

**modern slavery act**  
**transparency statement**  
**2018/19**

**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.**

## our business structure

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<sup>1</sup>, to prevent modern slavery in its own business and supply chain for the financial year ending 31 January 2019. Our statement covers the six areas outlined in the legislation and takes into account good practice, including Home Office guidance<sup>2</sup>.

Kingfisher plc is a home improvement company with over 1,300 stores in 10 countries across Europe.

We employ 77,300 people and nearly six million customers shop in our stores and through our websites and apps every week.

Our customers are everyone wanting to improve their home, as well as the experts and trade professionals who help them.

## company overview

**77,300**  
Colleagues<sup>3,4</sup>

**1,331**  
Stores<sup>4</sup>

**10**  
Countries

**6 million**  
Customers every week

**£11.7 bn**  
Total sales

- 1 All references in this statement to 'Kingfisher', 'We' and 'Our' cover the Group including Kingfisher plc and its Operating Companies, including those legally required to produce a Transparency Statement under the Modern Slavery Act. These are B&Q plc, B&Q Properties Ltd, Kingfisher International Products Limited, Kingfisher Information Technology Services (UK) Limited and Screwfix Direct Limited.
- 2 Transparency in Supply Chains, A Practical Guide. Published by the Home Office, 2017.
- 3 Total headcount, not full time equivalent.
- 4 Turkey joint venture not consolidated.

## our markets

At Kingfisher, we believe everybody should be able to have a home they can feel good about, so our purpose is to make home improvement accessible for everyone. We want our customers to be confident that the products they buy from us are responsibly sourced.

The ONE Kingfisher five year plan, which started in 2016/17, is leveraging the scale of the business by creating a unified company, where customer needs always come first. We are unifying our ranges and supply chains, making the best products from around our business available in all our markets.

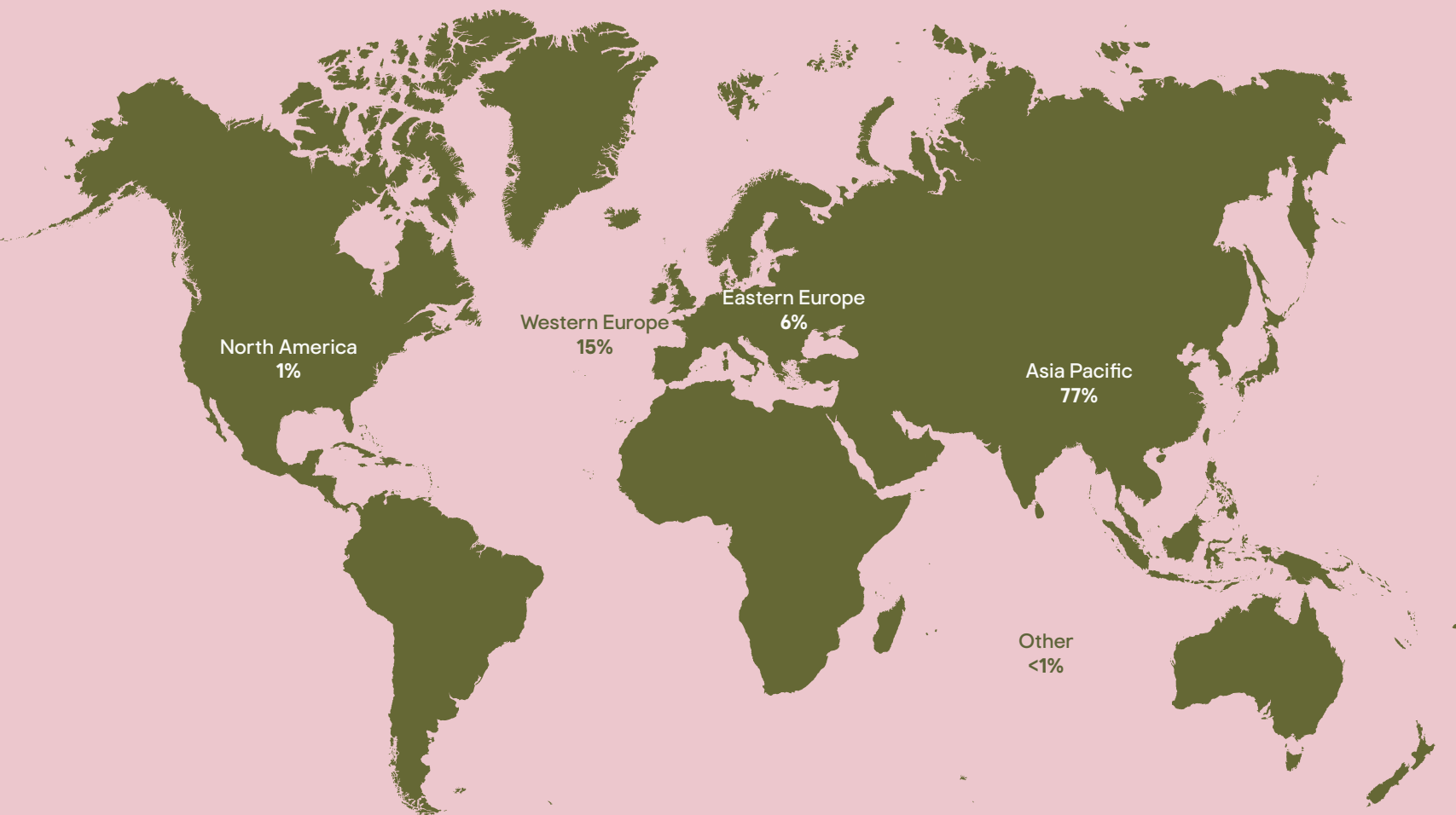
This brings opportunities to develop closer and deeper relationships with a smaller number of suppliers, giving us more visibility over our supply chain and ability to work in closer partnership with suppliers to implement our ethical and sustainability standards.

- 1 B&Q UK & Ireland 296, Screwfix 627.  
2 Castorama 101, Brico Dépôt 123.  
3 Brico Dépôt 15, Praktiker 23.  
4 Turkey joint venture not consolidated.

## our stores



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



The data used to create the map is from the Sedex platform. In previous years, fewer suppliers were using Sedex and therefore some of our data was based on estimates and extrapolations. As a result, we believe we underestimated the percentage of factory sites situated in Asia. As more suppliers are onboarded to Sedex we have been able to improve the accuracy of our data.

## our supply chain

Our products are currently sourced globally from around 2,800 suppliers and there are around 3,700 production sites<sup>1</sup> that supply us with finished goods. The number of suppliers this year is around one-third lower than in 2017/18, reflecting progress on our ONE Kingfisher transformation strategy.

The map shows the percentage of production sites by continent.

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 from around 400 key suppliers<sup>2</sup>.

- <sup>1</sup> Data covers production sites that our Buying Offices source from, and those disclosed to us by suppliers through the Sedex platform. We aim for all our suppliers to be using Sedex by the end of 2020, and to disclose to us all production sites that supply us with finished goods for resale.
- <sup>2</sup> Around 400 suppliers account for approximately 75% of our spend on goods and services not for resale.

## our targets and commitments

Our commitment to human rights is integrated in our sustainable growth plan – our sustainability roadmap up to 2025 – which sets out how we will make it easy for our customers to have sustainable, good homes (See [www.kingfisher.com/sustainability](http://www.kingfisher.com/sustainability)).

This includes two targets designed to promote human rights and address modern slavery risks (see table to the right).

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 Sustainability Report.

We believe it is important to report openly on our approach and progress. Our Modern Slavery Act Transparency Statement 2017/18 was ranked 11th in the Business & Human Rights Centre's report – FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action. It was ranked 12th in the Global Governance FTSE 100 League Table compiled by the non-profit Development International (DI).

Targets	Progress in 2018/19	Progress against target
<p><b>Ensure all suppliers meet our ethical and environmental standards by 2020<sup>1</sup>.</b></p> <p>To monitor progress, we require high-risk production sites of finished goods for resale to have an ethical audit by 2020. We have also started assessing our suppliers of goods and services not for resale using the EcoVadis assessment. We will report progress next year.</p>	<p>995 production sites have had an ethical audit in the past two years. This is 47% of high-risk production sites on Sedex, the online supplier data exchange (<a href="http://www.sedexglobal.com">www.sedexglobal.com</a>).</p> <p>See Due diligence processes section for further details of our supplier audit programme.</p>	<p><b>On track to target</b></p>
<p><b>Establish strategic community programmes to achieve positive change in key sourcing regions by 2025.</b></p> <p>Many of our community programmes help to support and promote human rights.</p>	<p>We have started engaging with key suppliers and stakeholders in Turkey and China to identify where we can make a difference for communities, workers and suppliers, including piloting projects in our Turkish ceramics supply chain, see page 11.</p>	<p><b>On track to target</b></p>

<sup>1</sup> This target covers our goods for resale suppliers and our 300 key suppliers of goods and services not for resale.

## 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 was fully updated in 2018 and now includes a section on modern slavery. It states our commitment to human rights and ethical sourcing.

### 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.

### 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 to have an ethical audit by 2020.

Read our policies at [www.kingfisher.com/sustainabilitypolicies](http://www.kingfisher.com/sustainabilitypolicies)

Our policy framework, supplier standards and training programmes help us to address human rights and modern slavery risks.

## company policies

### continued

We communicate the Code of Conduct to all employees, including through our training and awareness programmes, see [Employee training and awareness](#). The Code forms part of the contractual terms and conditions for all new employees. We have a compliance network which includes a compliance officer in each operating company to help us implement our Code of Conduct. Our internal audit function monitors compliance of all businesses within Kingfisher to the requirements set by our Code of Conduct, 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. More information on our governance and control framework is in our Annual Report and Accounts.

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

We review our policies annually and update them where necessary. Our Code of Conduct was updated and strengthened in 2018, including the addition of a section on modern slavery. Our Supply Chain Workplace Standards were also updated to align with the code used by Sedex. This includes requirements on responsible recruitment set by the Sedex Stakeholder Forum. All policies are approved by members of our Group Executive.

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<sup>1</sup> and 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;

- We published a new Factory Handbook in 2018 for suppliers in Asia. This provides details of our Supply Chain Workplace Standards and shows how these should be applied in the factory. It is available in English and Chinese and on our website. We plan to roll this out to more countries in future.

We train employees and suppliers on our policies and standards through our modern slavery and ethical sourcing training programmes (see [Due diligence processes](#) and [Employee training and awareness](#)).

### Whistleblowing policy and procedures

Our whistleblowing policy and procedures enable staff and suppliers to report any concerns about modern slavery and any other human rights violations. Our independent and confidential whistleblowing service, In Touch, is available to all employees ([intouchfeedback.co.uk/kingfisher](mailto:intouchfeedback.co.uk/kingfisher)) and suppliers ([intouchfeedback.co.uk/kfsupplier](mailto:intouchfeedback.co.uk/kfsupplier)). All reports to the helpline are fully investigated and followed up and 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 for employees in China and the Far East to make it easy to report such issues.

It can be used by any Kingfisher employee and 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 2018/19 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](#)).

<sup>1</sup> This includes contracts with suppliers of group-sourced products and services, including unified ranges.

## 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 goods for resale. 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 goods for resale (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 goods for resale to be using the Sedex platform by the end of 2020. We made good progress in 2018 and around 1,900 suppliers, incorporating 2,600 factory sites, have now joined the Sedex platform. This equates to around 66% of suppliers of goods for resale<sup>1</sup>.

### Goods and services not for resale

We use the risk assessment carried out in 2017 by Stop the Traffik, an organisation dedicated to preventing modern slavery and human trafficking, to help us prioritise the areas of risk in our supply chain for goods and services not for resale (GNFR).

We are now also using EcoVadis, a sustainability ratings platform, to help us assess and manage risk in our GNFR supply chain. Our 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 and set a minimum score threshold which must be achieved within a year of the assessment. We plan to contact 1,000 suppliers during 2019, including our top 400 suppliers that account for 75% of our spend, asking them to complete the assessment.

We are also using supplier visits and audits to help us better understand risks in our GNFR supply chain, see **case study, right** for an example. 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, cleaning services 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. During 2019, we plan to focus on further audits in the areas of construction and logistics to address risks associated with subcontracting and labour providers.

We have also started to engage with uniform suppliers to understand their current approach to ethical audits and any new suppliers will need to meet the ethical audit requirements included in our tender process.

### In practice: assessing standards among UK logistics suppliers

Our logistics suppliers run our distribution centres and the transport operations for our store and home deliveries. We have identified the use of temporary labour by logistics suppliers as a potential risk area for human rights. During 2018/19, we took steps to increase our understanding of this risk including asking all UK logistics suppliers to complete a self-assessment questionnaire.

We also conducted a Sedex ethical audit of one of our main UK distribution centres, focussing on risks associated with the labour agencies providing drivers and workers. As part of the audit, we used the Sedex worker wellbeing assessment tool to enable us to gain a better insight into how the agency workers at the site feel about their jobs.

We are now working with UK logistics suppliers to encourage labour providers used in our logistics network to sign up to minimum standards developed by the Indirect Procurement Human Rights Forum (see **External initiatives/partnerships**). 40 have done so, over 90% of the total.

<sup>1</sup> This is the percentage of suppliers that had joined the Sedex platform by the end of the Kingfisher financial year (31 January 2019). 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.



## assessing risks among materials suppliers

We are working on a number of projects to identify and address salient human rights issues 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 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.

We are working with the TFT Responsible Stone Programme, to improve ethical, safety and environmental standards in quarries and stone processing factories and working towards improving the traceability of stone products.

In 2018, we started a research project into the potential use of conflict minerals in our products, such as natural diamonds, cobalt and tungsten. We identified suppliers and sub-suppliers using these minerals and have begun to engage with them to identify where these materials are sourced from. We found that the diamonds used in the supply chain for Kingfisher branded products, for example for drill tips and saw blades, are synthetic diamonds manufactured in two factories in China. We do not yet have full visibility of the cobalt and tungsten supply chains and are continuing to engage with the relevant suppliers to address this.

We also commissioned a materiality assessment which considered 25 raw materials present in our products. This assessed their level of risk for human rights and environmental practices. The work was completed in late 2018 and we are reviewing the findings to identify next steps.

We are working with suppliers in the leather supply chain to protect workers and the environment by improving standards for the use of chemicals in the tanning process.

We are working on projects to identify and address salient human rights issues in our extended supply chain including for raw materials such as wood and paper, stone, leather and minerals.

## due diligence processes

Our Modern Slavery Working Group oversees due diligence and disclosure on human rights and modern slavery. It meets three times a year and brings together ethical sourcing representatives from our group functions including procurement (GFR and GNFR), logistics, property, human resources, legal and compliance. The Working Group reports to our Group Sustainability Committee, a sub-committee of our Group Executive.

We aim to identify and manage '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. Our Modern Slavery Working Group has agreed an action plan for improving our due diligence on salient human rights and modern slavery issues, including training, ethical risk assessment and supplier engagement and audit.

Our most significant human rights and modern slavery risks are in our supply chain. We are rolling out a programme of ethical audits for high-risk production sites of finished goods for resale (see **Risk assessment** section for details of how we identify risk). Each production site identified as high-risk is required to have a Sedex Members Ethical Trade Audit (SMETA) or equivalent at least once every two years.

The audit reviews suppliers' performance and identifies any instances of non-conformance. These 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 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**). 995 production sites have had an ethical audit in the past two years. We aim for all high-risk production sites of finished goods for resale (as identified through Sedex) to be audited by 2020 and we are currently at 47%<sup>1</sup>.

### In practice: supplier engagement

#### Supplier spot checks

Our ethical sourcing team make regular visits to supplier sites where potential concerns or issues have been raised, for example by an ethical audit. This can be particularly important for product lines where demand is seasonal, requiring peaks of activity at certain times of the year. For example, several years ago we identified cases of child labour at factories supplying Christmas products and we worked with the factories to address this. Our team now conducts regular unannounced spot checks, in addition to our program of ethical audits, to confirm that the factories continue to meet our standards.

#### Overtime project pilot

Excessive overtime remains a challenge in China, which is bad for workers but can also have a negative impact on supplier productivity and staff turnover. We have launched a project to raise awareness among suppliers about the need to address excessive overtime and the business benefits of doing so. We are trialling this approach with one of our garden furniture suppliers.

<sup>1</sup> 47% of those high-risk production sites using Sedex.

## Promoting rights and supporting communities

Through our community strategy, we aim to promote the rights of workers and to improve skills and livelihoods among communities in our supply chain.

As a first step, we undertook research and direct stakeholder engagement in Turkey and China. This included meeting with key suppliers, workers, community groups, education organisations and trade unions, to help us understand the issues they face and identify ways we can support them.

In Turkey we identified three key challenges in our ceramics supply chain: a skills gap, with not enough workers having the technical skills the industry needs to meet future challenges; an ageing population with fewer young people joining the

workforce; and the future impact of automation on workers and businesses. We have piloted a worker training programme with 93 workers from one of our ceramics suppliers in Turkey and begun a pilot high school student training programme to support future generations to develop life and technical skills. In 2019 and 2020 we will focus on scaling-up these projects across our Turkish supply chain.

We will also investigate other supply chains and geographies where these projects can add value for communities, workers and suppliers where Kingfisher operates.

## Supplier training and engagement

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**.

We conducted two seminars for suppliers in China during 2018 at Shanghai and Guangzhou. These provided a forum to discuss common challenges and to share best practice approaches on issues such as overtime, health and safety, carbon and environmental management. Attendees were provided with a hard copy of our factory handbook. In total 484 people attended from 316 supplier companies.

We plan to hold regular webinars with EcoVadis for our GNFR suppliers during 2019. Around 50 GNFR suppliers attended the first session.

## External initiatives/ 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 Groups 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 in areas including modern slavery and decent work;

- In 2018/19, we were members of UK Stakeholders for Sustainable Development (UKSSD), a cross-sector network of organisations who work together to drive action on the UN Sustainable Development Goals in the UK;
- 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 goods and services not for resale. For example, it has developed a set of standards for labour providers, see **In practice: assessing standards among UK logistics suppliers**. We are one of ten core members who meet on a quarterly basis.

## effectiveness of measures: supplier audit results

We aim to drive up ethical standards in our supply chain through our supplier engagement and ethical audits (see [Due diligence processes](#)). We monitor the effectiveness of our ethical audit programme for production sites supplying goods for resale using a number of indicators. These include:

- 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](#))
- Top non-conformances identified by category (see [bar chart](#))

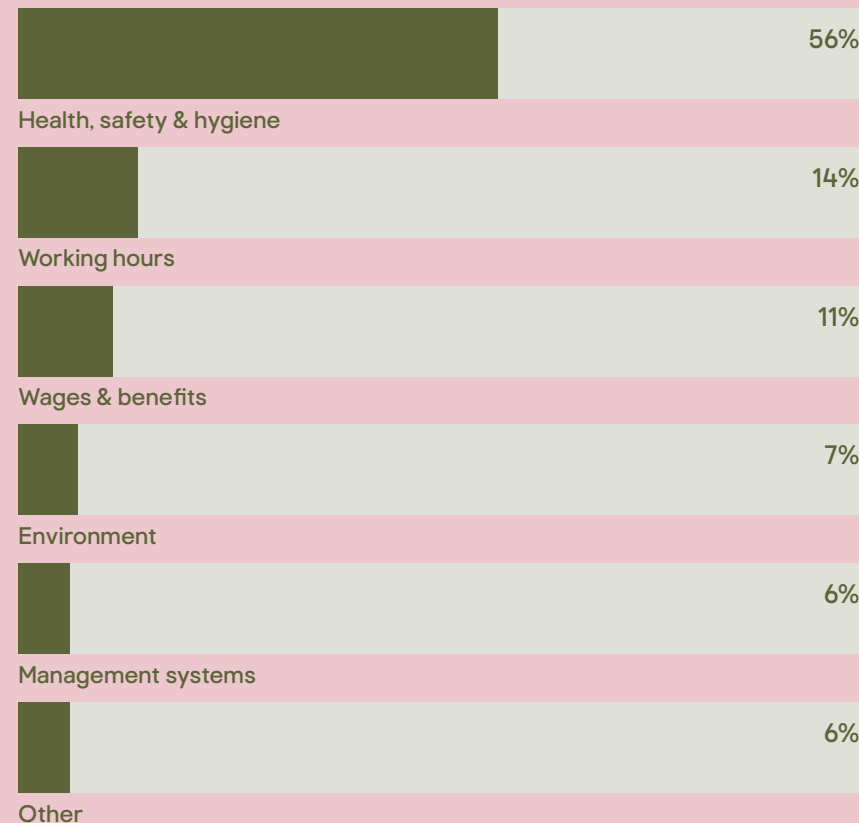
As we roll out the EcoVadis assessment to our GNFR suppliers, we will develop performance measures and will report our progress next year.

### Audit results

During 1st February 2017 – 31st January 2019, our buying offices identified 54 production sites that did not comply with our minimum standards (i.e. they achieved a business critical grade). We were able to work with 52 of these sites to resolve the non-conformances. One factory was discontinued for business reasons. The remaining factory has submitted corrective actions which are pending auditor approval.

During 2018/19, ethical audits identified 21 non-conformances under the heading 'employment is freely chosen'. These included three cases of employers illegally withholding worker passports, see [In practice: audit examples](#). There were two instances of employers withholding wage payments to workers which were resolved.

## Top five non-conformances by category (%)

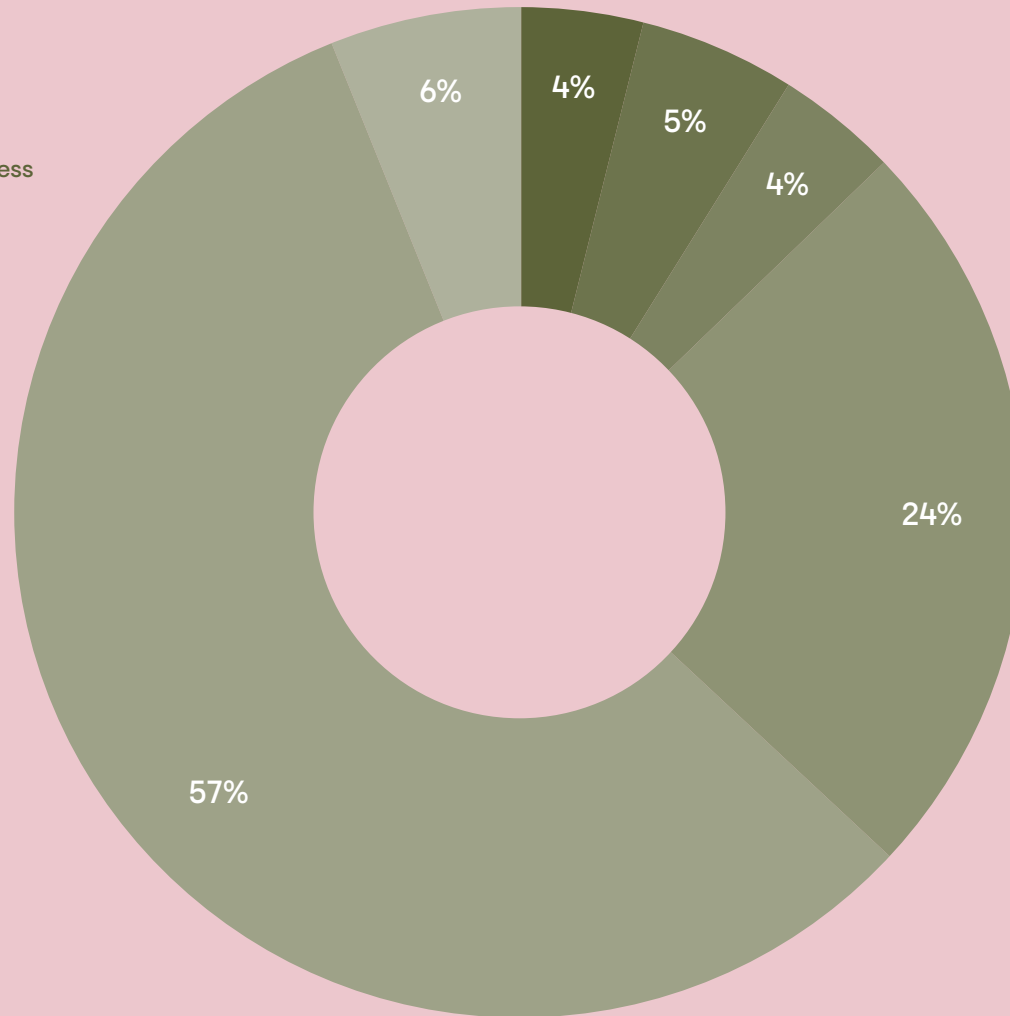


The majority of non-conformances relate to health and safety, which include fire safety issues such as provision of fire extinguishers. Other common non-conformances include working hours, wages and benefits, and environmental management.

The % of non-conformances in the chart are from ethical audits carried out in the past two years (2017/18 and 2018/19). The data covers production sites registered so far on Sedex.

## Supplier production sites by grade (%)

- Grade 1
- Grade 2
- Grade 3
- Grade 4
- Grade 5
- Grade Business Critical



### Audit grades

We allocate grades based on the results of the most recent ethical audit that has been carried out in the past two years. The grades are based on the number of non-conformances identified during the audit: 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 grade (business critical non-conformances or 4 or more critical non-conformances).

Over time, we aim for our suppliers to improve performance and require suppliers with low grades (grade 4, 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.<sup>1</sup> 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.<sup>2</sup> We work with sites graded as business critical to resolve the issues (see Audit results). During 2019, we plan to review how we monitor and work with suppliers to improve factory performance grades over time.

<sup>1</sup> A total of 995 production sites had an audit in the past two years. The chart shows audit grades for 978 of these production sites. We are unable to report audit grades for 17 of the sites audited. This is because their Sedex membership has expired and therefore the grades were not available to download from Sedex when our end of year reports were generated.

<sup>2</sup> The previous year, we reported grades for the latest audit, including partial and follow up audits, and therefore the figures for 2018/19 are not directly comparable with those reported for 2017/18.

## In practice: audit examples

### Withholding passports

During 2018, as part of our ethical compliance programme, we identified three cases of employers withholding the passports of migrant workers. The production sites were located in Malaysia, Taiwan and the United Arab Emirates. We worked with these suppliers to ensure that clear processes are in place to safeguard worker rights and to ensure that documents are only held if the workers specifically request and consent to this on a voluntary basis, for example for safekeeping.

In the United Arab Emirates, we engaged with the factory management to implement a new consent form procedure. This gave workers the option to keep documents themselves or to store their passports with the factory in a secure, fire proof facility, which is accessible at any time.

In Taiwan and Malaysia we stopped orders to the factories while we worked with them to resolve the issue. In Malaysia, the factory contacted its workers, giving them the option to leave their passports voluntarily in a designated secure facility, accessible at any time. It obtained written consent for all the passports stored in the facility and returned passports to any workers who did not want to use the service. The factory in Taiwan returned all passports to its workers.

We verified that the new procedures had been implemented through follow up audits.

### Inadequate fire exits

Most non-compliances we identify are due to factories failing to implement adequate health and safety measures. During 2018, for example, an audit at a factory in China supplying wooden flooring found that one of the warehouse buildings only had one exit and therefore did not meet our standards on provision of fire exits. We contacted the supplier and following our request they installed a new fire exit and updated their evacuation plans. This was confirmed with a follow up visit.

## employee training and awareness

We are working to build awareness of modern slavery and ethical sourcing issues among employees, particularly those responsible for overseeing our modern slavery due diligence as well as buyers of products and services. We are incorporating awareness of modern slavery into our Code of Conduct training. This includes an e-learning module that all employees will be required to complete in 2019 and more detailed face to face training sessions for colleagues in higher risk roles.

It's particularly important that our procurement teams are able to spot warning signs of modern slavery and also understand the potential impact of our actions on workers in our supply chain. For example, employees should avoid unrealistic delivery schedules that could encourage excessive overtime.

We conducted refresher training for our Group Purchasing Team during 2018 on modern slavery covering identifying risks and engaging suppliers. The team also attended a sustainability training session which covered our approach to ethical sourcing.

Our buying offices carry out training for appropriate employees on ethical sourcing, which includes modern slavery. In 2018, this included training 339 employees in our offices in Shanghai, Hong Kong and Vietnam on topics including our sustainable growth plan, our CSR Watch reporting tool (see page 7) and environmental challenges in the supply chain.

## 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:

- Roll out ethical audits to all our high-risk production sites of finished goods;
- Review how we monitor and work with suppliers to improve factory performance grades;
- Further develop and roll out our modern slavery and ethical sourcing training programmes, including incorporating modern slavery into our Code of Conduct training;
- Continue to develop our modern slavery due diligence programme for our goods and services not for resale (GNFR) – using the findings from our first audits;
- Onboard our key GNFR suppliers onto the EcoVadis assessment platform.

## transparency statement approval

This Transparency Statement was approved in May 2019 by the Boards of Directors of Kingfisher plc, B&Q plc, B&Q Properties Ltd, 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.

### **Véronique Laury**

Chief Executive Officer  
10 June 2019

## 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 plc
- B&Q Properties Ltd
- Kingfisher International Products Limited
- Kingfisher Information Technology Services (UK) Limited
- Screwfix Direct Limited

**See our Sustainability Report ([kingfisher.com/SustainabilityReporting](https://www.kingfisher.com/SustainabilityReporting)) for further details of our progress, including our report on progress against the principles of the United Nations Global Compact.**

**We are committed to working with our suppliers and partners to play our part in stamping out modern slavery.**