

# Kingfisher International Products Limited

## Strategic report

For the year ended 31 January 2022

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The Directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

### Principal Activities

Kingfisher International Products Limited (the "Company") operates as an offer and procurement company on behalf of the Kingfisher plc group of companies (the "Group"). The Company also holds Intellectual Property Rights relating to Kingfisher Group brands.

### Business Review

The profit for the year ended 31 January 2022, after taxation, amounted to £37,838k (2021: £90,855k). The profit for the year has reduced following completion of a fundamental reorganisation of the Group's commercial operating model as part of the "Powered by Kingfisher strategy", with the Company focussing on driving OEB sales growth for the Kingfisher Group.

Net Assets at year end were £237,043k (2021: £197,983k). This is predominantly composed of intangible assets of £6,955k (2021: £3,460k), net amounts owed by Group undertakings for £249,973k (2021: £229,226k) and net outstanding amounts owed to third parties of £24,765k (2021: £23,952k).

### Principal risks and uncertainties

The Company is a wholly-owned subsidiary of Kingfisher plc. From the perspective of the Directors, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The review of the business of Kingfisher plc and its subsidiaries which provide a comprehensive analysis of the main trends and factors likely to affect the development, performance and position of the business, and a description of the principal risks and uncertainties facing the business can be found on pages 42 to 48 of the Kingfisher plc 2021/22 Annual Report and Accounts.

### Financial risk management

The Company operates as an offer and procurement company within the Group, and as such is exposed to a variety of financial risks which include interest and foreign exchange risk, liquidity and credit risk.

As part of the Group, these risks are managed centrally by Group Treasury, which has in place a Board approved treasury policy and a risk management programme that ensures the impact of such risks are minimised. Further information on the Group's financial risk management policies can be found in note 25 of the Kingfisher plc 2021/22 Annual Report and Accounts.

### Key performance indicators

The Directors of the Company manage the Company's operations on a Group basis and so the Directors of the Company believe that analysis using key performance indicators (KPIs) for the Company, other than the above as Profit Before Taxation and Net Assets disclosed as KPIs above, is not necessary for an understanding of the development, performance or position of the business of the Company. The Group's development, performance and position is discussed in the Kingfisher plc Annual Report and Accounts which does not form part of this report.

# Kingfisher International Products Limited

## Strategic report (continued)

For the year ended 31 January 2022

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### S.172(1) and stakeholder engagement statement

The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with Section 172 (s172) of the Companies Act 2006 (the 'Act').

#### Investors

When making decisions, the Directors have regard to the interests of stakeholders relevant to the Company. As well as the likely consequences of any decision in the long term, the desirability of the Company maintaining a reputation for high standards of business conduct, and employee interests where appropriate. They also fulfil their responsibilities through Kingfisher's highly developed framework, which includes but is not limited to Kingfisher plc Group policies, business principles and the Kingfisher Code of Conduct. The Directors acknowledge that every decision they make will not necessarily result in a positive outcome for all of our stakeholders. By considering the Company's purpose, vision, values together with its strategic priorities and having a process in place for decision-making, they do, however, aim to make sure that their decisions are consistent and predictable.

#### National and international external regulators of product safety

As is normal for large companies and particularly those that are part of a wider Group of entities, such as Kingfisher International Products Limited, the day-to-day management of the Company is delegated to executives who, in turn, engage management in setting, approving, and overseeing execution of the business strategy and related policies. The Board of Kingfisher International Products Limited reviews financial and operational performance progress against key sustainability and CSR performance indicators, product safety and performance metrics, key HR metrics and legal and regulatory compliance. We also review other areas over the course of the financial year including the reporting from the Company's Compliance and Ethics Committee and its Internal Audit director. This is done through the consideration and discussion of reports which are sent in advance of each Board meeting and through presentations to the Board.

The purpose of Kingfisher International Products Limited is to provide sourcing and other services (such as group supply and logistics, ranging, product design, quality and sustainability, brand, communications, content and merchandising, master data, planning & trading, human resources and finance and legal services) to our retail banners within the Kingfisher Group of companies. As well as its affiliates in the wider Kingfisher Group in which it operates, the Company's key stakeholders include our customers, colleagues, suppliers, regulators & governments, and national and international external regulators of product safety. The views of and the impact of the Company's activities on those stakeholders are an important consideration for the directors when making relevant decisions. While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of both our stakeholders and the Kingfisher Group means that generally our stakeholder engagement best takes place at an operational or Group level.

#### Regulators & governments

We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social, and other issues than by working as an individual company. Please see pages 63-67 of the 2021-22 Kingfisher plc Annual Report and Accounts for details of operational and Group-level stakeholder engagement with the Company's stakeholders as well as those of the Kingfisher Group regarding issues to which the Directors must have regard.

During the period we received information to help us understand the interests and views of the Company's key stakeholders and other relevant factors when making decisions. This information was distributed in a range of different formats including in reports and presentations on our financial and operational performance, non-financial KPIs, risk, ESG matters and the outcomes of specific pieces of engagement (for example, the results of customer and supplier surveys and focus groups). As a result of this we have had an overview of engagement with stakeholders and other relevant factors which allows us to understand the nature of our stakeholders' concerns and to comply with our s172 duty to promote success of the Company for the benefit of its members as a whole.

# Kingfisher International Products Limited

## Strategic report (continued)

For the year ended 31 January 2022

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### S.172(1) and stakeholder engagement statement (continued)

Set out below are some specific examples of the Board's approach to stakeholder engagement and how that engagement has influenced the Directors of Kingfisher International Products Limited's decisions during the year.

#### Colleagues

Our colleagues continue to remain apprised of pertinent developments in relation to the Company's commercial operating model, remote-working policy, wellness campaigns and inclusive Company commitments via a mix of communication channels and management updates. This has included virtual Team live events, e-newsletter updates, vlogs, and posts on the Company's SharePoint intranet. Mandatory training has also continued to be rolled out to all employees via improved materials and learning examples.

#### Suppliers

The Company continues to regularly evaluate and improve its interactions with suppliers and during the period, organised an Own Exclusive Brand vendor survey in order to better understand areas requiring development and improvement. Improvement action plans were subsequently put in place across the Company's sourcing markets to address areas requiring additional focus.

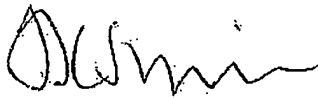
#### Customers

Customer safety and satisfaction are pivotal to the success of our business. The needs, behaviours and feedback of our customers are collected, assessed, and used to develop our long-term strategy and to help us better understand our customers' requirements. We continue to transform our product ranges to make greener, healthier homes accessible to everyone; and remain committed to supporting the Group's Responsible Business priorities in respect of reducing carbon emissions and becoming Forest Positive by 2025.

#### Future developments

The Company will continue to develop and expand its franchising operation, with the opening of B&Q-franchised stores in Saudi Arabia and expanding into further territories in the Middle East and potentially beyond.

Approved by the Board and signed on its behalf by:



J Smith

Director

3 October 2022