This statement has been published in accordance with the Modern Slavery Act 2015, which requires businesses to disclose publicly 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 companies1, to prevent modern slavery in its own business and supply chain for the financial year ending 31 January 2017.

At Kingfisher we respect human rights and do not tolerate any form of modern slavery. 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 mitigate them.

KINGFISHER – OUR BUSINESS

Kingfisher is a home improvement company with nearly 1,200 stores and growing omnichannel operations across 10 countries in Europe. We employ 77,000 people and nearly six million customers shop in our stores and through our websites every week.

Our ambition is to create good homes by making home improvement accessible for everyone and we want to ensure we do this in a truly sustainable way. We want to help more customers create good, sustainable homes and to operate sustainably ourselves – protecting natural resources, designing out waste, working with suppliers who respect human rights and protect the environment, and supporting the communities in which we work.

OUR APPROACH – A CHANGING BUSINESS

At the beginning of 2016, we announced the start of our ONE Kingfisher five year transformation plan to leverage the scale of the business by creating a unified company, where customer needs always come first. This is focused on three strategic pillars: creating a unified, unique and leading home improvement offer; driving our digital capability; and optimising operational efficiency.

Our work to streamline our product offer and goods not for resale sourcing means we are taking a unified approach, negotiating larger contracts with a smaller number of suppliers. We are reducing the number of suppliers we partner with and often work directly with manufacturers.

This will bring opportunities to develop closer and deeper relationships with suppliers, potentially giving us more visibility over our supply chain and reducing risk, including human rights risks. In the first year of our transformation plan our unified ranges represented around 4% of our cost of goods sold.

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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, Screwfix Direct Ltd and Kingfisher Information Technology Services (UK) Ltd.
OUR SUPPLY CHAIN

We have an extensive supply chain, and we choose our suppliers carefully, aiming to work with partners who can deliver great products while meeting our ethical requirements. We want to use our £7 billion buying scale to positively influence standards in our supply chain, reflecting customer expectations and reducing risks to our business.

OUR COMMITMENT TO HUMAN RIGHTS

We respect human rights and aim to positively promote and support the human rights of our employees, workers in our supply chain and others affected by our business activities. We are committed to prevent any modern slavery or human rights abuses in our business and supply chain and to investigate any alleged breaches of our policies. We aim to eradicate the risk of modern slavery from our business and supply chain.

Our approach to human rights is guided by international conventions and standards including the United Nations (UN) Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

The company is a member of the UN Global Compact and we report our progress against its 10 principles annually through our Sustainability Report.

WHAT WE DO – OUR POLICIES

Our Code of Conduct sets out our commitment to respect human rights. It states that we will not tolerate any abuse of human rights and will investigate any alleged breaches of human rights. Our internal audit function monitors compliance with our Code, supported by our compliance network which includes a senior compliance officer in each operating company.

Our Supply Chain Workplace Standards outline our ethical labour standards for our suppliers and their production sites. These prohibit slavery and child labour and set out our expectations in relation to issues such as health and safety, working hours and wages, and freedom of association. In line with our ONE Kingfisher approach, our unified vendor contract includes clauses that require suppliers to comply with the Modern Slavery Act and our Supply Chain Workplace Standards.

Our Group Ethical Sourcing Policy Statement and related audit policy – Group Supplier Workplace Ethical and Environmental Assurance Policy Standard – set out our approach to ethical audits (see next section). We reviewed and updated these policies during 2016/17, to enhance our due diligence processes in light of the Modern Slavery Act and similar legislation proposed in France.

Our whistle blowing 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 both employees (intouchfeedback.co.uk/kingfisher) and suppliers (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.

Our Supply Chain Workplace Standards also require suppliers to maintain a means by which workers can openly communicate and share grievances with management, without fear of reprisal, intimidation or harassment.

DUE DILIGENCE AND ETHICAL AUDITS OF OUR SUPPLY CHAIN

We carry out due diligence and audits of our supply chain to check compliance with our ethical standards, including those relating to modern slavery.

During 2016/17, we included additional questions on ethical sourcing in our assessment questionnaires for potential new suppliers of goods we sell and use.

We conduct ethical audits of suppliers to check compliance with our Supply Chain Workplace Standards. We prioritise engagement with suppliers presenting a higher risk due to factors such as the products or services they supply and their geographical location. To date, our focus has been on suppliers of own and exclusive brand products. We have started to roll out Sedex, the online supplier data exchange, across our sourcing of goods for resale, to help us identify risks in our supply chain and track and share audit results.

We take a broader approach in some key areas to identify and address risks further down our extended supply chain. For example, B&Q is working with the TFT Responsible Stone Programme, to improve ethical and environmental standards in quarries and stone processing factories in developing countries. Through our commitment to responsible sourcing of wood and paper, most of our wood and paper products are FSC or PEFC certified. These certification schemes require forests to be audited against environmental and social standards, as well as including criteria for the monitoring of health, safety and labour issues throughout the supply chain.

We have started to work with Stop the Traffik2 to identify modern slavery risks associated with procurement of goods and services not for resale, covering sectors such as logistics, cleaning and construction.

HOW WE WORK

Part of our ONE Kingfisher plan is to unify our procurement and we now source goods for resale via our Group buying offices, not via our Operating Companies.

During 2016/17, we started to roll out the Sedex Members Ethical Trade Audit (SMETA) to high risk production sites in our goods for resale supply chain. We are developing our reporting systems to track progress and will report performance in future years.

We aim to work with our suppliers to continually improve standards in our supply chain and we use our ethical audit process to identify areas for improvement which are detailed in a Corrective Action Plan. No sourcing can take place until all major issues have been resolved through the action plan process.

There were no reports relating to modern slavery made via our whistleblowing line in 2016/17.

READ OUR POLICIES

kingfisher.com/sustainabilitypolicies

- Code of Conduct
- Supply Chain Workplace Standards
- Ethical Sourcing Policy Statement
- Supplier Workplace Ethical and Environmental Assurance (SWEEA) Policy Standard

2 stopthetraffik.org
TRAINING AND AWARENESS

Our Group Sourcing Offices carry out training for appropriate employees on ethical sourcing and workshops are run for suppliers on our ethical and environmental requirements.

We have started to develop new training materials for our unified commercial teams, which cover our approach to human rights and modern slavery. This will be rolled out during 2017/18.

We are working with Stop the Traffik, a global coalition working in the area of modern slavery, to review training requirements across the Group on modern slavery.

FUTURE PRIORITIES

We will work with our suppliers and partners to continually improve our performance in relation to human rights and modern slavery and will report on our progress each year.

The development of our unified offer provides an opportunity to roll out the Sedex supplier assessment process to more suppliers, to increase visibility of human rights risks, including those relating to modern slavery, further down our supply chain.

We will continue to work with our peers to tackle systemic issues and challenges. For example, we are sponsoring the HERproject, led by BSR, the sustainability organisation, that strives to improve standards in global supply chains by empowering low-income women (https://herproject.org).

We also started working with EDRA, the DIY retail association, to develop a collaborative approach to ethical sourcing including a platform to share ethical audit results.

Véronique Laury
Chief Executive Officer
Kingfisher plc

This statement was approved by the Board of Directors of Kingfisher plc, B&Q plc, Kingfisher Information Technology Services (UK) Limited and Screwfix Direct Limited. Véronique Laury was authorised by each Board to sign the statement on their behalf.

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