roll out EcoVadis assessments to GNFR suppliers and support low-scoring suppliers to improve;
- establish a new Responsible Sourcing Steering Group made up of senior directors to provide strategic oversight of all issues relating to responsible sourcing across the business.

## Transparency Statement approval

This Transparency Statement was approved in May 2020 by the Boards of Directors of Kingfisher plc, B&Q Limited, B&Q Properties Limited, Kingfisher Information Technology Services (UK) Limited, Kingfisher International Products Limited, and Screwfix Direct Limited.

It is signed by the Kingfisher Chief Executive Officer who is also a member of the Board of Directors.

**Thierry Garnier**  
Chief Executive Officer

## 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