

Welcome to the B&Q Gender Pay Gap Report 2021



At B&Q, we believe in the value of diversity & inclusion. It's a key part of our business plan and in the last year alone, we've made significant progress in developing a more inclusive culture. There's more to do to ensure we're always meeting the needs of our colleagues and customers, but it's a strong start.

With a network of more than 300 stores and over 26,000 colleagues making up our workforce, we have a responsibility and an opportunity to make sure every store and our head office is reflective of the communities that we serve.

We're dedicated to making improvements and whilst this report focuses on gender, our diversity & inclusion strategy considers the many elements of inclusion with a plan of activity that spans beyond 2022 – setting us up well to achieve everything we're looking to achieve.

This report outlines our gender pay gap for the UK, and details the actions we believe will help us progress towards reducing our gender pay gap and embedding a truly inclusive culture.

The information contained herein is confirmed as accurate by Kate Seljeflot.

Our commitment

Although our overall ambition is simple, it's very powerful - **we want B&Q to be a place where everyone feels that they can belong.** Our leaders make the biggest difference in creating a truly inclusive environment so we're helping them to be the best they can, and in turn, they're supporting our colleagues to be comfortable in being themselves.

When it comes to gender diversity, we're proud of the improvements made in the period up to April 2021, but we also know there's still more work to do. Our median hourly gender pay gap increased from 1.1% to 1.2% in 2020, however, **we have reduced our mean hourly pay gap to 7.3% from 9.5%** which is below the Office for National Statistics (ONS) figure for businesses in the UK of 15.4%.

To make sure we're continually making progress, our focus will remain on a range of diversity & inclusion activities across 2022 and beyond. From continuing to educate our leaders and colleagues, embedding our five colleague networks & inclusion council and rolling out our reverse mentoring programme more widely, it's safe to say we have a fair amount of initiatives either already in place or happening across this year.

Our goal is to have better gender diversity in senior leadership and management positions. We will do this by:

- ✓ improving retention of women
- ✓ having a gender balanced shortlist for promotions
- ✓ ensuring there is no bias (conscious or unconscious) within our recruitment process
- ✓ investing to build a long term pipeline of diverse talent.

To achieve this and drive gender diversity at all levels we have built these goals into our incentive plans for executives and other senior leaders.

'Ultimately, everything we're doing to develop our culture is to make it an even better place for colleagues to work and customers to shop.'

Contents of this report

This report sets out our gender pay calculations for UK colleagues of B&Q for 2021, prepared in line with the UK Equality Act 2010 Regulations 2017. The reporting covers the 12 month period ending 5th April 2021.

B&Q key facts*

B&Q is part of the Kingfisher Group and is the UK's leading home improvement and garden living retailer, helping customers have smarter homes since 1969.

As a company with over 300 retail stores, the majority of our colleagues are customer facing and around 84% of our retail workforce are hourly paid.

28,276 Colleagues in the UK	46% of B&Q UK are female	54% of B&Q UK are male
96% of UK colleagues work within retail stores	4% of colleagues work in support roles	

*Numbers are based on relevant employees as per the 2021 Gender Pay Gap calculation.

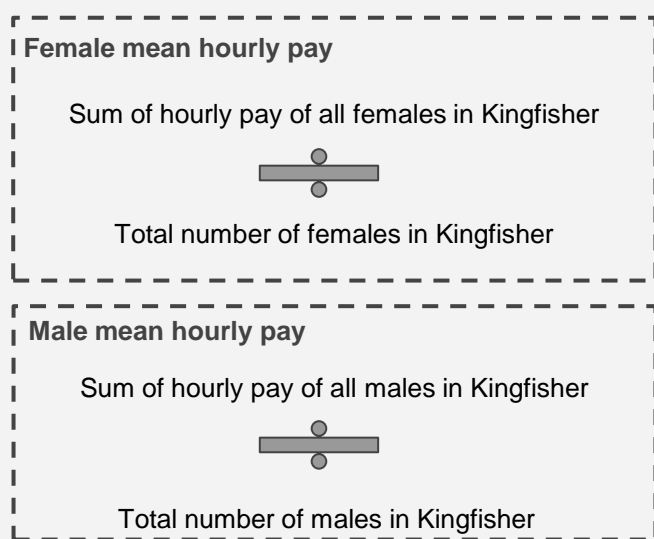
What is the gender pay gap?

The gender pay gap is not the same as equal pay analysis:

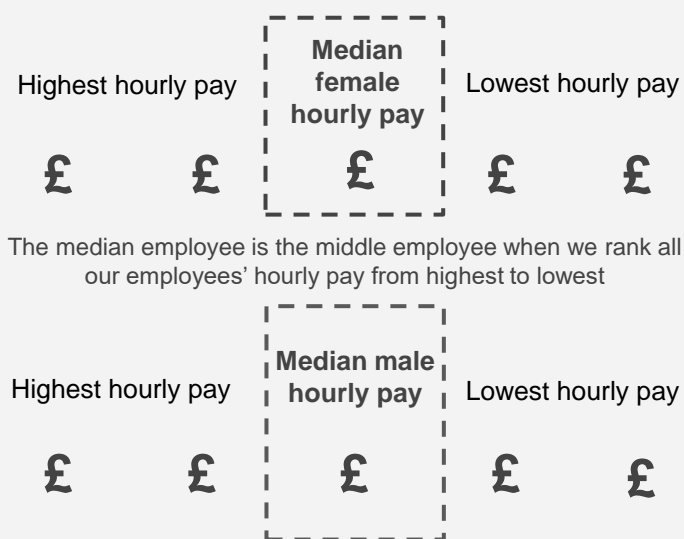
- **Equal pay** is determined by assessing whether men and women are paid equally for doing the same work or work of equal value. At B&Q, we have policies and processes in place to ensure equal pay is the first consideration when determining pay for all colleagues.
- **Gender Pay** calculations specifically compare average pay (both mean average and median average, for hourly pay and bonus pay) for men and women and are therefore impacted by the number of men and women at different levels of seniority throughout the organisation.

Calculating the gender pay gap

How mean hourly pay is calculated

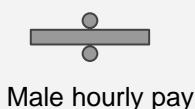


How median hourly pay is calculated



How the hourly pay gap is calculated

Male hourly pay - Female hourly pay



Male hourly pay

Note this calculation applies to both the mean and median hourly pay gap.

How the bonus pay gap is calculated

The bonus gap is calculated using actual bonuses paid to colleagues for the 12 months to 5 April 2021.

The mean bonus, median bonus and overall gap is calculated using the same formula as hourly pay.

B&Q's 2021 Gender Pay Gap

B&Q's mean and median hourly gender pay gap (as at 5 April 2021) and bonus pay gap (for the 12 months to 5 April 2021) is shown below.

7.3%
Mean hourly pay gap 2021
- a decrease from **9.5%** in 2020

41.3%
Mean bonus pay gap 2021
- a decrease from **53.6%** in 2020

1.2%
Median hourly pay gap 2021
- a small increase from **1.1%** in 2020

10.6%
Median bonus pay gap 2021
- An increase from **0.0%** in 2020

Proportion of female and males by pay quartile

These tables show the proportion of males and females across B&Q in four equally sized groups, sorted by level of hourly pay in 2021. The figures for 2020 shown underneath for comparison.

	Lower pay quartile	Lower middle pay quartile	Upper middle pay quartile	Upper pay quartile
Female	51% (2020: 46%)	45% (2020: 48%)	44% (2020: 44%)	41% (2020: 38%)
Male	49% (2020: 54%)	55% (2020: 52%)	56% (2020: 56%)	59% (2020: 62%)

Proportion of employees receiving a bonus

This table shows the % of males and females who received a bonus during the 12 months to 5 April 2021.

	Percentage of employees receiving a bonus in 2021
Female	84.5% (2020: 37.0%)
Male	82.0% (2020: 34.7%)

Understanding the numbers

Hourly pay gap

B&Q's 2021 hourly pay gaps are below the ONS estimate for businesses in the UK of 15.4%, and lower than many large employers in retail based on research published by Diversity in Retail. However, there is still more that we can do, see our *priorities and areas of focus on page 4*.

B&Q's mean hourly pay gap decreased to 7.3% in 2021, from 9.5% in 2020. However, our median hourly pay gap increased to 1.2% in 2021, compared to 1.1% in 2020. The difference in the mean and median hourly pay gap is primarily driven by the number of higher paid males in B&Q who have a greater impact on the mean vs the median hourly pay gap. Key influences on our 2021 hourly pay gaps include:

There are more men in the highest paid roles

B&Q's mean hourly pay gap of 7.3% is reflective of the higher proportion of males in senior roles, than females.

The 2.2% points reduction has been driven by improved representation of females in senior roles, which is an area of continued focus. Analysis shows that if we apply a 50:50 gender mix across all grades within our head office, then our mean pay gap would be significantly reduced, demonstrating that our gap is driven by structure and representation of gender across the organisation.

We have a better gender balance in our retail stores

The majority of our colleagues work in stores where we've improved representation of females. Additionally, the majority of these colleagues are on set hourly pay rates.



Bonus Pay gap

B&Q's mean bonus pay gap reduced to 41.3% in 2021 from 53.6% in 2020. Our median bonus gap increased to 10.6% in 2021, from 0.0% in 2020.

The movement in our bonus pay gaps have been driven by the greater number of colleagues both male and female receiving bonuses of similar values in 2021 vs 2020. Key influences on our 2021 bonus pay gaps include:

There are more men in the highest paid roles

As with hourly mean pay gap, the mean bonus gap is driven by more males in senior roles, with senior roles not only attracting higher pay, but higher bonuses as well.

Special "thank you" bonuses were paid to our store staff

Our median bonus gap increased to 10.6% in 2021, from 0.0% in 2020. The increase was driven by the "thank you" bonus paid to our store colleagues who were essential workers throughout the lockdown periods. With these payments increasing the number of colleagues who received a bonus in 2021.

Even though the same percentage was applied to eligible earnings more females worked fewer hours than males and therefore received a lower payment. These bonuses were one-off and so won't necessarily be awarded in future years.

Our approach to improving our gender pay gap

Achieving greater diversity throughout B&Q, including gender diversity, rests heavily on being able to attract and retain diverse talent. This is why we are putting so much focus on building an inclusive culture.

1

Action: Educating our leaders on all areas of inclusion and supporting them to create an environment where everyone feels they can belong.

Progress: Every leader that sits in our Top 500 leadership team attended a three hour workshop run by Green Park. This worked out to 1500 hours of leadership training specifically focusing on diversity and inclusion in 2021.

2

Action: Making progress against our 10 point plan and setting strong foundations for the future.

Progress: We've launched our first D&I e-learning module that resulted in a record of 22,000 completions in it's first month of being released (88% of colleagues). We created 105 representative roles across our newly created five colleague networks including each network electing a Chair and supported by senior leadership sponsors (Director level).

3

Action: Refreshing our engagement survey to include inclusion specific questions, helping to gain more relevant insight

Progress: We now ask specific D&I questions to gauge sentiment on how comfortable colleagues feel in being themselves at work and perception of people of all backgrounds being treated fairly. This insight has supported us to develop our plan for 2022.

4

Action: Improving representation at leadership level through introducing balanced candidate shortlists and more diverse interviewing managers.

Progress: Representation targets were set as part of our 2021/22 annual bonus – making it clear on what we're looking to achieve by 2025. We've increased the amount of females in store managerial roles with the largest improvements made at our team leader and trading manager level.

2022/23 priorities

We're proud of the progress made in this last year and we will continue to take steps to develop our culture through:



Focusing on improving **gender diversity in senior leadership** and management positions.



Embed our **colleague networks**, creating a clear rhythm of meetings, sharing regular updates and amplifying colleague voice for under-represented groups.



Expand our **reverse mentoring** programme to roll out more widely – enabling colleagues to share their experiences and supporting leaders to make more inclusive decisions.



Conducting a **review on our end-to-end recruitment process** to identify what's working well and where we can make further improvements.



Increase awareness around key topics such as disability, mental health, neurodiversity, menopause and **reviewing a range of policies** to ensure they're fit for purpose and inclusive

Working with external partners

We have strong relationships with our external partners which help us promote best practice.

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Our partnership with Green Park - a Diversity, Inclusion, Culture & Ethics (DICE) Consultancy – started in 2019 and we'll continue to utilise their expertise in 2022.

Our CEO is a member of the 30% Club which aims to increase representation for women on boards and executive committees.

A number of leaders are ambassadors for the Retail Week's Be Inspired programme and we also have 2 x Board Directors that are ambassadors for the Retail Trust.

We're members of the Business Disability Forum and work with Stonewall, the leading charity for lesbian, gay, bi and trans equality. We're also proud to have been awarded Silver for the Armed Forces Covenant in 2021.