

# Kingfisher International Products Limited

## Strategic report

**For the year ended 31 January 2023**

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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 2023, after taxation, amounted to £32,928k (2022: £37,838k). The profit for the year has reduced due to lower levels of OEB sales across the Kingfisher Group.

Net assets at year end were £271,172k (2022: £237,043k). This is predominantly composed of intangible assets of £5,013k (2022: £6,955k), net amounts owed by Group undertakings for £280,229k (2022: £249,973k) and net outstanding amounts owed to third parties of £19,236k (2022: £27,154k).

### 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 51 to 58 of the Kingfisher plc 2022/23 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 Kingfisher plc 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 2022/23 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.

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## Strategic report (continued)

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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.

### Investors

When making decisions, the Directors have regard to the matters in s172, including the interests of stakeholders relevant to the Company, the impact of the Company's operations on the community and environment, and the Company's desire to maintain a reputation for high standards of business conduct as well as its long-term success. Actions and behaviours are governed by the robust governance framework of the Kingfisher plc group (the 'Group') which includes, but is not limited to, Group policies 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 the Company's stakeholders; however, by considering the Company's purpose, vision and values - together with its strategic priorities - and by having a process in place for decision-making, they do aim to ensure that their decisions are consistent and that stakeholder interests are considered fairly.

### 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, 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 Directors review financial and operational performance and key supplier commitments, product safety and performance metrics, key people metrics including colleague engagement and activity, legal and regulatory compliance and internal audit updates. During the year, the Directors reviewed the impact of the Ukraine war on the Company's purchasing and continuity of supply, and review of the corresponding supplier commitments. From February 2023, the Directors also received an update on the Group's Responsible Business strategy across the four pillars of Colleagues, Planet, Customers and Communities, and other business fundamentals relating to business conduct, governance and reputation management. The Directors' review is achieved through the consideration and review of reports which are sent to the Board of Directors (the 'Board') on a quarterly basis, and which provide the Directors with an opportunity to comment and ask questions. This information helps the Directors to understand the interests and views of the Company's key stakeholders as well as to have regard to s172 matters when making decisions.

The purpose of the Company is to provide sourcing and other services (such as group supply and logistics, ranging, product design, quality and sustainability, brand, communications, content and merchandising, franchising, master data, planning and trading, human resources and finance and legal services, to the retail banners within the Group). As well as its affiliates in the Group in which it operates, the Company's key stakeholders include its customers, colleagues, suppliers, regulators and governments, and national and international external regulators of product safety. The views of stakeholders 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 stakeholders and the Group, means that generally stakeholder engagement best takes place at an operational or Group level. As well as being a more efficient and effective approach, this also helps the Company achieve a greater positive impact on environmental, social, and other issues than by engaging as an individual company. Please see pages 17 to 22 of the 2022/23 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 Group.

Set out below are some specific examples of how the Board and management have had regard to s172 matters, their approach to stakeholder engagement, and the effect on certain decisions taken by them during the year.

### Colleagues

Company colleagues continue to remain apprised of pertinent developments in relation to the Company's commercial operating model, wellness campaigns, inclusion and diversity initiatives, and Responsible Business commitments via a mix of communication channels and management updates. During the year, this included cost of living support, organisation efficiency and continuous listening which provides colleagues with the opportunity to

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provide feedback to management on a regular basis. Mandatory compliance training continues to be provided to all colleagues and refreshed on a regular basis.

### Suppliers

The Company continues to regularly evaluate and improve its interactions with suppliers and during the period organised an Own Exclusive Brand vendor conference to communicate the vision and direction of the Company to suppliers as well as have business discussions with them. The Company also organised a supplier survey to better understand areas requiring development and improvement. Improvement action plans were subsequently put in place across the Company's sourcing and banner markets to address areas requiring additional focus.

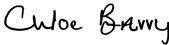
### Customers

Customer safety and satisfaction are pivotal to the success of the Company's business. The needs, behaviours and feedback of customers are collected, assessed, and used to develop the Company's long-term strategy and to improve understanding of customers' requirements. The Company continues to transform its product ranges to make greener, healthier homes affordable; and remains committed to supporting and integrating the Group's Responsible Business priorities including in respect of reducing carbon emissions, the net zero commitment and becoming Forest Positive by 2025.

### Future developments

The Company will continue to develop and expand its franchising operation, with potential new partners in further territories and new initiatives. On 31 March 2023 the Company closed its European Distribution centre in the Netherlands.

Approved by the Board and signed on its behalf by:

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C Barry

Director

16 August 2023