Corporate Governance Statement

Kingfisher plc (the ‘company’ or ‘Kingfisher’) is subject to the UK Corporate Governance Code (the ‘Code’), which is published by the Financial Reporting Council (the ‘FRC’) and available from www.frc.org.uk. The Kingfisher Board (the ‘Board’) believes that a robust and effective governance framework is essential to support management in delivering the company’s strategy.

Throughout 2022/23, Kingfisher has applied all the principles and complied with the provisions of the Code. This statement outlines how Kingfisher has complied with each provision. It is noted that, whilst the current Directors’ Remuneration Policy (‘2022 Policy’) complies with Provision 36, there are legacy Delivering Value Incentive (DVI) awards that pre-date the 2022 Policy and do not have phased vesting. These DVI awards will continue in line with the approved Remuneration Policy under which they were granted. Further details of these awards can be found within the 2019 Notice of AGM and the 2018/19, 2019/20, 2020/21 and 2021/22 Annual Report and Accounts. The 2022 Policy can be found in our 2022 Notice of AGM and 2021/22 and 2022/23 Annual Report and Accounts.

This statement supplements the information provided in the 2022/23 Annual Report and Accounts (the ‘Annual Report’), which can be found at www.kingfisher.com and all page references in this statement refer to page numbers in the Annual Report.

BOARD LEADERSHIP AND COMPANY PURPOSE

Provision 1: The Board should assess the basis on which the company generates and preserves value over the long-term. It should describe in the annual report how opportunities and risks to the future success of the business have been considered and addressed, the sustainability of the company's business model and how its governance contributes to the delivery of its strategy.

The Board's primary responsibility is to promote the long-term, sustainable success of the company, delivering shareholder value whilst contributing to wider society. The Board has a comprehensive programme and robust governance framework which contributes to the delivery of the company's strategy. In addition, the Board, through the Responsible Business Committee, oversees delivery of our Responsible Business strategy which underpins our purpose and ensures Kingfisher continues to make progress in contributing to wider society.

Through regular receipt of information on delivery of the long-term strategic plan and financial performance of the company, the Board tracks, and measures progress against its objectives. The use of a commercial dashboard which encompasses market trends, competitor analysis, and customer insight is well established and allows the Board to track key information across the company. The dashboard is circulated to the Board monthly and presented by the CEO at each scheduled Board meeting. Through the powers delegated to its Committees, the Board directs and reviews the company's operations within an agreed framework of controls, allowing risk to be assessed and managed within agreed parameters. The Board is collectively accountable to the company's shareholders for the proper conduct and success of the business.

The Annual Report sets out further details of compliance with Provision 1 as it relates to the Board's decision-making (pages 16 to 22), approach to risk management (pages 51 to 58), and the company's business model (page 12), contribution to wider society (page 23 to 27), and governance framework (page 62).

A schedule of the Matters Reserved for the Board is published on our website.

Provision 2: The board should assess and monitor culture. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the company's purpose, values and strategy, it should seek assurance that management has taken corrective action. The annual report should explain the board's activities and any action taken. In addition, it should include an explanation of the company's approach to investing in and rewarding its workforce.

The Board is responsible for setting the company's purpose and values and standards and satisfying itself that these align with our culture. The Board recognises the importance of its role in setting the tone of the company's culture and embedding its principles of transparency, honesty, and fairness throughout the company. The company's culture is underpinned by our Code of Conduct and associated policies and practices and there are mechanisms in place to support the Board in monitoring and assessing culture. During the year, this included:

- a programme of site and store visits providing the opportunity to meet in-person with colleagues at different levels across the business including, with certain high potential colleagues to help inform succession planning and development of the talent pipeline;
- regular briefings with senior and executive management to support the Board to observe and assess behaviours and culture in practice;
- the review and endorsement of the People and Culture plan, a key enabler of 'Powered by Kingfisher';
- the review of progress against key metrics of culture through both informal and formal mechanisms, including a culture dashboard;
- receipt of Whistleblowing reporting and the opportunity to review them with management to consider the findings and assess the adequacy of Kingfisher's processes to identify any concerns regarding possible improprieties in matters of financial reporting, fraud related matters and bribery;
- through the Remuneration Committee, oversight of updates on the development and embedding of reward for the wider workforce beyond the senior tier;
- through the CEO and Chief People Officer (CPO) and the output of the Kingfisher Colleague Forum (KCF), regular updates on workforce related matters, including investment in training and development and our Responsible Business approach, and analysis and outcomes from colleague engagement surveys; and

In 2019/20, the company expanded the scope of an existing employee forum to establish the KCF, a joint forum of Kingfisher nominated management representatives and formally elected employee representatives. A non-executive director attends each scheduled meeting and therefore through this forum the Board engages with colleagues on transnational issues and consults on major decisions or events with significant impact on the company and its colleagues. Details of the KCF discussions are reviewed by the Board at subsequent meetings, and this has proven to be a strong engagement channel. This, alongside the colleague engagement tool implemented in 2018, has provided an opportunity for the views of the workforce to be regularly discussed and heard by Executive Leadership and the Board on a range of issues.

Further details of compliance with Provision 1 are set out on pages 14 to 15, 18, 67 and 77 of the Annual Report. Inclusion and Diversity is a key pillar of our Responsible Business strategy, set out on pages 22 and 23 of the Annual Report and in our Responsible Business report available on our website.

Provision 3: In addition to formal general meetings, the chair should seek regular engagement with major shareholders in order to understand their views on governance and performance against the strategy. Committee chairs should seek engagement with shareholders on significant matters related to their areas of responsibility. The chair should ensure that the board as a whole has a clear understanding of the views of shareholders.

The Chair of the Board (the '**Chair'**) is responsible for effective and appropriate communication with major shareholders, and is, together with the Senior Independent Director (the '**SID**') and the other non-executive directors, available to attend meetings with major shareholders, if required. The Chair has an obligation to ensure that all Board members develop an understanding of the views of major investors and that there is an open dialogue with shareholders. The Chair is ordinarily available at the Annual General Meeting (the '**AGM**') and outside of it for communications with shareholders and to assist Committee Chairs on engagement with shareholders on significant matters related to their areas of responsibilities.

The Board also receives regular investor feedback reporting from discussions with the company's institutional investors providing clarity of sentiment in key areas. This process allows directors to judge whether investors have a sufficient understanding of the company's strategic objectives and feedback sought from shareholder consultations helps inform decisions and proposed targets related to the remuneration of Kingfisher's executive directors and the executive director Remuneration Policy.

Further details of compliance with Provision 3 are contained on page 19 of the Annual Report.

Provision 4: When 20% or more of votes have been cast against the board recommendation for a resolution, the company should explain, when announcing voting results, what actions it intends to take to consult shareholders in order to understand the reasons behind the result. An update on the views received from shareholders and actions taken should be published no later than 6 months after the shareholder meeting. The board should then provide a final summary in the annual report and, if applicable, in the explanatory notes to resolutions at the next shareholder meeting, on what impact the feedback has had on the decisions the board has taken and any actions or resolutions now proposed.

In such a scenario, the company would comply with Provision 4. At the 2022 AGM, no resolution received more than 15.67% of votes cast against the Board's recommendation. Details of resolutions proposed for the 2023 AGM will be available in the 2023 Notice of AGM on 11 April 2023, and details of our engagement with shareholders during 2022/23 is set out on page 19 of the Annual Report.

Provision 5: The board should understand the views of the company's other key stakeholders and describe in the annual report how their interests and the matters set out in s.172 of the Companies Act 2006 (the 'Act') have been considered in board discussions and decision-making. The board should keep engagement mechanisms under review so that they remain effective.

The Board recognises its responsibility to take into consideration the interests and views of stakeholders and have regard to the matters set out in section 172 as part of its discussion and decision-making processes, and in doing so, it seeks to deliver value for all our stakeholders and the communities in which the company operates. Before reaching a decision, the Board considers how proposed actions and behaviours of the company may affect its key stakeholders and the environment, as well as the company's reputation and its long-term success.

Further details of compliance with Provision 5 are set out on the following pages of the Annual Report:

- Page 16 - the company's s.172 disclosure and examples of how the Board has had regard to the matters in s.172 throughout its decision-making process;
- Pages 17 to 22 - consideration of each of our key stakeholders and examples of how they have been engaged during the year;
- Page 67 - the Board's key activities during the year and the s.172 matters considered in pursuing these activities; and
- Pages 14 to 15 - further details of engagement with colleagues specifically, including via the KCF.

Provision 6: There should be a means for the workforce to raise concerns in confidence and – if they wish – anonymously. The board should routinely review this and the reports arising from its operation. It should ensure arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action.

Our Whistleblowing Policy is an integral part of the Kingfisher Code of Conduct, designed to foster an environment where people feel confident they can 'speak up' and where they know that it is the right thing to do. A reporting system, which includes a Speak Up service facilitated by an independent third party, is in place throughout the company. Speak Up Champions have been appointed in all banners to ensure that all ethical concerns raised via our whistleblowing system are followed up and investigated appropriately. The Board has oversight of the Whistleblowing Policy and receives reports arising from its operation and the Audit Committee also reviews whistleblowing statistics and trends across the Kingfisher group of companies (the 'Group').

Details of Kingfisher's Whistleblowing Policy and Speak Up channel can be found on our website. Kingfisher takes compliance with its Group policies, including the Whistleblowing policy, very seriously, and our approach to monitoring legal and regulatory compliance is summarised on page 57 of the Annual Report.

Provision 7: The board should take action to identify and manage conflicts of interest including those resulting from significant shareholdings and ensure that the influence of third parties does not compromise or override independent judgement.

No Kingfisher director represents an outside interest in respect of a significant personal or third-party shareholding, supplier, customer, or lender. As well as robust company procedures in place for managing conflicts of interest, the Board maintains a conflicts of interest register and examines conflicts of interest annually. Directors have a continuing duty to declare any actual or potential conflicts of interest to the Chair and the Company Secretary as soon as they become aware of them and at the start of each Board meeting.

Provision 8: Where directors have concerns about the operation of the board or the management of the company that cannot be resolved, their concerns should be recorded in the board minutes. On resignation, a non-executive director should provide a written statement to the chair, for circulation to the board, if they have any such concerns.

Where directors have such concerns about the Board or management or a proposed action which cannot be resolved, these will be recorded in the minutes at the director's request. Departing directors can provide a written statement to the Chair, for circulation to the Board. This year, no such concerns have been recorded.

DIVISION OF RESPONSIBILITIES

Provision 9: The chair should be independent on appointment when assessed against the circumstances set out in Provision 10. The roles of chair and chief executive should not be exercised by the same individual. A chief executive should not become chair of the same company.

The current Chair, Andrew Cosslett, was independent on appointment in 2017. If, exceptionally, the Board proposed to appoint its CEO as Chair, major shareholders would be consulted ahead of the appointment. The Board would set out its reasons to all shareholders at the time of the appointment and publish these on www.kingfisher.com.

At Kingfisher, the roles of Chair and CEO are separate and clearly defined. The full role descriptions are approved by the Board and are available on our website.

Provision 10: The board should identify in the annual report each non-executive director it considers to be independent (as set out in the Code).

The Board, acting on the recommendation of the Nomination Committee, considers the independence of each of the non-executive directors against the criteria specified in this provision on an annual basis, and discloses the findings in the Annual Report. Should the Board determine that a director is independent, notwithstanding the circumstances outlined in this provision which are considered likely to impair or could appear to impair the independence of that director, it will provide an explanation. Details on our non-executive director appointments to the Board, including independence can be found on pages 64 to 65 and 66, respectively, in the Annual Report.

Provision 11: At least half the board, excluding the chair, should be non-executive directors whom the board considers to be independent.

The majority of the Board (excluding the Chair) are independent non-executive directors. The Nomination Committee is responsible for assessing the Board's structure, size and composition on an annual basis to ensure it remains suitable for the needs of the business and meets the requirements of the Code. The balance of skills, knowledge, experience, background, independence, and diversity, together with regular briefings by executive leadership below Board level, ensures that views, perceptions, and discussions are not dominated by any one specific view.

The Board reviews the independence of its non-executive directors during the annual Board effectiveness evaluation, details of which can be found on page 68 of the Annual Report.

Provision 12: The board should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding board for the chair and serve as an intermediary for the other directors and shareholders. Led by the senior independent director the non-executive directors should meet without the chair present at least annually to appraise the chair's performance, and on other occasions as necessary.

The Board has appointed a SID, Catherine Bradley, who may be contacted by shareholders and other directors as required. Contact by shareholders should be arranged via the Company Secretary at shareholder.enquiries@kingfisher.com. Catherine meets with the non-executive directors at least once a year to appraise the Chair's performance.

The full role description of the SID is approved by the Board and is available on our website.

Provision 13: Non-executive directors have a prime role in appointing and removing executive directors. Non-executive directors should scrutinise and hold to account the performance of management and individual executive directors against agreed performance objectives. The chair should hold meetings with the non- executive directors without the executive directors present.

Kingfisher's expectations of its non-executive directors are set out in their respective letters of appointment and a summary is published on our website.

The Nomination Committee, which solely comprises non-executive directors, is responsible for recommending the appointment of executive and non-executive directors to the Board for approval. Details of the activities of the Nomination Committee can be found on pages 69 to 70 of the Annual Report.

Regular meetings are held between the non-executive directors in the absence of the executive directors to appraise the performance of management as well as, meetings between the non-executive directors and the CEO in the absence of the Chair.

Provision 14: The responsibilities of the chair, chief executive, senior independent director, board and committees should be clear, set out in writing, agreed by the board and made publicly available. The annual report should set out the number of meetings of the board and its committees, and the individual attendance by directors.

As outlined, these responsibilities are set out in documents that are available on our website. The documents are kept under review to ensure they remain in line with the Code. The number of the Board and Committees meetings held during the year, and the individual attendance by directors are disclosed in the appropriate sections of the Annual Report:

- Board – page 63
- Nomination Committee – page 69
- Remuneration Committee – page 88
- Audit Committee – page 73
- Responsible Business Committee – page 71

Provision 15: When making new appointments, the board should take into account other demands on directors' time. Prior to appointment, significant commitments should be disclosed with an indication of the time involved. Additional external appointments should not be undertaken without prior approval of the board. Full-time executive directors should not take on more than one non-executive directorship in a FTSE100 company or other significant appointment.

The appointment letters for the non-executive directors sets out their terms and conditions of appointment, including duties and expected time commitments. These are available for inspection at the company's registered office, and ordinarily, at the AGM. The Nomination Committee examines all appointments held by prospective candidates before any recommendation for appointment to the Board.

No director may take on additional external appointments without the prior agreement and where such appointment represents a significant commitment, the Board will disclose its reasons for permitting such appointment in the subsequent Annual Report. The Nomination Committee undertakes an annual review of directors' time commitments. There are no directors whom the Nomination Committee consider to be overextended, or unable to fulfil their duties to the Board. Page 70 of the Annual Report sets out changes to directors' time commitments during the year.

Subject to the rules governing conflicts of interest, the company is supportive of its executive directors holding one external non-executive position which it considers can provide valuable insight and additional exposure that may be of mutual benefit to the company and the director. No full-time executive director has taken on more than one non-executive position.

Directors' external directorships can be found on pages 64 to 65 of the Annual Report and on our website.

Provision 16: All directors should have access to the advice of the company secretary, who is responsible for advising the board on all governance matters.

All directors may seek advice from the Company Secretary and may also take independent advice in relation to their duties, at the company's expense. The Company Secretary, working with the Chair of the Board, ensures that directors receive appropriate and timely information including regular briefings on governance matters and develops the forward plan of topics for consideration by the Board in the year ahead. The plan is regularly reviewed to ensure an appropriate balance is struck between strategic, operational and governance matters. This ensures regular review of matters reserved to it along with reviews of emerging issues and new legislation. If required, external advisors attend meetings to update the directors on developments. A similar process surrounds the work of the Committees.

The Board, supported by the Company Secretary, is responsible for ensuring appropriate resources are in place to function effectively and efficiently. Directors are briefed on relevant issues at Board and Committee meetings, receiving pre-read in advance on the relevant commercial, legal and regulatory implications, together with an indication of any stakeholder impact. During meetings, these are then given a short review, leaving at least half the time available for each item of business for questions and discussion.

The Schedule of Matters Reserved for the Board includes the appointment and removal of the Company

Secretary. The role description of the Company Secretary is approved by the Board and available on our website.

COMPOSITION, SUCCESSION AND EVALUATION

Provision 17: The board should establish a nomination committee to lead the process for appointments, ensure plans are in place for orderly succession to both the board and senior management positions, and oversee the development of a diverse pipeline for succession. A majority of members of the committee should be independent non-executive directors. The chair of the board should not chair the committee when it is dealing with the appointment of their successor.

The Board has established a Nomination Committee comprised of all the independent non-executive directors. No executive director is a member, but they have the right to attend Committee meetings. The Chair, chairs the Committee, except when the Committee is dealing with his re-appointment or the appointment of a successor.

The Committee leads the process for appointments which are based on merit and objective criteria, ensures plans are in place for orderly succession to Board and senior management positions which support the development of a diverse and inclusive pipeline, including in the composition of each Board Committee. The balance of diversity of gender, social and ethnic background, and cognitive and personal strengths of the Board, the Group Executive, and senior management reporting to them is reviewed annually with a view to succession planning and whenever appointments are considered. Due regard is given to the period of service of non-executive directors to ensure a spread of tenure that avoids the potential risks of a significant number of new directors coming onto the Board at the same point. The tenure of our directors is set out on page 66 of the Annual Report.

An overview of the Committee's activities and appointments made to the Board during the year are provided on pages 69 to 70 of the Annual Report. The main role and responsibilities of the Nomination Committee are described in its terms of reference and the Committee's role in assisting the Board to create and maintain optimal Board and Committee composition is outlined in the Board Inclusion and Diversity Policy.

Provision 18: All directors should be subject to annual re-election. The board should set out in the papers accompanying the resolutions to elect each director the specific reasons why their contribution is, and continues to be, important to the company's long-term sustainable success.

All Kingfisher directors are subject to annual re-election by shareholders, as required by the company's Articles of Association.

For the 2023 AGM, the Board is satisfied that the directors' respective skills complement each other to enhance the overall operation of the Board and continue to be important to the company's long-term sustainable success and unanimously recommends their re-election. This is illustrated in the biographies of each of the directors which are provided in the Notice of AGM, pages 64 to 65 of the Annual Report, and available on the company's website. The directors believe this information is sufficient to enable shareholders to make an informed decision about each director's re-election.

Provision 19: The chair should not remain in post beyond nine years from the date of their first appointment to the board. To facilitate effective succession planning and the development of a diverse board, this period can be extended for a limited time, particularly in those cases where the chair was an existing non-executive director on appointment.

The current Chair, Andrew Cosslett was appointed to the Board in April 2017 and became Chair following his re-election at the June 2017 AGM. His appointment as a director was for an initial period of three years, subject always to the requirement for annual re-election at each AGM. The Board, on recommendation of the Nomination Committee, accepted his appointment for a third three-year term in January 2023. There is no expectation that he should serve beyond nine years, save as may be necessary to extend his appointment to terminate at his ninth AGM as director.

Provision 20: Open advertising and/or an external search consultancy should generally be used for the appointment of the chair and non-executive directors. If an external search consultancy is engaged, it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors.

In the event of non-executive director recruitment during the year, the Nomination Committee report discloses the approach taken, naming any external agency involved and disclosing other connections the agency has with the company, or individual directors. During the year, the Committee oversaw the search process and appointment of Bill Lennie which is set out on page 69 of the Annual Report. The Committee is supported by independent search consultants Egon Zehnder and Heidrick & Struggles in respect of the recruitment for Board roles. Egon Zehnder does not have any other relationship with the company or its directors; Heidrick & Struggles was engaged to facilitate inclusive leadership training to the Board and all senior leaders across Group functions during the year and otherwise has no other relationship with the company or the directors Both are signatories to the latest Voluntary Code of Conduct for executive search firms, which seeks to address gender and ethnic diversity on corporate boards.

Provision 21: There should be a formal and rigorous annual evaluation of the performance of the board, its committees, the chair and individual directors. The chair should consider having a regular externally facilitated board evaluation. In FTSE 350 companies this should happen at least every three years. The external evaluator should be identified in the annual report and a statement made about any other connection it has with the company or individual directors.

The Board and each of its principal committees conduct an annual effectiveness evaluation, which in line with the Code, is externally facilitated every third year. These evaluations are conducted in accordance with the principles set out in the Code and include consideration of the skills, composition and performance of the Board, its committees and individual directors. The review of individual non-executive directors takes into consideration their independence, effectiveness and commitment.

The 2022/23 annual evaluation was externally facilitated by Independent Audit Limited, who has no connection to Kingfisher or its individual directors. An overview of the review process together with the key findings and actions and, progress made against actions agreed during the 2021/22 internal evaluation are set out on page 68 of the Annual Report. The non-executive directors, led by the SID, review the performance of the Chair of the Board annually. The review considers the views of the executive directors.

Provision 22: The chair should act on the results of the evaluation by recognising the strengths and addressing any weaknesses of the board. Each director should engage with the process and take appropriate action when development needs have been identified.

The Chair uses the evaluation results to consider the contribution, time commitment and performance of all directors and to address the development needs of the Board and ensure that each director refreshes their individual skills, knowledge and expertise, as appropriate. If Board or individual weaknesses are identified, training in specific aspects of the company's business is provided to directors. If required, external training courses may be provided at the company's expense. The 2022/23 external evaluation concluded the Board is working well and benefits from strong support from the Group Executive. The 2022/23 action plan, with which all Board members are fully engaged, is set out on page 68 of the Annual Report.

Provision 23: The annual report should describe the work of the nomination committee (as outlined in the Code)

The work undertaken by the Nomination Committee during the year is outlined in the Nomination Committee report in the Annual Report (pages 69 to 70). This includes:

- the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline. This is also reported above under Provision 17;
- how the board evaluation has been conducted and outcomes and further detail on the evaluation process on page 68. The conduct of the Board evaluation is also reported above under Provision 21; and
- the Board Inclusion and Diversity Policy, its objectives and linkage to company strategy, how it has been implemented and progress against the objectives. The Committee reviews the effectiveness of

the policy annually, on behalf of the Board and recognises it is important that it remains aligned with the sentiment of the company's Code of Conduct. The full policy can be found on the company's website.

The gender-balance of the Board and senior management is set out on pages 66 and 70 of the Annual Report, respectively.

AUDIT, RISK AND INTERNAL CONTROL

Provision 24: The board should establish an audit committee of independent non-executive directors, with a minimum membership of three. The chair of the board should not be a member. The board should satisfy itself that at least one member has recent and relevant financial experience. The committee, as a whole, shall have competence relevant to the sector in which the company operates.

The Board has established an Audit Committee comprised of four independent non-executive directors. Jeff Carr, the Committee Chair has been designated the Committee member with recent and relevant financial experience to meet the Committee's responsibilities, and the requirements of the Code. Jeff is a qualified Chartered Accountant and an experienced Chief Financial Officer both in the retail sector, and listed UK companies. All other members of the Committee are deemed to have the necessary abilities and experience and that the Committee as a whole has competence relevant to the retail sector.

Provision 25: The main roles and responsibilities of the audit committee (as set out in the Code):

The Board has delegated responsibility to the Audit Committee for the accounting, financial reporting and internal control processes, risk management systems, narrative reporting, internal audit, and the company's relationship with the external auditor. The main role and responsibilities of the Audit Committee, which include those described in this provision, are set out in the Committee's terms of reference. The work undertaken by the Audit Committee during the year is outlined on pages 73 to 76 of the Annual Report and further detail is provided in Provision 26, below.

The Audit Committee has established a Disclosure Committee to assist the Board to fulfil its obligation to make timely and accurate disclosure of all information that is required to be disclosed to meet the company's legal and regulatory obligations and requirements arising under the UK Listing Authority and Disclosure and Transparency Rules, Market Abuse Regulations, the Code and any other relevant legislation.

The Board remains responsible for its financial and narrative reporting, including the integrity of the financial and narrative statements.

Provision 26: The annual report should describe the work of the audit committee (as set out in the Code):

The work undertaken by the Audit Committee during the year is outlined on pages 73 to 76 of the Annual Report. This includes:

- significant financial reporting matters considered relating to the financial statements and how these were addressed;
- the assessment of the independence and effectiveness of the external and internal audit processes;
- the Committee's recommendation regarding the reappointment of the external auditor; and
- an explanation of our policy governing non audit services.

The Committee has an annual forward agenda covering key events in the financial reporting cycle, a programme of reviews of our retail banners and Group functions, and standing items, in line with its terms of reference. This agenda evolves in response to the changing risks and priorities of the business.

Provision 27: The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy.

This responsibility is set out in the Statement of Directors' Responsibility on page 104 of the Annual Report and is supported by the Independent Auditor's report outlining their reporting responsibilities.

The Audit Committee reviews the company's financial statements and announcements ahead of publication, subject to the prior assessment and endorsement of the Disclosure Committee. On receipt of the Disclosure Committee's endorsement, the Committee considers, and challenges management regarding, significant accounting principles, policies and practices and their appropriateness, financial reporting issues and significant judgements made, including those summarised on page 74 of the Annual Report.

The Audit Committee also advises the Board on whether the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable, meets the latest legal and regulatory requirements for a listed company and provides the necessary information to assess the company's position and performance, business model and strategy.

Following its review of the 2022/23 Annual Report and Accounts, the Committee advised the Board it was of the opinion that these disclosures, and the processes and controls underlying their production, had met the latest legal and regulatory requirements for a UK listed company and that the 2022/23 Annual Report and Accounts, taken as a whole, are fair, balanced, and understandable, and provide the necessary information to assess the company's position and prospects, performance, business model and strategy.

Provision 28: The board should carry out a robust assessment of the company's emerging and principal risks. The board should confirm in the annual report that it has completed this assessment, including a description of its principal risks, what procedures are in place to identify emerging risks, and an explanation of how these are being managed or mitigated.

During the year, the Board has considered the nature and level of risk that the company is prepared to accept to deliver our business strategies and has reviewed and approved our internal statement of risk appetite. The Board undertakes this review of the company's risk appetite annually. Given the scale of our businesses, the Board recognises that the nature, scope, and potential impact of the business and strategic risks are subject to constant change. As such, the Board has implemented the necessary framework to ensure that it has sufficient visibility of the principal and emerging risks and the opportunity to regularly review the adequacy and effectiveness of our mitigating controls and strategies.

Pages 51 to 58 of the Annual Report outlines how the Board has carried out a robust assessment of the principal risks and includes a description of each of the principal risks and an explanation of how these risks are mitigated.

Provision 29: The board should monitor the company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls.

On behalf of the Board, the Audit Committee oversees the company's system of internal control, including its risk management framework and the work of the Internal Audit function. The Committee provides regular updates to the Board on internal control matters and Internal Audit reports annually to the Board to provide objective assurance on the control environment across the Group. The company's approach is compliant with the requirements of the Code and developed with reference to the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting and is further detailed on page 75 of the Annual Report.

Further details of compliance with Provision 29 are set out on the following pages of the Annual Report:

- Pages 76 sets out the Committee's consideration of risk management and internal control which is driven primarily by the company's assessment of its emerging and principal risks and uncertainties.

- Page 76 outlines our processes for controlling and monitoring the system of internal control and reporting any significant control failings or weaknesses. No significant failings or weaknesses were identified in respect of the year ended 31 January 2023 and up to the date of the publication of the Annual Report.
- Page 76 details the findings from the Committee's assessment of the effectiveness of the Internal Audit function.

Provision 30: In annual and half-yearly financial statements, the board should state whether it considers

it appropriate to adopt the going concern basis of accounting in preparing them, and identify any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

The half and full-year 2022/23 results announcements each confirmed that the Board considered it appropriate to adopt the going concern basis of accounting in preparing them, and identify any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements. The relevant announcements can be found on our website.

Provision 31: Taking account of the company's current position and principal risks, the board should explain in the annual report how it has assessed the prospects of the company, over what period it has done so and why it considers that period to be appropriate. The board should state whether it has a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, drawing attention to any qualifications or assumptions as necessary.

The Viability Statement is set out on page 59 of the Annual Report and outlines how the directors have considered the prospects of the company and why they consider a viability assessment period of three years to be appropriate. Their assessment is supported by the Disclosure and Audit Committees to ensure that the information presented is fair, balanced, and understandable. Page 60 sets out the Board's statement that it has a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over this period.

REMUNERATION

Provision 32: The board should establish a remuneration committee of independent non-executive directors, with a minimum membership of three. In addition, the chair of the board can only be a member if they were independent on appointment and cannot chair the committee. Before appointment as chair of the remuneration committee, the appointee should have served on a remuneration committee for at least 12 months.

The Board has established a Remuneration Committee comprised five independent non-executive directors, including the Chair, who was independent on appointment and who does not chair the Committee.

Claudia Arney was appointed as Chair of the Committee following 15 months' service on the Committee.

Provision 33: The remuneration committee should have delegated responsibility for determining the policy for executive director remuneration and setting remuneration for the chair, executive directors, and senior management. It should review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration.

The Committee's primary purpose, on behalf of the Board, is to determine the company's policy for executive remuneration and its costs, ensuring that remuneration policy and practices are designed to support strategy and promote long-term sustainable success, reward fairly and responsibly, with a clear link to corporate and individual performance as well as for determining the remuneration and benefits of executive directors, other members of the Group Executive, the Chair and the Company Secretary. The Committee also keeps under review workforce remuneration and related policies and the alignment of incentives and rewards with culture and takes these into account when setting the policy for executive director remuneration. The Remuneration Committee report can be found on pages 77 to 100 of the Annual Report.

Provision 34: The remuneration of non-executive directors should be determined in accordance with the Articles of Association or, alternatively, by the board. Levels of remuneration for the chair and all non-executive directors should reflect the time commitment and responsibilities of the role. Remuneration for all non- executive directors should not include share options or other performance-related elements.

The Articles of Association prescribe that the non-executive directors shall not, in aggregate, earn more than £1,750,000 per annum. Any change to this limit would require the approval of shareholders at a general meeting. The Board, with affected directors abstaining, approve the fees for the non-executive directors. The

Remuneration Committee approves the fees for the Chair, without the Chair present.

Fees paid to the non-executive directors are set out on page 98 of the Annual Report and seek to recognise their responsibilities, time commitment and technical skills required to make a valuable contribution to an effective Board. Fees to the Chair and non-executive directors do not include share options or other performance related elements and are reviewed annually with reference to relevant benchmark data.

Shares held by non-executive directors are disclosed on page 99 of the Annual Report. The company does not consider these shares to be sufficient to impact its judgement that the non-executive directors remain independent.

Provision 35: Where a remuneration consultant is appointed, this should be the responsibility of the remuneration committee. The consultant should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors. Independent judgement should be exercised when evaluating the advice of external third parties and when receiving views from executive directors and senior management.

PricewaterhouseCoopers LLP (PwC) have acted as principal advisors to the Committee since February 2013. PwC is a member of, and adheres to, the Code of Conduct for Remuneration Consultants Group. Details of their role and any other connections PwC have with the company are disclosed on page 89 of the Annual Report.

Provision 36: Remuneration schemes should promote long-term shareholdings by executive directors that support alignment with long-term shareholder interests. Share awards granted for this purpose should be released for sale on a phased basis and be subject to a total vesting and holding period of five years or more. The remuneration committee should develop a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares.

During the year, the Committee finalised the development of a new Directors' Remuneration Policy, having consulted with major shareholders, and which was subsequently approved by shareholders at the 2022 AGM. The policy replaced the DVI with a Performance Share Plan that complies with Provision 36. Full details of the Directors' Remuneration Policy can be found in the 2021/22 Annual Report and Accounts.

As detailed in the introduction, there are legacy DVI awards made before the adoption of the 2022 Policy that do not have phased vesting. The DVI awards will continue in line with the approved Remuneration Policy under which they were granted. Further details of these awards can be found within the Remuneration Policy approved at the 2019 AGM and included within the 2018/19, 2019/20, 2020/21 and 2021/22 Annual Report and Accounts. The company's long-term DVI, awarded under the Kingfisher Alignment Shares and Transformation Incentive Plan, is split into two awards at grant, each subject to a three-year performance period and does not therefore align with the provision that long-term incentive awards be phased rather than awarded in a single large block.

The Committee will continue to keep the Remuneration Policy, measures, and targets under review to ensure they continue to align with 'Powered by Kingfisher'.

The Committee has established mechanisms to enforce the post-employment shareholding guidelines once an executive director has left the company.

Further detail of the Remuneration Policy including holding and vesting periods and shareholding requirements can be found on pages 80 to 87 of the Annual Report.

Provision 37: Remuneration schemes and policies should enable the use of discretion to override formulaic outcomes. They should also include provisions that would enable the company to recover and/or withhold sums or share awards and specify the circumstances in which it would be appropriate to do so.

The Committee retains certain discretions in relation to determining the Annual Bonus, and Performance Share Plan, Alignment Share and DVI awards outcomes, to among other things override formulaic outcomes, where it is deemed appropriate. This year the Committee did not exercise any discretion in determining the Annual Bonus or incentive outcomes as set out on pages 90 and 91 of the Annual Report.

Malus and clawback may operate in respect of the Annual Bonus, and Performance Share Plan, Alignment Shares and DVI awards. These provisions enable the company to reduce (including, if appropriate, to nil) the payout and vesting levels or to recover the relevant value following the cash bonus payout or vesting of shares. Further details are set out in on page 83 of the Annual Report.

Provision 38: Only basic salary should be pensionable. The pension contribution rates for executive directors, or payments in lieu, should be aligned with those available to the workforce. The pension consequences and associated costs of basic salary increases and any other changes in pensionable remuneration, or contribution rates, particularly for directors close to retirement, should be carefully considered when compared with workforce arrangements.

Page 92 of the Annual Report outlines the retirement benefits to which the executive directors are eligible, which include pension provision by way of contributions to a defined contribution scheme or cash allowance. When making decisions on executive reward, the Committee considers the context of reward elsewhere in the company and any proposed reward changes for the wider workforce.

Provision 39: Notice or contract periods should be one year or less. If it is necessary to offer longer periods to new directors recruited from outside the company, such periods should reduce to one year or less after the initial period. The remuneration committee should ensure compensation commitments in directors' terms of appointment do not reward poor performance. They should be robust in reducing compensation to reflect departing directors' obligations to mitigate loss.

All Kingfisher executive directors' service contracts can be terminated by either the director or the company with 12 months' notice. The Committee considers all departing executive directors' reward entitlements and decisions taken by the Committee are published in the company's next Directors' Remuneration Report in the Annual Report following termination. As required by section 430(2B) of the Companies Act 2006, details of the remuneration arrangements for a departing executive director are also published on the website.

Provision 40: When determining executive director remuneration policy and practices, the remuneration committee should address the principles set out in the Code.

Details of the Committee's considerations of Provision 40 when considering and implementing the 2022 Remuneration Policy are set out on page 85 of the Annual Report.

The Committee is mindful of the potential for conflicts of interest where management are involved in the development of reward policy and takes measures to ensure that such potential conflicts are managed. These measures include scheduled time for the Committee to consider proposals without the presence of executive directors and/or management, as appropriate.

No director is involved in deciding their own remuneration outcome.

Provision 41: There should be a description of the work of the remuneration committee in the annual report (as set out in the Code):

The work undertaken by the Remuneration Committee during the year is outlined on pages 77 to 100 of the Annual Report. This includes:

- the strategic rationale for executive directors' remuneration policies, structures and any performance metrics;
- reasons why the remuneration is appropriate using internal and external measures, including pay ratios and pay gaps;
- confirmation that the remuneration policy operated as intended;
- engagement with stakeholders and the workforce and how executive remuneration aligns with wider company pay policy;
- the details of any discretion that has been applied to remuneration outcomes and the reasons why; and
- details of the Committee's considerations of Provision 40 when considering and implementing the Remuneration Policy.

The main role and responsibilities of the Remuneration Committee are described in the Committee's terms of reference.

The Committee has an annual forward agenda covering key events in the remuneration cycle, a programme of review and engagement, and standing items, in line with its terms of reference. This agenda evolves in response to the changing priorities of the business.