

A close-up photograph of a man with a beard and short dark hair, smiling warmly. He is wearing a bright orange high-visibility vest over a black long-sleeved shirt. The vest features two patches: one on the left chest with the Brico Depot logo and Kingfisher name, and another on the right chest with 'BRICO DEPOT' in bold letters. The background is a blurred warehouse or store setting with shelves of goods.

Kingfisher

Annual Report
and Accounts

2025/26



Better Homes. Better Lives. For Everyone.

Our purpose

At Kingfisher, we believe a better world starts with better homes and we strive to help make that happen.

Who we are

Kingfisher is an international home improvement company. We offer home improvement products and services to consumers and trade professionals through our stores and e-commerce channels.

Our leading retail banners



“

Kingfisher delivered a strong performance, driven by strategic progress and financial discipline. We remain focused on executing our strategic priorities, maintaining cost discipline and driving shareholder returns.”

Thierry Garnier
Chief Executive Officer

“

It continues to be a privilege to chair Kingfisher, a growing and innovative business with a clear purpose and passionate colleagues focused on creating sustainable value for all our stakeholders.”

Claudia Arney
Chair of the Board

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Kingfisher at a glance


Our strategic principles

1



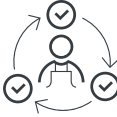
Kingfisher banners are not the same. This is a strength.

2




We have a clear vision to build customer propositions for the future.

3



We help 'power' our banners as a Group.

4



We are agile, human and lean.

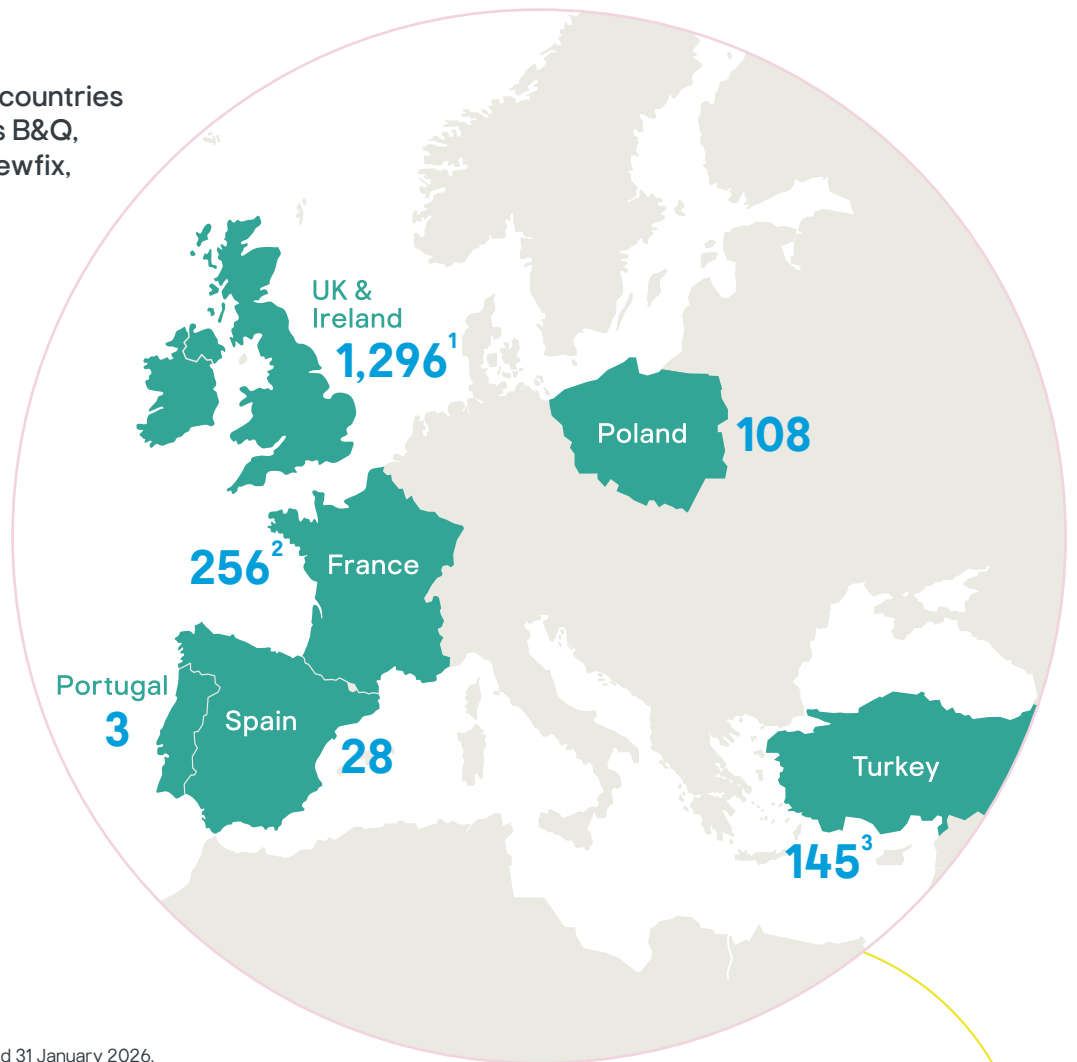
Where we operate

Kingfisher operates in seven countries across Europe under banners B&Q, Castorama, Brico Dépôt, Screwfix, TradePoint and Koçtaş.

1,800+
stores

70,000+^{4,5}
colleagues

3,700+
suppliers across 70 countries



All figures on this page relate to the year ended 31 January 2026.

- 1. B&Q 317, Screwfix 979.
- 2. Castorama 94, Brico Dépôt 127, Screwfix 35.
- 3. Our banner in Turkey, Koçtaş, is operated as a 50% joint venture. Store figure as of 31 January 2026.
- 4. Turkey joint venture included.
- 5. Total, not full-time equivalent.

Our corporate website
kingfisher.com

Our Responsible Business website
kingfisher.com/responsible-business

Financial highlights

For the year ended 31 January 2026

Sales

£12,945m

2024/25: £12,784m

1.1%¹/1.3%

Like-for-like²/reported

2024/25: (1.7)%¹/2023/24: (3.1)%¹

Gross profit²/margin^{1,2}

£4,930m

2024/25: £4,763m

38.1%

80bps

2024/25: 37.3%; 50bps

Retail profit²/margin²

£734m

2024/25: £696m

5.7%

20bps¹

2024/25: 5.4%; (30)bps¹

Adjusted pre-tax profit²

£560m

2024/25: £528m

Statutory profit – pre-tax and post-tax

Pre-tax

£378m

2024/25: £307m

Post-tax

£245m

2024/25: £185m

Basic earnings per share (EPS) – adjusted and statutory

Adjusted²

23.8p

2024/25: 20.7p

Statutory

14.0p

2024/25: 10.1p

Free cash flow²

£512m

2024/25: £511m

Net cash flows from operating activities

£1,433m

2024/25: £1,302m

Net debt²

£(1,878)m

2024/25: £(2,015)m

Total dividend³

12.40p

2024/25: 12.40p

Net debt² to Adjusted EBITDA²

1.4x

2024/25: 1.6x

Shareholder returns

£474m

2024/25: £453m

1. Variance in constant currency.

2. Alternative Performance Measure (APM). See the Glossary on pages 194 to 197 for definitions and reconciliations of APMs.

3. The Board has proposed a final dividend per share of 8.60p (FY 24/25: 8.60p), resulting in a proposed total dividend per share of 12.40p in respect of FY 25/26 (FY 24/25: 12.40p). The final dividend is subject to the approval of shareholders at the Annual General Meeting on 26 June 2026.

➔ Evaluation of our key performance indicators against our strategy can be found on pages 10 and 11 and pages 31 to 37.

Chief Executive Officer's statement

Kingfisher delivered a strong performance in 2025/26. This was driven by both our strategic progress and financial discipline. I would like to thank all our colleagues for their dedication and commitment, and the part they played to help us grow, innovate and deliver our purpose.

Business performance

Our results for 2025/26 showed a business in good financial health. Total sales were up 0.2% on a constant currency basis to £12,945m and our underlying like-for-like sales growth of 1.4% was driven by an increase in sales volumes and customer transactions. Adjusted profit before tax was up 6.0% to £560m and up 13% year-on-year when corrected for a one-off UK business rates refund received in the prior year. We also delivered strong free cash flow of £512m. Overall, we delivered slightly above our twice-upgraded guidance.

We also continued to grow our market share across banners, outperforming our markets at B&Q, Screwfix, Brico Dépôt France, Castorama France and Brico Dépôt Iberia. B&Q and Screwfix were standout performers, with total like-for-like sales growth of 3.3% at B&Q and 3.2% at Screwfix. In France, both Castorama and Brico Dépôt performed ahead of a market that reflected the continued subdued consumer backdrop. In Poland, total sales were flat, and in line with the market.

Our core categories (67% of sales) showed continued resilience, with the UK banners' solid performance led by strong interior paint sales at B&Q and sustained growth in Tools at Screwfix. Growth in big ticket categories (15% of sales) was helped by successful new kitchen ranges. Seasonal sales (18% of the total) were also strong, with favourable weather in the first half of the year.

Strategic progress

Our performance was underpinned by progress against our strategic priorities, particularly in two key initiatives - trade and e-commerce - which both achieved double-digit sales growth. We continue to apply our strategy successfully in our UK banners, replicating this success in other markets.

Growing our trade business

Appealing to trade customers continues to be very important, as builders, plumbers, electricians and decorators visit stores more frequently and spend more. Across the Group, trade customer sales (excluding Screwfix) increased +23% year-on-year, now representing 30% of sales (up 3 ppts). Trade sales reached £3.9bn in total. Our updated ambition is to reach £5bn Group trade sales in the medium term.

Our trade propositions continue to improve. Dedicated trade zones are now live across all banners, with features including separate parking, entrances and payment points. Elsewhere, we continue to expand our trade-focused ranges, with the addition of new OEB and branded products, and are investing further in colleagues dedicated to building trade customer relationships. We now have trade loyalty propositions across all geographies, with total membership up 18% year-on-year and opportunities for further growth.

“

Our performance was underpinned by progress against our strategic priorities, particularly in two key initiatives - trade and e-commerce.”

Thierry Garnier

Scaling our digital ecosystem

Our digital ecosystem is designed to drive traffic to our websites and footfall to our stores. Our online marketplaces, which are now live across all our markets, bring in new customers and broaden their choices with products from third-party sellers. Our loyalty programmes and apps build our data capabilities, which present opportunities for monetisation through retail media.

Our e-commerce sales (excluding Screwfix) grew +20%, taking our e-commerce penetration to 21% of Group sales. This was up 2 ppts year-on-year (and up 15 ppts versus FY19/20).

In our digital ecosystem, we see marketplaces positively impacting our own first-party business. For example, we find about 50% of diy.com customers are new to B&Q, and 15% of those who purchase a marketplace product go on to purchase a first-party product. By the end of the year, Group GMV (the value attributed to sales through marketplaces) was up +58% to £518m, representing 15% of total e-commerce sales (FY 24/25: 10%), and there were 3.7m products available at diy.com alone. In 2026/27, we will focus on onboarding further cross-border vendors across all markets, introducing new marketplace functionalities, and upgrading our platform for sellers.

With our digital ecosystem generating significant volumes of data, our banners utilise it to provide a more personalised offer to customers and generate retail media revenue. Our banners' loyalty programmes fuel the data generation used for retail media, with membership through our app and rewards programmes up +13% across the Group.

The apps are also going from strength to strength, now representing 29% of total e-commerce sales (FY 24/25: 28%) with an average of 3.5m monthly active app users across the Group (+15% year-on-year). We're also harnessing select AI use cases to further improve customer and colleague experiences, such as with our product recommendation and personalisation engines, which generated c. £165m of Group sales.



Scan the QR code or visit www.kingfisher.com/fullyearresults for more information.

But, with c. 90% of online orders fulfilled from stores, our banners' stores remain at the heart of our operations, serving as both experiential showrooms and online fulfilment hubs. This is how we provide unparalleled speed and convenience for our customers. B&Q for example now offers Click & Collect on third-party marketplace products, and Castorama France and Poland plan to introduce similar offers in 2026. Click & Collect comprised 63% of total e-commerce sales in 2025/26.

Our longer-term ambitions for our digital ecosystem remain: for e-commerce to reach 30% of our sales, one third of which from marketplace; and for retail media and data monetisation income to reach up to 3% of the Group's total e-commerce sales.

Responsible business

We remain committed to leading the industry as a responsible business, creating better homes and better lives for everyone.

Our Sustainable Home Products (SHP) programme, which gives customers more sustainable, quality and affordable options to future-proof their homes, now accounts for 70% of our Own Exclusive Brand (OEB) products, and 58.2% of Group sales (up almost 5 pts year-on-year). We exceeded our Scope 1, 2 and 3 emissions targets for the year, and continue to target reductions (versus our previously announced baseline years).

Our people are at the heart of our business, and we continue to work hard to make Kingfisher a more agile and inclusive company. I am proud of our Employee Net Promoter Score (eNPS) of 58, maintaining our position in the top 5% of worldwide retailers. Across the Group, we've also invested more than £6m in community projects, reaching more than 5m people since 2016/17.

We will publish the details of our updated responsible business ambitions, extending to 2030, in Q2 2026/27.

Looking ahead

While the consumer environment in our markets remains mixed, we remain focused on executing our strategic priorities, maintaining cost discipline and driving shareholder returns.

Finally, I would like to again thank all our colleagues across the Group and in our banners for all their hard work and dedication this year.

Thierry Garnier

Chief Executive Officer

23 March 2026

Our investment case

Leading market positions, attractive growth drivers

Leading banners powered by Kingfisher	Attractive growth drivers	Clear financial priorities
<p>UK & Ireland £60bn TAM¹</p> <p>B&Q SCREWFIX TRADE POINT</p>	Grow our trade business	Sales to grow ahead of our markets
<p>France £52bn TAM¹</p> <p>BRICO DEPOT castorama SCREWFIX</p> <p>casto pro BRICO DEPOT PRO</p>	Scale our digital ecosystem	Profit to grow ahead of sales
<p>Poland £18bn TAM¹</p> <p>castorama casto pro</p>	Win through our offer, OEB and services	Strong FCF generation
<p>Iberia £21bn TAM¹</p> <p>BRICO DEPOT BRICO DEPOT PRO</p>	Grow our banners and formats	

1. TAM = 2025 estimated total addressable market sizes.

Our strategy

Better Homes. Better Lives. For Everyone. At Kingfisher, we believe a better world starts with better homes and we strive to help make that happen.

Our strategic plan – ‘Powered by Kingfisher’ – aims to maximise the benefits of combining our distinct banners with the scale, strength and expertise of the Group. See more on how we create value on pages 12 and 13.

We are investing for growth in multiple areas of the business, underscoring our confidence in the medium-to-longer term outlook for home improvement growth in our markets.

1 Grow our trade business



Trade customers typically visit our stores more frequently and spend more than the average retail customer. We are focused on expanding our trade customer proposition across our banners through the further roll-out of trade counters, dedicated colleagues, specialised product ranges, new services and loyalty programmes, and an enhanced omnichannel customer experience.

2 Scale our digital ecosystem



We are scaling our digital ecosystem to offer our customers faster fulfilment of orders by leveraging our store estate, and broader product ranges via our online marketplaces. We are leveraging data and AI to optimise the digital shopping journey. Our apps drive customer loyalty and engagement. With over 1bn annual visits across our digital channels, we are offering vendors a powerful platform to showcase their products through our growing retail media capability. We are also using data and AI to increase productivity across our business.

3 Win through our offer, OEB and services



We are strengthening our customer offer by expanding choice through broader product ranges including via our marketplace and new fulfilment propositions and by enhancing our trade offer so we can support the full needs of our customers. A key pillar of our offer is our own exclusive brands (private label), where we provide innovative solutions at affordable prices. This includes a rich portfolio of brands that have built strong customer relationships in their respective categories over many years, while also helping customers reduce environmental impacts through our Sustainable Home Products. Alongside this, we offer a growing portfolio of complementary services that support customers with their projects and drive deeper engagement.

4 Grow our banners and formats



Our banners hold leading positions in their key markets, each with a distinct model and clear customer proposition, supported by a range of store formats. Where attractive space opportunities exist that meet our investment criteria, we continue to complement our existing store estate. Compact stores play an important role in our expansion, allowing us to capture customers in high-density urban areas and offering convenience and fast fulfilment through Click & Collect and home delivery.

5 Lead the industry in responsible business and energy efficiency







We are committed to leading our industry in responsible business practices and energy efficiency across four priority areas for Responsible Business where we can maximise our positive impact on the lives of our customers, colleagues, communities, and the planet.



6 Agile, human and lean



We have adopted a culture of speed and agility, given the rapidly changing environment in which we do business. We are also structurally reducing our cost base and improving inventory management.

Performance against priorities

Strategic priorities	Key progress	Proof points for FY 25/26	Forward focus for FY 26/27
 <p>Grow our trade business</p>	<ul style="list-style-type: none"> - Dedicated trade zones now live in all banners - Further investment in dedicated sales partners - Loyalty programmes for trade customers now active in all markets (including via apps) - Added further trade-specific ranges and services 	<p>£3.9bn total trade customer sales</p> <p>279 trade sales partners in role (2024/25: 105)</p> <p>30% trade sales penetration, up 3 ppts</p> <p>18% increase in trade loyalty programme membership</p>	<ul style="list-style-type: none"> - Further roll-out of trade counters. - Continue to recruit and train trade sales partners in all markets. - Continue to enhance trade-specific product ranges and services in all markets. - Deliver enhanced omnichannel customer experience. <p>Longer-term ambitions: For Group trade sales to reach £5bn in the medium term.</p>
 <p>Scale our digital ecosystem</p>	<ul style="list-style-type: none"> - Expansion of digital hubs across estate - Strengthened fulfilment capabilities - Continued success of marketplaces, with propositions now live in all markets - B&Q's rollout of the UK's first marketplace Click & Collect service - AI-driven customer and colleague-facing initiatives enhancing customer journeys and productivity - Retail media capabilities now live in all banners and launched Core IQ (our data monetisation platform) - Strong app user growth and engagement, with help from loyalty programmes 	<p>21% e-commerce sales penetration (up 2 ppts), totalling £2.7bn</p> <p>£518m Group marketplace GMV (up 58% year-on-year)</p> <p>63% of total e-commerce sales fulfilled through Click & Collect</p> <p>c.£165m of Group sales driven by AI-powered product recommendation and personalisation engines</p>	<ul style="list-style-type: none"> - Continue on-boarding of cross-border vendors to all marketplaces. - Introduce new marketplace functionalities. - Launch new media formats across web and app and build capabilities to extend campaigns off-site. - Expand Core IQ across banners. - Continue to lead industry in development and deployment of impactful AI tools. <p>Longer-term ambitions: E-commerce to reach 30% sales penetration, one third of which from marketplace. Retail media and data monetisation income to reach up to 3% of the Group's total e-commerce sales.</p>
 <p>Win through our offer, OEB and services</p>	<ul style="list-style-type: none"> - Significantly expanded product offer through marketplace and for trade customers - Improved OEB range visibility in stores and online - Continued to strengthen product ranges at opening price points 	<p>£5.5bn total OEB sales, representing 43% of Group sales</p> <p>70% of OEB product sales from Sustainable Home Products (target achieved)</p>	<ul style="list-style-type: none"> - Develop further innovative OEB products that help make home improvement tasks easier. - Strengthen product offer in the lowest retail price quartiles. - Further strengthen services offer for DIY and trade customers, such as installations, removing key pain points in complex projects.
 <p>Grow our banners and formats</p>	<ul style="list-style-type: none"> - Rapid conversion of eight acquired Homebase stores by B&Q - Compact & City stores continued encouraging performances - Further expanded Screwfix in the UK, Ireland and France - First two Castorama France franchises opened 	<p>41 net new stores across all banners</p> <p>39 Screwfix City stores now open (13 new)</p> <p>24 Castorama France stores addressed as part of modernisation plan</p>	<ul style="list-style-type: none"> - Open first standalone TradePoint store. - Net 12 Screwfix and five B&Q store openings planned. - Net two Brico Dépôt France and Iberia store openings planned. - Net two Castorama Poland store openings planned. - Continue building brand awareness of Screwfix France, and net five new store openings planned. <p>Longer-term ambitions: Net space growth to drive an uplift in sales of c. +1.5% to +2.5% per annum.</p>

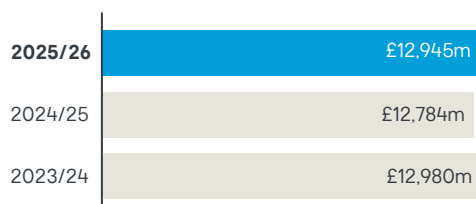
Strategic priorities	Key progress	Proof points for FY 25/26		Forward focus for FY 26/27
 <p>Lead the industry in responsible business and energy efficiency</p>	<ul style="list-style-type: none"> - Exceeded FY 25/26 Scope 1, 2 and 3 emissions targets - Continued to give customers more sustainable, quality and affordable options to future-proof their homes - Further progress on gender representation and skills - Exceeded FY 25/26 target of reaching over 2m people with the greatest housing needs 	<p>58.2% of Group sales from SHPs (Sustainable Home Products), up 5 ppts year-on-year</p>	<p>>20k SKUs across the Group carrying the Green Star product mark</p> <p>>5m people reached through community projects across the Group (since 2016/17)</p>	<ul style="list-style-type: none"> - Mobilise the next iteration of our Responsible Business strategy, including a 2030 ambition.
 <p>Agile, human and lean</p>	<ul style="list-style-type: none"> - Strong focus on performance, leadership development, succession planning and operating model transformation - Maintained strong colleague engagement - Continued to make progress in lowering structural cost base across multiple areas of the business 	<p>58 employee Net Promoter score</p>	<p>5% our placing in the top percentile of global retail benchmarks for colleague engagement</p>	<ul style="list-style-type: none"> - Maintain focus on performance, leadership development, succession planning and operating model transformation. - Continue to assess our culture through both formal and informal channels. - Diversity and inclusion remains the foundation.

Key performance indicators

We use a range of financial and non-financial key performance indicators (KPIs) to track and evaluate delivery of our 'Powered by Kingfisher' strategy.

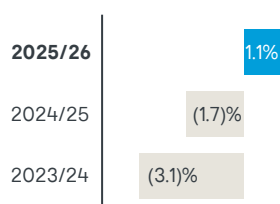
Financial performance indicators

Total sales



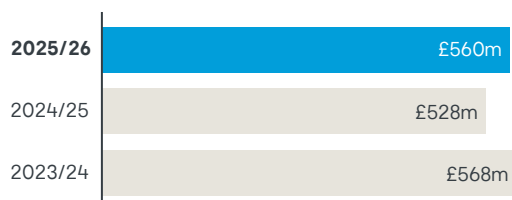
Total sales increased by +0.2% on a constant currency basis, to £12,945m. Excluding Romania, the Group's total sales increased by +1.8%. On a constant currency basis, UK & Ireland and Iberia achieved sales growth ahead of their markets. France declined against a subdued consumer backdrop but outperformed the market. Poland sales were flat and in line with the market. On a reported basis, which includes the impact of exchange rates, total sales increased by +1.3%.

Like-for-like sales¹



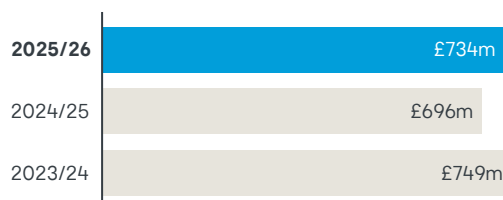
LFL sales of +1.1% excludes a (1.6)% impact from the disposal of Romania and a +0.7% contribution from net space growth. Underlying LFL sales performance (excluding calendar and leap year impacts) was +1.4%. Space growth was driven by the conversion of acquired Homebase stores at B&Q, new Screwfix openings in the UK and France, and expansion at Castorama Poland. 41 net stores were opened during the year.

Adjusted pre-tax profit¹



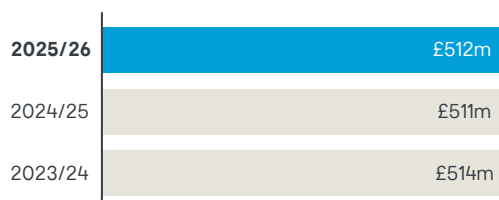
Adjusted pre-tax profit increased by +6% to £560m on a reported rate basis (FY 24/25: £528m), reflecting higher retail profit and lower net finance costs, partially offset by higher central costs.

Retail profit¹



Retail profit increased by 4.4% to £734m, reflecting higher profits in the UK and Iberia despite the prior year benefitting from £33m business rates refunds in B&Q. On a reported basis, retail profit increased by 5.4%.

Free cash flow¹

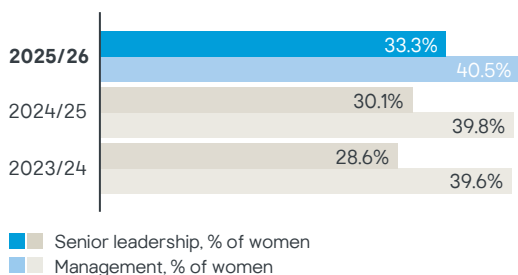


Free cash flow of £512m, driven by earnings growth, receipts of tax settlements relating to prior years and effective working capital management, while increasing capex investment. Gross capital expenditure was £388m, up £71m (+22%) through freehold acquisitions at B&Q, investment in technology and in customer facing maintenance in our existing stores.

1. Denotes an Alternative Performance Measure (APM). APMs are defined in the Glossary on pages 194 to 197.

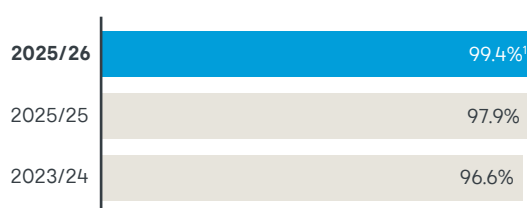
Non-financial performance indicators

Inclusion and diversity



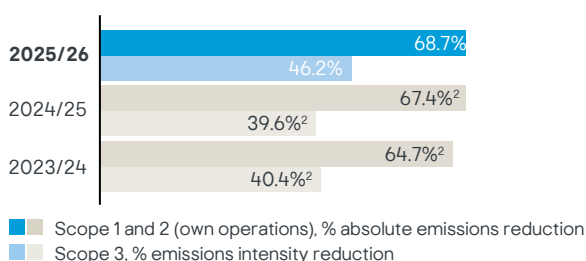
We have continued to strengthen gender diversity across the Group. Women represent 33.3% of senior leadership (FY 2024/25: 30.1%) and 40.5% of management, with the management target achieved (FY 24/25: 39.8%). Improving gender diversity in senior leadership remains a priority.

Responsibly sourced wood and paper



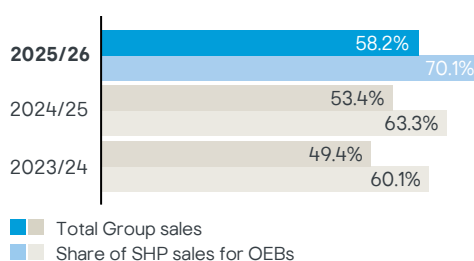
The share of responsibly sourced wood and paper in our products, measured as a percentage of total SKUs sold, increased to 99.4%¹ (FY 24/25: 97.9%), continuing progress towards our Group target. Responsibly sourced wood and paper reached 99.6% within OEB products.

Carbon emissions reduction



We have exceeded our FY 25/26 science-based target, reducing Scope 1 and 2 emissions by 68.7% compared with the FY 16/17 baseline. Scope 3 emissions from supply chain and product use have reduced by 46.2% per £m of turnover since FY 17/18, exceeding our FY 25/26 science-based target.

Sustainable Home Products: % of retail sales



Total Group sales from Sustainable Home Products (SHP) increased to 58.2% in FY 25/26 (FY 24/25: 53.4%) with SHP sales for OEBs products reaching 70.1% (FY 24/25: 63.3%). The OEB element of the target has been achieved, with further progress made towards the Group-level target.

1. 99.1% is responsibly sourced in line with the criteria outlined in our policy. The remaining 0.3% relates to products sourced from a small number of companies, which we have assessed based on alternative, externally validated criteria.

2. FY 23/24 and FY 24/25 reduction figures have been restated to reflect the removal of Romania from the Group reporting boundary.

We have achieved our community target to help two million people whose housing needs are greatest by 2025/26, ahead of schedule.

Business model

We offer home improvement products and services to consumers and trade professionals across our stores via our e-commerce channels, and through our franchise and joint venture partners. By delivering our strategy and operating as a responsible business, we create sustainable value for our customers, colleagues, shareholders, suppliers and wider society.

➔ Further information on how we consider the impact of climate change and build sustainable value for our stakeholders can be found on pages 28 to 30, 79 and 103 to 114.

Our key resources



Our people and culture

Engaged colleagues with the right skills to serve customers.



Our financial strength and scale

c. £13 billion of sales: collective buying scale.



Our diverse and trusted banners and formats

Distinct banners which address diverse customer needs with different models, strong customer relationships and a clear positioning and plan.



Our market-leading positions

Our banners occupy number one or number two positions in our key markets.



Our technology

Strong network of stores and strong e-commerce capabilities, as well as franchise and joint venture partners.



Our own exclusive brands

Our own exclusive brands (OEBs) allow our banners to offer differentiated products in terms of innovation, affordability and reducing environmental impact.



Our supplier relationships

Close collaboration with our suppliers to bring the best home improvement products to our customers at great prices, while ensuring they meet our ethical standards.



Our Responsible Business practices

Longstanding commitment to make a positive impact for communities, colleagues, customers and the planet.

→ How we create value

The differentiation of our retail banners across trade (Screwfix, TradePoint), discounters (Brico Dépôt France, Brico Dépôt Iberia), and more general DIY needs (B&Q, Castorama France, Castorama Poland, Koçtaş) is a unique strength for us.

Kingfisher's scale and resources are a critical source of competitive advantage for our banners, providing Group-wide OEB product development and supply, leading-edge technology platforms and digital capabilities, international sourcing and buying scale, data-driven AI-powered tools, products & services, shared services and best practices.

Our strategic plan – 'Powered by Kingfisher' – maximises the benefits of combining our distinct retail banners (which serve a range of different customer needs) with the scale, strength and expertise of the Kingfisher Group. We continue to invest for growth in multiple areas of the business, driving market share gains through our strategic growth initiatives:

Strategic growth initiatives

- Grow our trade business
- Scale our digital ecosystem
- Win through our offer, OEB and services
- Grow our banners and formats

Medium-term financial priorities

Kingfisher is an agile and lean organisation that is strongly positioned to deliver profitable growth through self-help and operating leverage. Supported by Kingfisher's key strategic priorities, the Group's medium-term financial priorities are as follows:

- Sales to grow ahead of our markets
- Profit to grow faster than sales
- Strong cash generation to drive growth investment and attractive shareholder returns



→ Who we create value for



Colleagues

Inclusive, rewarding work and careers, developing skills.



Communities and society

Operating as a responsible business, with strong community involvement.



Customers

Making better homes and better lives for everyone; helping tradespeople to get their jobs done quickly and affordably.



Environment

Protecting and restoring natural resources and tackling climate change.



Partners

Growing our business through different partnership models, including wholesale, licencing and franchise models.



Shareholders

Delivering sustainable value creation.



Suppliers

Sharing value in our supply chain.

People and culture

Our People and Culture Plan for 2026–2029 is a core part of the 'Powered by Kingfisher' strategy and focuses on building an organisation that delivers performance and growth.

Guided by our purpose to help 'make better homes, better lives, for everyone' we are building the critical capabilities our strategy demands, from strengthening key skills to fostering an agile, human and lean culture. Our plan is built around three priorities:

- A culture of agility, trust and inclusion, to unlock high performance
- An effective, lean organisation that enables reinvestment for sustainable growth
- Attracting, developing and retaining the critical skills and talent needed for the future

In 2025/26, we accelerated the development of organisational capabilities to support delivery of our strategic priorities, with a strong focus on performance, leadership development, succession planning and operating model transformation. This work helps to position Kingfisher to deliver sustainable growth by combining operational efficiency with a culture that attracts, develops and retains the talent needed to power our strategy.

Colleague engagement continues to be a strength, reflected in an eNPS score of 58, placing us among the top performers in global retail benchmarks. We have achieved key milestones in our representation targets and continue to build on this progress with renewed goals for 2030. Inclusion remains a foundation of our approach, ensuring that every colleague feels they belong, can share ideas and build the career they want.

Building a high-performance culture

In 2025/26, we made strong progress towards creating a high-performance culture.

To better understand our performance strengths and opportunities, we partnered with behavioural scientists to establish a clear cultural baseline using engagement-survey insight and data to identify the existing strengths we can build on, as well as opportunities to clarify expectations and strengthen support for colleagues.

We introduced programmes to strengthen a performance-driven mindset by improving the quality of objective setting, review discussions and ongoing feedback. Group colleagues participated in training on effective goal setting and we focused on raising the standard of performance conversations, making them clearer, more consistent and more meaningful. Incentive structures were also refined, with updates to the senior leader bonus plan to reinforce the link between performance, reward and accountability.

At B&Q, Objectives and Key Results (OKRs) were introduced at business and functional levels to create greater clarity and alignment for colleagues and teams on performance, with Castorama Poland implementing similar programmes. Castorama France revised its 2026–2028 profit-sharing agreement to link rewards to store performance. In 2026, store incentives will focus on project sales, to boost expertise and customer experience.

To foster a culture of feedback for performance and growth, we trained Group colleagues in giving and receiving feedback, a key component of a high performance culture. B&Q invested in introducing common tools and equipping leaders through a dedicated range of targeted engagement and development sessions. Similar programmes of feedback training have been launched and cascaded across the Group including at Screwfix, Castorama Poland and Brico Dépôt Iberia.

Creating an effective, lean and agile organisation

We continued to evolve our operating model, with Head Office reviews identifying opportunities to streamline processes and unlock productivity, alongside organisational changes delivered across the banners. These changes created more focused roles and accelerated digital transformation, including building new capabilities such as retail media.

At Castorama France, a head office reorganisation streamlined processes and strengthened operational effectiveness, sharpening the focus on delivering an improved customer experience. At B&Q, head office change programmes focused on reinvesting in new capabilities to reduce duplication and enabled the creation of more strategically aligned roles. Teams were reshaped through targeted role consolidation, talent redeployment and capability building. Alongside these changes, B&Q modernised its store management structure, introducing more customer-focused leadership roles and reallocating time to front-line colleagues to improve customer service.

Taken together, these changes reflect a Group-wide shift towards clearer structures, stronger capabilities and more focused investment in the areas that drive efficiency, improved customer experience and long-term business strength.

Building leaders and skills for future growth

We focused on building the leadership capability and skills needed for sustainable growth by strengthening succession plans for senior roles and investing in critical future capabilities, including digital expertise.

We made strong progress in developing future leaders by broadening and diversifying our talent pools, attracting high-quality senior hires, and expanding leadership development programmes. We invested in our senior leadership cohorts, with 12 Leadership Teams (187 leaders) strengthening capability in trust, clarity and alignment, the core ingredients of high-performing teams, supported by new leadership and communication programmes. Further development is planned throughout 2026.

Diversity in leadership continued to improve, with women representing 53% of all senior appointments, rising to 65% where a diverse shortlist was used.

We strengthened our succession pipeline by identifying and developing successors for key roles, increasing cross-business career moves, and applying more rigorous assessments to improve our understanding of potential and future readiness.

B&Q has continued to invest in colleague capability to support long-term success, strengthening showroom selling expertise through targeted training for Showroom Advisors, Managers and Store Managers, delivered in partnership with Reality Training Ltd. This programme focuses on practical, customer-led behaviours and has already driven a 5.5% improvement in conversion since the project began.

Screwfix launched 'Everyday Leadership Principles', setting clear expectations for leaders, and began a leadership effectiveness programme for Directors, continuing into 2026.

Skills building for the wider colleague population remains a focus with apprenticeships central to our approach, with more than 12,000 completed to date. This includes over 700 colleagues currently enrolled at B&Q and around 250 completing qualifications in FY 25/26. B&Q now offer over 40 nationally recognised qualifications, enabling colleagues to grow their careers while building the skills needed for the future. B&Q's commitment to inclusive development was recognised at the Multicultural Apprenticeship Awards, where it was named Employer of the Year – Retail, Hospitality and Tourism. Screwfix was again named a Top 100 Apprenticeship Employer and shortlisted for Apprenticeship Programme of the Year. Castorama Poland invested in early-career development through its "Kierunek Castorama" vocational apprenticeship scheme and "Be One of Us!" internship programme, providing hands-on experience and strengthening the long-term talent pipeline.

Investing in our people and growing engagement

Listening to our colleagues remains key to how we work. Through colleague forums, networks and engagement surveys, we ensure colleague voices shape our strategy and culture. Our fifth annual engagement survey, conducted via the Workday Peakon platform, delivered an eNPS score of 58, maintaining our position in the top 5% of global retail benchmarks for the third consecutive year. Engagement has risen by 10 points since launching the platform in 2021, with strong performance across key drivers:

- **Growth (55 eNPS)** is the driver that performs highest against the retail benchmark. Colleagues value the availability of training programmes, especially apprenticeships. Apprentices score Growth 25 points above the Kingfisher benchmark.
- **Reward (31 eNPS):** Continues to outperform benchmarks, reflecting the positive impact of recent pay investments.
- **Wellbeing (45 eNPS)** has emerged as the highest impact strength, scoring 43 points above the median retail benchmark. Many colleagues attribute this to high levels of care from managers and peers who create a supportive environment every day.

Our inclusion scores remains strong, with "Sense of belonging" up one point to 55 eNPS and "Fair opportunities for all backgrounds" steady at 76 eNPS, both ranking in the top 5% of Peakon's global Inclusion and Diversity benchmark. Colleague sentiment indicates our approach is authentic and embedded in our culture, while we remain mindful of adapting to evolving attitudes and diverse cultural contexts across our markets.

We continue to assess our culture through both formal and informal channels, including regular colleague surveys, the Kingfisher Colleague Forum (KCF), works councils, colleague networks, social channels and Town Hall meetings. These forums provide meaningful dialogue between colleagues and senior leadership, helping shape decisions on business-critical topics, from AI and cyber security, to embedding diversity and allyship ambitions across our markets, ensuring colleague insight drives strengthened capability and organisational resilience. Insights from engagement surveys and forums are shared with the Board to inform decision-making, and a Non-Executive Director attended the KCF twice during the year to maintain a direct link to colleague voice (see page 59).

In parallel with colleague listening, we continue to monitor workforce trends and workforce indicators closely across all banners, with Q4 data showing meaningful shifts in attrition and stable levels of overall absence. Retail attrition trends improved across our UK banners, with overall attrition falling from 9.7% to 5.6% in Q4, placing both B&Q and Screwfix below BRC benchmarks, while head office attrition remained stable at 3.2%.

As a responsible employer, we continue to monitor cost of living trends across all our markets and take proactive steps to support colleagues in both our stores and our head offices. Despite the challenging external environment, we remain committed to investing in pay and benefits. In April 2025, we implemented further increases to minimum hourly pay rates at B&Q and Screwfix, reinforcing our priority to support colleagues and maintain strong market competitiveness.

Over the past five years, we have delivered a cumulative increase of more than 40% in hourly pay rates across our UK businesses and comparable levels of uplift have been achieved internationally. These sustained increases reflect our long term commitment to fair, competitive pay, even during periods of significant economic and operational pressure.

Alongside pay, we continue to strengthen our broader approach to benefits and supporting financial wellbeing. Across our markets, we provide financial education programmes designed to help colleagues build confidence in managing their personal finances and planning for the future. We offer all eligible colleagues a high quality UK pension scheme that supports long term financial security and we operate colleague support funds, offering targeted financial assistance to those facing unexpected or difficult circumstances. These initiatives ensure that colleagues have access to support when they need it most.

Across the business, we continue to make steady progress on reducing our gender pay gap each year. We know that meaningful, long-lasting change takes time, but it's encouraging to see consistent improvement. We remain committed to investing in all colleagues through fair, competitive pay and through opportunities for growth and development which we believe will continue to drive positive results across all areas of our diversity reporting.

We have worked diligently to prepare for the upcoming EU Pay Transparency Directive through a cross-banner working group. Our European banners have focused on strengthening job evaluation frameworks, reviewing and aligning pay bands, and engaging colleagues across the business to ensure readiness. This collaborative effort has helped build a consistent, transparent, and well-understood approach as we move toward compliance.

People and Culture continued

Driving performance through diversity and representation

We continued to make strong progress on gender representation, including a significant achievement this year: women now hold 40.5% of management roles, meeting our FY 25/26 target. Further detail is outlined in the graphs below. We remain committed to achieving our goals for women in senior leadership and to reporting transparently on our progress.

In the FTSE Women Leaders Report, published in February 2026, it was reported that Kingfisher had improved gender representation by 2.1% year on year, rising from 35th to 28th place in the FTSE 100. Since 2020, representation at Group Executive and their direct reports has increased by 12.7%, putting us 2.9% above the FTSE 100 average and making us the only retailer to have made consistent progress every year since 2020.

We maintained our broader focus on diversity and inclusion, including ethnicity. As confirmed in the Parker Review for the 2025 reporting period, 4.2% of our UK Senior Leadership population identify as from an ethnic minority background. We continue to work with external partners to ensure accountability and best practice. We also strengthened our understanding of workforce demographics, reaching 75% completion in our UK diversity data campaign and introducing candidate diversity questions to support a fairer recruitment experience. To further embed inclusion and connection, we expanded in-person onboarding in the UK and launched a new volunteering hub to help colleagues engage with the communities we serve.

Across our banners, we continued to advance diversity and inclusion through targeted development programmes. Castorama France expanded its Woman Leader programme and B&Q strengthened its pipeline of female leaders by +1.3% YoY through ongoing D&I education and initiatives like the Women In Leadership Apprenticeship. Our commitment to diversity has been recognised externally, with Brico Dépôt Iberia ranked among the top 13 companies for attracting and developing female talent in 2025 by Instituto Más Mujeres and was acknowledged by Intrama as one of Spain's top 50

organisations for best practices in Diversity, Equity and Inclusion. Castorama France achieved a score of 99/100 on the national Gender Equality Index, reflecting its strong and sustained progress on inclusion and pay equity.

Affinity networks continued to grow under the theme of Belonging, and Kingfisher hosted its first Inclusion & Diversity Summit in 2025, bringing together network chairs from across banners to share best practice and expand their reach beyond the UK.

Our People Plan 2026–2029

Looking ahead, we will maintain focus on three priorities:

- **Building a culture of performance for growth**
- **Further optimising our operating model to drive growth efficiently**
- **Building leaders and skills for now and the future**

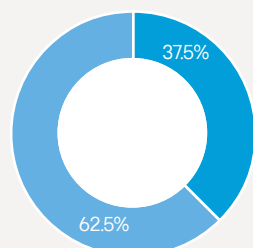
We will continue to embed our work on colleague engagement, diverse representation, inclusion, learning and career development, supported by strong governance and active listening through the Kingfisher Colleague Forum, our other colleague fora, and engagement surveys.

Equal opportunities

We are committed to creating a workplace where everyone is treated with fairness, respect and dignity. No colleague is to be treated less favourably or experience discrimination (unlawful or otherwise) on any grounds. Entry into and progression within the company is based solely on personal ability and competence to meet set job criteria. Our Equal Opportunities, Inclusion and Diversity policy applies to every part of employment, including full and fair consideration during recruitment and selection processes, opportunities for training, development and promotion, and terms and conditions of employment. Our employment policies, practices and procedures promote accessibility for disabled people, providing reasonable adjustments and appropriate training for their aptitudes and abilities, where appropriate.

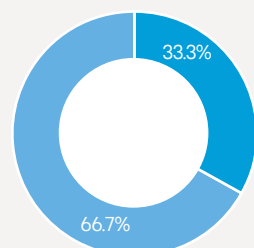
Board, senior management and employee diversity

The Board



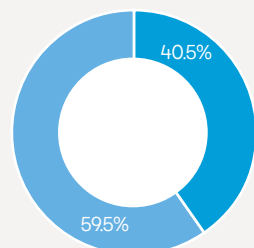
Female: 3
Male: 5

Senior leadership



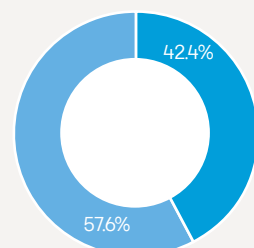
Female: 104
Male: 208

Management roles



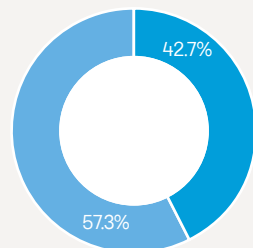
Female: 4,961
Male: 7,302

Group Executive and their direct reports



Female: 39
Male: 53

Total workforce



Female: 29,753
Male: 39,967

Section 172 statement

The directors confirm that, throughout the year, they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so had regard (among other matters) to Section 172(1)(a) to (f) of the Companies Act 2006.

Kingfisher's actions and behaviours are governed by a robust governance framework, including the Kingfisher Code of Conduct and Group policies. This framework allows the Board to have due regard to the impact of decisions on the matters specified in Section 172 of the Act, as outlined in the table below. Before reaching a decision, the Board considers the potential impact on key stakeholders, the environment, the Group's reputation and long-term success. We recognise that some decisions may not result in positive outcomes for all stakeholders. However, by aligning decisions with the company's purpose, vision, and values together with our strategic priorities and having a process in place for decision-making, the Board aims to act in the best interests of the company and consider the interests of its stakeholders.

Information regarding engagement with stakeholders is provided on pages 19 to 22 and 59 to 60. Further information on the Board's activities and other significant decisions made during the year can be found on page 58.

Section 172(1) matters	Approach and where to find further information			
a. The likely consequences of any decision in the long-term	Board decisions are guided by the Group's purpose, strategy and long-term plans and consider the potential impacts of decisions on the creation of long-term value.			
	Performance against priorities	pages 8 and 9	Viability statement	pages 49 and 50
	Risks	page 43	Principal risks	pages 44 to 48
b. The interests of the company's employees	The Board sets the Group's purpose, values and standards to reflect its culture and commitment to diversity and inclusion. The Board recognises that colleagues are critical to the successful delivery of our strategy and priorities and considers failing to attract, retain and develop colleagues to be a principal risk.			
	Business model	pages 12 and 13	Principal risks	page 44 to 48
	People and culture	pages 14 to 16	Remuneration Committee	page 73
	Non-financial and sustainability information statement (NFIS)	page 23	Responsible Business Committee	page 67
	Responsible Business	pages 24 to 27		
c. Fostering the company's business relationships with suppliers, customers and others	The Group Executive oversees relationships with suppliers, customers and other counterparties within their areas of responsibility, assesses any feedback and, where appropriate, reports the outcomes of engagement activities. The Board considers a resilient supply chain is key to the achievement of our strategic objectives, and any major disruption to our supply chain is considered a principal risk. New suppliers are subject to risk-based due diligence checks and must comply with our Code of Conduct.			
	Business model	pages 12 and 13	Principal risks	pages 44 to 48
	Responsible Business	page 24 to 27	Viability statement	pages 49 and 50
d. The impact of the company's operations on the community and the environment	The Board recognises the importance of supporting communities to strive for better homes and seeks to invest in helping those most in need, giving our time, products and financial contributions in line with our purpose, values and standards. The Board sets our Responsible Business priorities relating to communities and the environment. The Responsible Business Committee monitors delivery of these priorities and ensures that policies and frameworks are in place to allow the Group to conduct its business responsibly in relation to environmental and social matters.			
	Business model	pages 12 and 13	Responsible Business Committee	page 67
	Responsible Business	pages 24 to 27	Responsible Business Report	kingfisher.com/ responsible-business
	TCFD	pages 103 to 114	NFIS	page 23
e. Maintaining a reputation for high standards of business conduct	The Board recognises that our stakeholders expect our business to be conducted in a responsible manner. This belief is embedded throughout Kingfisher as we expect everyone working for us or with us to carry out our business professionally, fairly and with complete integrity. The risk of failing to deliver these standards is included in the Board's review of the Group's principal risks. The Audit Committee oversees the Group's requirements for high standards of conduct and business ethics. The Responsible Business Committee ensures that policies and frameworks are in place to allow the Group to conduct its business responsibly in relation to ethical matters.			
	Business model	pages 12 and 13	Responsible Business	pages 24 to 27
	People and culture	pages 14 to 16	Principal risks	pages 44 to 48
	NFIS	page 23	Audit Committee report	pages 68 to 72
f. Acting fairly between members of the company	The Board oversees the Investor Relations programme which involves routine engagement with the company's shareholders. The Board receives feedback on engagement, and the Chair and other non-executive directors make themselves available for meetings as appropriate and attend the company's AGM. The Investor Relations programme is designed to promote engagement with investors and is typically conducted after the full and half-yearly results announcement. Shareholder presentations are made available on the company's website.			
	Business model	pages 12 and 13	Directors' report	pages 99 to 101
	Financial review	pages 31 to 37	Directors' Remuneration report	pages 73 to 98

Our stakeholders at a glance

We are focused on creating value for all our stakeholders through our vision to make better homes and better lives accessible for everyone while delivering sustainable, long-term performance.

Engagement with our stakeholders is integral to the development and execution of our strategy and forms a key part of the Board's decision-making process. This section details how we have continued to engage with our stakeholders during the year and key outcomes and priorities as a result of this engagement. We welcome any feedback from our stakeholders.

Customers

Customer satisfaction and safety 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.

Colleagues

We strive to ensure our relationship with our colleagues is supportive, open and inclusive. Being able to attract, retain, and develop diverse talent is one important part of fostering a stronger and inclusive culture, as is considering the views of colleagues in decision-making.

Regulators and government

Our relationship with government means we can provide our best employment opportunities and contribute economic prosperity in the places where we operate. Our relationship with regulators ensures that our strategy and discussions about risk and culture align with regulator expectations.



Investors

Our investors rely on us to protect and manage their capital in a responsible way while generating long-term value. Investors and potential investors need a clear understanding of our business, our growth potential, our strategy to realise that potential, our performance and the risks and uncertainties we are managing.

Communities and non-governmental organisations

We aim to be a positive impact on the lives of our customers, colleagues and communities and in doing so create value for all our stakeholders. It is also important to us that we meet growing expectations on companies to undertake strong environmental, social and governance action.

Suppliers

The strong relationships we have with our suppliers are critical to delivering customer needs, supporting responsible business, maintaining quality standards and enhancing affordability. These partnerships drive reliability, sustainability and value for all our stakeholders.

Stakeholder engagement

Customers



Link to strategy



➔ See our strategy on page 7.

Group engagement

- Continuous retail and trade customer surveys. Over 1.4 million customers surveyed: monitoring customer satisfaction in-store and on our websites; tracking consumer brand perceptions over time against our competitors on a range of issues, including sustainability and carbon impact; monitoring consumer sentiment and home improvement activity levels.
- Commissioning of ad hoc research to gather feedback before and after launching new products, services, or store concepts.
- Monitoring of customer reviews on our websites and customer ratings and comments on Google.
- Regular 'price reality' and 'price perception' monitoring of price indices versus our competitors in key categories.
- Meeting and engaging with customers at Screwfix Live in September 2025 which saw over 30,000 visitors in attendance (up 16% year-on-year).

Board engagement

- Regular updates on customer opinion, behaviour and feedback, monthly net promoter scores (NPS), brand health tracking and customer insight.
- Receipt of a commercial dashboard on a monthly basis which consolidates a broad range of metrics, including price indices, market trends, competitor activity and customer insight by banner.

- Reviewed the action being taken to strengthen the company's defences against the rising risk of cyber threats.
- Regular reviews of the impact of Responsible Business issues on our customers.

Performance metrics and highlights in 2025/26

- Continued transformation of our ranges to support customers to make sustainable choices: our OEB Sustainable Home Products (SHP) sales are now 70% of total.
- Launch of initiatives to grow business with trade customers, e.g., dedicated space and sales partners in stores and specific loyalty programmes.
- The growth of the Screwfix app and Screwfix Sprint, evidencing the impact of providing more convenience to customers.
- The sustained growth of marketplace across our markets, allowing us to offer increased choice and speed.

Priorities for 2026/27

- Deliver an excellent customer service and experience in-store and online.
- Continue to develop a strong proposition for trade customers.
- Continue to grow the Screwfix app, including Rewards and Sprint.
- Deliver innovative, high-quality and sustainable product ranges.

Colleagues



Link to strategy



➔ See our strategy on page 7.

Group engagement

- Engagement with colleagues by the business is set out on page 15.

Board engagement

- Regular Board and individual director visits to our offices and stores. During the year, this included visits to: B&Q, Screwfix City, Brico Dépôt Marseille, Castorama Toulon la Seyne, Castorama Gdańsk Oliwa and Kowale stores, and the head office of Castorama France (see page 60).
- Review of progress against key metrics of culture through both informal and formal mechanisms, including a culture dashboard (see page 59).
- Remuneration Committee reviews of workforce remuneration (see page 73).
- Direct engagement through the Kingfisher Colleague Forum, with feedback presented to the Board twice a year (see page 59).

Performance metrics and highlights in 2025/26

- Invested in leadership development, driving curiosity, engagement, and retention within the Kingfisher Leadership Team, while building a connected leadership community.
- Employee net promoter score (eNPS) of 58, within the top 5% percentile for retail.
- Progress made implementing pay transparency readiness plans across all markets in preparation for the EU Pay Transparency Directive.
- Conducted end-to-end Head Office reviews to build clear insight around our current organisational design and capability to drive efficiency and effectiveness.
- Launched a TikTok channel to connect with younger audiences and build awareness of Kingfisher as an employer of choice.

Priorities for 2026/27

- Build a culture of agility and inclusion, built on trust, to unlock high performance.
- Shape a lean, adaptive organisation that enables reinvestment for sustainable growth to support more efficient, consistent and coordinated delivery across the organisation.
- Attract, develop and retain the critical skills and talent needed to power future growth.
- Continue to optimise colleague reward.
- Compliance with the EU Pay Transparency Directive.

Stakeholder engagement continued

Investors



Link to strategy



→ See our strategy on page 7.

Group engagement

- Holding meetings on an ongoing basis; approximately 430 interactions with 270 institutional investors and sell-side analysts on general business topics.
- Investor and analyst presentations, roadshows, conferences, fireside chats and interview series, store tours attended as appropriate by the CEO, CFO, Chair and Responsible Business team.
- Market disclosures, including results announcements, trading updates and ad hoc updates.

Board engagement

- Regular engagement by the CEO, CFO, and Chair with investors, covering key financial announcements, business performance and specific issues.
- Regular feedback to the Board from investor roadshows across eight countries.
- Receipt of reports on investor and financial market sentiment and expectations.
- Engagement with shareholders at Kingfisher's 2025 AGM.

Performance metrics and highlights in 2025/26

- Delivered a comprehensive investor engagement plan, including post-results management roadshows, fireside chats and conferences.

- Strengthened engagement with investors through events and new means of communication including through social media, Kingfisher one-page at a glance and Kingfisher investment thesis.
- Broadened our investor targeting efforts through investor outreach in new geographies including the Middle East and Asia.

Priorities for 2026/27

- Effective communication of progress against our four strategic growth drivers.
- Maintain regular, proactive dialogue with investors to gather feedback on strategy, performance, governance and priorities.
- Ensure relevant investor feedback is considered by management and the Board and informs disclosures and strategic decision-making.

Case study: Acceleration of share buyback programme

Kingfisher has a strong record of returning capital to shareholders, having executed three £300m buyback programmes since 2021. During the year, the Board announced that a fourth £300m of surplus capital was available to return to shareholders via a share buyback programme (the Programme) and subsequently approved an acceleration of the Programme.

After Kingfisher saw £94m exceptional cash inflows, primarily from an EU state aid tax refund (£64m) and from the sale of the Romania business (£33m), the Board considered an acceleration of the Programme. In reaching its decision,

the Board considered the commitment carefully, giving due consideration to the views of the company's main stakeholder groups and Section 172 matters. Guided by the company's capital allocation policy and financial priorities, it was agreed that the acceleration would also demonstrate the Board's confidence in the company's long-term growth and strategy.

Following a thorough review of the Group's cash and liquidity, the Board determined there was expected to be sufficient capacity for ongoing investment in the business, ensuring strategic priorities could be well funded alongside attractive returns to shareholders. The Board also judged that the Programme was not expected to introduce significant additional financial risk in terms of credit metrics, pension scheme obligation or the Group's overall liquidity position.

Proactive engagement was undertaken with lenders and investors on shareholder returns to discuss the rationale for the Programme and its subsequent acceleration, including that it was reflective of Kingfisher's robust cash position and balance sheet, supported by strong trading, upgraded half-year guidance, and a £94 million of one-off cash inflows.

Suppliers



Link to strategy



➔ See our strategy on page 7.

Group engagement

- Engagement with suppliers on our Code of Conduct and Responsible Business strategy (including Scope 3 carbon reductions).
- Conducting risk-based anti-bribery and corruption due diligence, and supplier ethical risk assessments and audits which include factory and production site visits.
- Reporting on our payment practices under the UK Government's Duty to Report requirements.
- Regular review of annual supplier survey insights to track end-to-end supplier experience in working with Kingfisher.

Board engagement

- Reviewed the progress made towards Scope 3 supplier decarbonisation ambitions, responsible sourcing and climate targets (see page 25).
- Board and Audit Committee updates on supply chain resilience and exposure in the context of geopolitical events.
- Consideration of supplier insights and demands to strengthen capabilities and buying processes across banners and Offer & Sourcing.

Performance metrics and highlights in 2025/26

- Continued focus on sustainability by making our products greener to deliver SHP targets and Scope 3 carbon reductions.
- Continuous review of our global sourcing footprint, not only as a risk mitigation measure but as a growth and competitiveness enabler.
- 1,369 OEB and branded suppliers surveyed scoring 8.48/10 overall (+0.8% vs 2024/25) with an overall response rate of 70.3%.
- Monitored the impact of proposed regulatory changes on supplier payment practices.

Priorities for 2026/27

- Focus on supporting our suppliers to build decarbonisation plans while working with industry and peers to align and drive collective action on Scope 3 carbon reduction.
- Long-term partnerships, stability and transparency and fair payment terms.
- Heightened focus on supplier performance and accountability through active monitoring, transparent sharing and tracking against clearly defined KPIs.
- Use data-led insight to drive continuous improvement, informed decision-making and targeted intervention with suppliers, where needed.

Communities and non-governmental organisations (NGOs)



Link to strategy



➔ See our strategy on page 7.

Group engagement

- Engagement with this stakeholder category is predominantly undertaken in pursuit of our Responsible Business priorities and therefore captured on page 25.
- Collaboration with organisations such as the Business Disability Forum to develop the inclusivity agenda and the Slave Free Alliance to tackle modern slavery.
- Collaborating with peers through the UN Global Compact and the British Retail Consortium's Climate Action Roadmap.

Board engagement

- Board and Responsible Business Committee reviews of progress of our community programmes and environmental work.
- Kingfisher's membership of and engagement through the CEO with the European DIY Retail Association and the Global Home Improvement Network (EDRA/GHIN).
- Receipt of updates on community investments made during 2024/25.

Performance metrics and highlights in 2025/26

- Recognised as a global leader on climate transparency on CDPs (formerly known as Carbon Disclosure Project) prestigious Climate A List, within top 4% of companies worldwide scored by CDP.
- Progress on our Communities strategy is reported on page 25.
- Community work continues to resonate strongly with colleagues.

Priorities for 2026/27

- Continued focus on working towards achieving net zero emissions for our operations by 2040 and across our wider value chain by 2050.
- Maintain Board oversight of our community investment, including endorsement of priority areas and monitoring delivery.
- Sustain our focus on community engagement through targeted charitable giving and enabling colleague volunteering.
- Support the transition into the new Responsible Business 2030 strategy by maintaining engagement with community partners and NGOs.

Stakeholder engagement continued

Regulators and government



Group engagement

- Direct engagement with the governments and regulators in each of Kingfisher's key markets as well as with EU institutions.
- Engagement with retail trade associations, including the British Retail Consortium, Eurocommerce, EDRA/GHIN, the French DIY Retail Association, and business associations such as AFEP (France) and Lewiatan (Poland).
- Attendance at government meetings and events, responding to consultations, and participation in parliamentary inquiries.

Board engagement

- Updates on company engagement with regulators, government stakeholders, and political representatives, both directly and via industry associations and other partners.
- Receipt of bi-annual updates on material political issues impacting Kingfisher across its geographies, including monitoring actions and next steps.
- Ongoing monitoring of macroeconomic and geopolitical forces on performance.
- Updates on key governance and regulatory changes that may impact Kingfisher.
- Response to policy consultations and formal information requests.

Link to strategy



→ See our strategy on page 7.

Performance metrics and highlights in 2025/26

Progress made on issues including:

- Continue to support initiatives to maintain a level playing field across the retail sector in all our markets.
- Support for UK and EU announcements to end low-value imports exemption for third country direct imports to consumers, creating a level playing field with online-only third country retailers.
- Home energy efficiency government support in France and Poland.
- Continued focus on skills reform in the UK.

Priorities for 2026/27

- Protect the business through our level playing field advocacy across issues (payment terms, business rates in the UK, corporate taxation in France).
- Maintain a clear vision on climate related risks and opportunities.
- Compliance with increasing reporting and disclosure rules with particular focus on ESG, corporate governance and controls, and EU pay gap and transparency.

Non-financial and sustainability information statement

This statement is made in compliance with sections 414CA and 414CB of the Companies Act. The Group's climate-related financial disclosures have been prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and in compliance with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and these are included on pages 103 to 114. We have included a TCFD alignment index on page 28 of the Strategic Report containing cross-references to where specific disclosures can be found. A description of the Group's policies, the due diligence measures we undertake to implement them and the results of applying these policies, are set out in the table below.

For information on: Business model – see pages 12 and 13. Non-financial KPIs – see page 11. Principal risks and uncertainties – see pages 44 to 48.

Policy ¹ and description	Due diligence and key outcomes	More information on matters, due diligence and key outcomes **
Environmental matters		
Environmental Policy The policy outlines the company's commitments and the actions being taken to address impacts on climate change, biodiversity, nature and forests as well as waste management.	Environmental impacts, risks, and opportunities are assessed in line with regulatory requirements. KPIs are tracked and reported annually, with policy reviewed each year.	<ul style="list-style-type: none"> Performance against priorities: pages 8 and 9 KPIs: page 11 TCFD: pages 103 to 114 Responsible Business: pages 24 to 27 Supplier engagement: page 21 Principal risks: pages 44 to 48 Consideration of climate-related matters pages 28 to 30 and Note 3
Forest Positive Policy This policy outlines our requirements to support our journey to become Forest Positive through responsible sourcing, avoiding deforestation and protecting and restoring forests.	All goods containing wood or paper must come from responsible sources (recycled, FSC/PEFC wood with full Chain of Custody). Vendors must submit supply chain data to verify compliance.	
Sustainable Packaging Policy This policy outlines the requirements for our Own Exclusive Brand products' packaging.	Packaging sustainability data is collected regularly. OEB vendors must provide accurate packaging information, and may be audited through the Vendor Internal Packaging Audit (VIPA) programme. The policy drives increased recyclability and plastic reduction.	
Chemicals Policy The policy outlines how we control certain chemicals in our OEB products through transparency, chemicals management, and supplier collaboration.	Annual assessments and updates to ensure the policy's effectiveness in safeguarding health and the environment. The policy drives an annual increase in product transparency and share of products meeting SHP Chemical criteria.	
Colleagues		
Code of Conduct Our Code of Conduct summarises our approach to doing business and the ethical standards we expect.	A description of the due diligence process is on page 27. There were no material Code of Conduct breaches during the year.	<ul style="list-style-type: none"> Performance against priorities: pages 8 and 9 KPIs: page 11 People and culture: pages 14 to 16 Colleague engagement: page 19 Responsible Business: pages 24 to 27 Responsible Business Committee: page 67 Principal risks: page 44
Equal Opportunities, Inclusion and Diversity Policy* This policy outlines our commitments to foster inclusive behaviours for all.	Diversity is monitored with set targets, supported by training and clear procedures to report non-inclusive behaviours.	
Health and Safety Policy Statement* This policy applies to all Kingfisher colleagues, third parties and sites, and sets out the key measures and processes to minimise the risk of harm.	Due diligence includes regular reporting and audits at banner level. The policy statement aims to drive improvement in workplace safety.	
Human Rights		
Human Rights Policy This policy states our commitment to respect human rights, and our commitment to implement due diligence procedures across Kingfisher and its supply chain.	Risk assessments identify and address human rights risks. Supplier audits ensure compliance with ethical standards, and grievance mechanisms allow confidential reporting of concerns. The policy seeks to ensure fair labour practices for our colleagues and within our supply chain, and aims to reduce the risk of human rights violations.	<ul style="list-style-type: none"> Supplier engagement: page 21 Responsible Business: page 26 Principal risks: page 45
Supply Chain Workplace Standards This policy sets out the standards that we ask all companies in our supply chain to comply with, in order to ensure respect for human rights.	Regular ethical audits assess supplier compliance with labour and environmental standards. Monitoring is supported by platforms like Sedex, amfori BSCI, and EcoVadis. The standards promote ethical sourcing and enhance transparency across our supply chain.	
Social matters		
Community Policy This policy outlines how we and our retail banners are striving for better homes for everyone in our communities.	We partner with registered charities to create positive impact on the communities we serve. Invested £6.7 million in our communities with an additional £4.1 million raised by our colleagues and customers.	<ul style="list-style-type: none"> Responsible Business: pages 24 to 27 Responsible Business Committee: page 67 Communities and NGO engagement: page 21
Anti-bribery and corruption		
Anti-Bribery and Corruption Policy* The policy sets out the key principles and processes in place to prevent bribery and corruption across Kingfisher and its supply chain.	Suppliers undergo ethical screening, and colleagues receive anti-bribery training. A whistleblowing policy allows anonymous reporting, and regular audits monitor compliance.	<ul style="list-style-type: none"> Responsible Business: page 27 Principal risks: page 46 Audit Committee: page 71
Gifts and Hospitality Policy* This policy outlines the process, rules on acceptance and offering of Gifts and Hospitality.	Clear guidelines define acceptable gift and hospitality thresholds. Pre-approval processes and gift registers to ensure transparency and accountability.	
Whistleblowing Policy* This policy outlines the process for confidentially reporting misconduct without fear of retaliation.	The confidential Speak Up platform allows anonymous reporting, managed by an independent third party. Reports are reviewed and investigated with regular oversight from the Audit Committee. Colleagues receive training on the policy.	

1. All policies except those marked with an asterisk are available on the company's website kingfisher.com/responsiblebusinesspolicies.

* Policies marked with an asterisk are accessible to colleagues via the company's intranet.

** Further details on outcomes are available in our Responsible Business Report and Modern Slavery Statement on our website.

Responsible Business

Operating as a Responsible Business

Kingfisher has championed responsible practices across all aspects of its business for over 30 years. Five years ago, building on our strong Environmental, Social and Governance (ESG) credentials, we launched our 'Powered by Kingfisher' strategy including responsible business priorities and targets for 2025/26.

Our four Responsible Business priorities

We have been focusing on areas where we believe we can use our experience, scale and influence to deliver positive impact. These are: colleagues, planet, customers and communities. As we close out this strategy, we are preparing to launch the next iteration which will take us through to 2030.

Full details of this year's progress will be published in our dedicated Responsible Business Report in Q2 2026/27.

→ [See page 25 for details of our progress against the targets for our four key priorities](#)

Colleagues



We will be a more inclusive company

Our commitment

We will be a more inclusive company by breaking down barriers to employment and progression, and by building skills for life.

Planet



We will help tackle climate change and continue our journey to become Forest Positive

Our commitment

We will help tackle climate change by reducing carbon emissions from our business, products and supply chains. We will work towards becoming Forest Positive through our commitment to responsible sourcing and investing in forest protection and restoration projects.

Customers



We will help make greener, healthier homes affordable

Our commitment

We will help millions of customers have a greener, healthier home – one that is energy efficient, comfortable, uses fewer resources and is affordable to run and maintain.

Communities



We are striving for better homes for everyone in our communities

Our commitment

We will donate our products, expertise and time to help people whose housing needs are greatest in the communities we serve.

Key priorities Our targets

Colleagues



- Improve gender balance to 35% women in senior leadership and 40% women in management by FY 25/26.
- Enable more than 20,000 colleagues to complete an apprenticeship, traineeship or formal qualification by FY 30/31.

Our progress

- Increased women's representation in senior leadership to 33.3% (FY 24/25: 30.1%). Since setting our diversity targets, representation at this level has increased by 10 percentage points, reflecting continued progress towards our target.
- Increased women's representation in management to 40.5% (FY 24/25: 39.8%), exceeding our management target.
- Continued to prioritise inclusion, with a focus during the year on strengthening diversity across our talent pipelines.
- 4,410 colleagues across the Group completed apprenticeships, traineeships and formal qualifications, bringing the total to 12,658 since FY 23/24. This progress brings us on track to achieve our 2030 target.

→ Learning and inclusivity form part of our People and Culture Plan, as set out on pages 14 to 16.

Planet



- Reduce Scope 1 and 2 emissions by 37.8% in absolute terms, and Scope 3 emissions by 40% per £m of turnover by FY 25/26 compared with FY 16/17 and FY 17/18 respectively.
- Reach net zero emissions for our operations (Scope 1 and 2) by FY 40/41 and across our value chain (Scope 3) by FY 50/51.
- Achieve 100% responsibly sourced wood and paper for our products and catalogues by FY 25/26.
- Work towards becoming Forest Positive by FY 25/26.

- Exceeded our FY 25/26 science-based targets, delivering 68.7% reductions in Scope 1 and 2 emissions and 45.9% reductions in Scope 3 emissions from supply chain and product use per £m of turnover.
- Set and validated new near-term science-based targets for FY 30/31 to reduce absolute Scope 1 and 2 emissions by 70.2% and Scope 3 emissions from supply chain and product use by 46.0% against the FY 17/18 baseline, with reductions of 64.1% and 37.4% achieved in FY 25/26 respectively.
- Building on 30 years of legacy in responsible sourcing, and through a concerted effort with our suppliers in the past five years, we have reached a level of 99.4%¹ responsibly sourced wood and paper (FY 24/25: 97.9%). We also maintained 100% responsibly sourced catalogue paper.
- Continued to support industry-wide initiatives and work with suppliers on our joint decarbonisation targets to drive collective progress².
- Continued to invest in six community-managed forestry projects in key tropical sourcing regions as a founding member of the Rainforest Alliance Forest Allies initiative.
- Screwfix and B&Q continued to work with the Woodland Trust, supporting habitat restoration projects at Kingsettle and Snaizholme. Colleagues from Brico Dépôt France planted trees in partnership with Reforest'Action, and Castorama Poland partnered with the United Nations Environment Programme's Global Resource Information Database (UNEP/GRID) to restore Polish national parks.

Customers



- Attain 60% of Group sales from our Sustainable Home Products (SHPs), including 70% of sales for our Own Exclusive Brand (OEB) products by FY 25/26.

- 58.2% of total Group sales came from SHPs that help create greener, healthier homes (FY 24/25: 53.4%), an increase of 16 percentage points since the target was set.
- 9.8% of group sales were from energy-saving, energy-efficient and water-saving products (FY 24/25: 9.8%).
- Increased the share of OEB sales from SHPs to 70.1% (FY 24/25: 63.3%), achieving our target.
- Rolled out our Green Star mark across all banners, making it easier for customers to identify and shop for products with a lower environmental impact. The number of SKUs carrying the mark doubled this year to approximately 20,000.
- Introduced new product ranges aligned to our SHP criteria, including more energy-efficient, repairable and higher recycled-content products.
- Expanded refurbished product offers and capabilities at Screwfix and B&Q, and tested rental models in Castorama France following strong customer demand in Poland (see case study on page 26).

Communities



- Having met our target to help more than two million people whose housing needs are greatest by FY 25/26, we continue to report on progress.

- Invested £6.7 million (FY 24/25: £6.0 million) in our communities, with an additional £4.1 million (FY 24/25: £2.7 million) raised by our colleagues and customers³.
- Continued to focus on three priority areas: fix homes, share DIY skills and provide emergency support.
- Strengthened charitable partnerships through our Foundations, including a new partnership between the Screwfix Foundation and Hospice UK and the expansion of its activities into the Republic of Ireland.
- Expanded colleague and customer fundraising initiatives, with micro-donations at point of sale, first implemented at Screwfix, subsequently adopted by B&Q and currently being trialled in Poland.
- Supported disaster relief efforts across our geographies, including responses to the fires in Spain and Portugal and floods in the UK.

1. 99.1% is responsibly sourced in line with the criteria outlined in our policy. The remaining 0.3% relates to products sourced from a small number of companies, which we have assessed based on alternative, externally validated criteria. For our OEB products, the number is at 99.6%

2. The targets are: (i) for Kingfisher's 100 biggest suppliers by Scope 3 emissions, to create a Science Based Targets initiative (SBTi)-aligned roadmap and decarbonisation target by 2028; (ii) for the next 450 suppliers, to create an SBTi-aligned roadmap and decarbonisation target by 2030; and (iii) for the remaining vendors, to set a climate reduction plan by 2030.

3. The community contributions include estimated management costs and time volunteered by colleagues.

Responsible Business continued

Case study: Focusing on the circular economy propositions to meet our customers' needs

To better serve our customers, and reduce our impact on the environment, our banners have continued to test various circular economy models such as more affordable refurbished products, repair and rental services.

Castorama Poland has doubled transactions this year with its CastoRent service. Castorama France is also testing different rental offers. B&Q has expanded its 'Refurbished by B&Q' range to over 200 products including taps, showers and pressure washers.

Screwfix was awarded Highly Commended in the Company of the Year category at this year's UK Green Business awards recognising, among other initiatives, its expanded refurbished product capabilities. 'Refurb by Screwfix' has refurbished and repaired more than 250,000 tools since 2022.

In the coming years we will build on what we've learned so far, to ensure products are more accessible and last longer for our customers and we continue to reduce our impact on the environment.

Our Responsible Business fundamentals

Our priorities are underpinned by our commitment to our Responsible Business fundamentals. These are the practices to which we adhere to ensure we continue to operate responsibly across our business.

We have a clear Group policy that allows us to work effectively with key stakeholders across our functions and banners to continually improve performance.

A full update will be published in the Responsible Business Report in Q2 2026/27.

Responsible sourcing and human rights

We respect, protect and promote the human rights of our colleagues, workers across our supply chain and others affected by our business activities.

Our Human Rights Policy aligns 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 Organization's Declaration on Fundamental Principles and Rights at Work, the Children's Rights and Business Principles, and UN conventions on the elimination of discrimination.

We work with our suppliers to raise standards on the environment, labour practices, and human rights in our supply chain. Our due diligence includes ethical risk identification and assessment processes, ethical audits with follow up corrective action plans as necessary, supplier training and engagement, and collaboration with human rights experts such as Slave Free Alliance, a victim-focused social enterprise.

➔ For further details and performance data see our [Modern Slavery Act Transparency Statement at www.kingfisher.com/Modern-Slavery](http://www.kingfisher.com/Modern-Slavery).

Health and safety

We believe every colleague is entitled to a safe working environment. While overall corporate responsibility for Health and Safety sits at Board level, the Group Executive has overall operational responsibility. The Group Head of Health and Safety provides strategic leadership, supported by our banner heads of Health and Safety, who collectively form a dedicated safety network. Our Group Health and Safety team also works closely with Health & Safety Committees at banner level.

Health and safety performance is regularly monitored at multiple levels of the Group. Our key health and safety performance indicators were reviewed by the Group Executive four times and by the Board twice in FY 25/26. We also publish our health and safety performance data annually in our Responsible Business Report.

Waste and chemicals

We are committed to achieving zero waste to landfill and increasing recycling. In the UK, France and Poland, these policy commitments are integrated into contracts with waste management partners, and we regularly review progress. We have a Group packaging policy and B&Q and Screwfix have their own Sustainable Packaging Guidelines which aim to minimise the amount of packaging used on the products they sell and, where packaging is unavoidable, to maximise the use of reusable, recyclable and recycled materials.

We are committed to strict compliance with all applicable regulations related to chemicals, and where we have identified other chemicals that we consider less sustainable, we are starting to phase these out of our products. Our Chemicals team collaborated with the Product Sustainability team to enhance supplier transparency on product formulations, enabling us to identify where they use substances considered of concern to human health or the environment, and explore potential alternative substitutes. In FY 25/26, we expanded and

consolidated chemical criteria in the SHP guidelines to include non-formulated products and articles. This is to ensure our chemical strategy going forward aligns with the regulatory changes expected in the EU in the coming years.

Ethical conduct

Our Code of Conduct sets out our personal and shared responsibilities for meeting high ethical standards. It summarises our approach to doing business, and the ethical standards we expect, while helping us promote a culture where transparency, honesty and fairness are the norm.

➔ [Read more at \[www.kingfisher.com/responsible-business/our-policies/company-policies\]\(https://www.kingfisher.com/responsible-business/our-policies/company-policies\)](https://www.kingfisher.com/responsible-business/our-policies/company-policies).

All Kingfisher, colleagues and third parties must comply with the Code of Conduct. Colleagues are required to complete annual training which covers the key principles and how to raise concerns. Colleagues working in sensitive areas of the business, or in higher-risk roles, must also complete training on fair competition and market abuse regulation.

We have related Group policies, online approval and reporting procedures for gifts and hospitality, conflicts of interest, and a policy on competition law.

Our Group Ethics and Compliance Committee (GECC), chaired by our CFO, oversees the company's ethical standards, compliance and priorities. Compliance reports and investigations are reviewed quarterly. Local ethics and compliance committees in each of our banners provide ongoing support and insight.

We use a third-party due diligence tool to support our processes in areas such as anti-bribery and corruption, data protection, sanctions, and conflict of interest. We also operate a confidential whistleblowing hotline. The Board and Audit Committee receive regular updates about whistleblowing reports as well as the outcome of sensitive internal investigations.

➔ [For more information see page 71 of the Audit Committee report.](#)

Responsible Business governance

Our Responsible Business Committee (RBC) met three times this year to oversee the final year of delivery of the current Responsible Business strategy 2025, ensuring it is embedded in governance and remains robust and transparent.

Another priority this year was guiding the development of the 2030 Responsible Business strategy, ensuring the refreshed strategy builds on the work done to date, is aligned to our purpose, unique to Kingfisher and aligned with the Group's strategic objectives.

The Committee received quarterly updates on progress against the current strategy and was updated on Kingfisher's approach to ESG regulation and actions taken in response.

➔ [For more information see page 67 of the Responsible Business Committee report.](#)

Further governance of climate-related risks and opportunities is detailed on page 103 in our response to the Task Force on Climate-related Financial Disclosures.

Kingfisher has an ongoing £650m three-year revolving credit facility with a group of our relationship banks. The facility includes targets linked to sustainability metrics.

Environmental, social and governance disclosure

We disclose our ESG progress and performance through several external benchmarks, including CDP (formerly the Carbon Disclosure Project) and the Workforce Disclosure Initiative (WDI). We continue to align our reporting to the Global Reporting Initiative (GRI), Task Force on Climate-related Financial Disclosures (TCFD) (see page 103) and the Sustainability Accounting Standards Board (SASB) standards for Multiline and Speciality Retailers and Distributors. Our disclosures also meet the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 amended sections 414C, 414CA and 414CB of the Companies Act 2006. See our Non-financial and Sustainability Information Statement on page 23.

We continue to closely monitor developments in regulatory and reporting requirements, including the EU Corporate Sustainability Reporting Directive (CSRD) and UK Sustainability Disclosure Standards (SDS). To ensure readiness, we have an ESG reporting programme in place to align our practices to meet current and future ESG disclosure obligations.

➔ [See page 67 for the Responsible Business Committee report and page 68 of the Audit Committee report. More information is also available at \[www.kingfisher.com/responsible-business\]\(https://www.kingfisher.com/responsible-business\) for more information.](#)

Climate-related disclosures

We are committed to decarbonising our business in line with climate science, and being transparent about the impacts, risks and opportunities that climate change poses to our business. In line with UK Listing Rule 6.6.6R(8), Kingfisher plc is required to disclose, on a comply or explain basis, its consistency with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Kingfisher is also in scope of the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and therefore required to incorporate Climate-related Financial Disclosures (CFD)-aligned climate disclosures in its Annual Report and Accounts. We have prepared our disclosures in accordance with TCFD and in full compliance with the FCA and CFD requirements.

We consider our disclosure to be consistent with the TCFD recommendations and recommended disclosures and have summarised this in the TCFD alignment index below.

TCFD alignment index

TCFD pillar	Recommended disclosures	Disclosure status (comply/explain)	Link to information/Kingfisher response
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	Comply	- Governance section page 103 – Board-level oversight of climate-related risks and opportunities (role of GCC, GIC, and banner boards).
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Comply	- Governance section pages 103 and 104 – management's role in assessing and managing climate-related risks and opportunities. - Governance section page 105 – TCFD governance structure (infographic).
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Comply	- TCFD strategy section (our climate-related risks and opportunities) page 106 – Time horizons – description and rationale for selection. - TCFD strategy section pages 106 and 107 – our approach to climate scenario analysis.
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Comply	- Page 106 – additional impacts of climate-related risks and opportunities on our strategy and financial planning. - Pages 106 and 107 – our approach to climate scenario analysis. - TCFD strategy section page 107 – results of scenario analysis.
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Comply	- TCFD strategy section pages 106 and 107 – Our approach to climate scenario analysis. - Pages 108 to 111 – Table 1: results of scenario analysis.
Risk management	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Comply	- TCFD risk management section page 112 – processes for identifying and assessing climate-related risks.
	b) Describe the organisation's processes for managing climate-related risks.	Comply	- TCFD risk management section page 112 – processes for identifying and assessing climate-related risks. - Page 112 – Kingfisher's processes for managing climate-related risks.
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Comply	- TCFD risk management section page 112 – processes for identifying and assessing climate-related risks. - Page 112 – Kingfisher's processes for managing climate-related risks.
Metrics and targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Comply	- TCFD Metrics and targets section – pages 112 to 114 – metrics for assessing climate-related risks and opportunities. - Pages 113 and 114 – Table 2: Kingfisher metrics and targets for identified climate-related impacts. - Page 114 – Executive remuneration.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Comply	- Pages 29 and 30 – Our greenhouse gas emissions and energy use data. - Page 30 – Five-year performance and baseline comparison.
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Comply	- Page 113 – Table 2: Kingfisher metrics and targets for identified climate-related impacts. - Page 114 – Table 3: progress on climate-related targets.

A description of the external assurance of our climate-related financial disclosures can be found in the independent auditors' report to the members of Kingfisher plc on page 122. In addition, our GHG emissions and associated energy data for Scope 1 and 2 (market-based) as well as categories 1.1, 11.1 and 11.2 of our Scope 3 GHG emissions are subject to annual independent assurance (ISAE 3000 limited assurance). The assurance statement with details on the scope and conclusion of the work will be published in our 2025/26 Responsible Business Report.

Streamlined Energy and Carbon Reporting

In line with the SECR (Streamlined Energy and Carbon Reporting) requirements, we report our emissions and energy use split between the UK and other countries. UK emissions account for 61.6% of global market-based emissions and UK energy use accounts for 59.0% of total energy use. Carbon footprint and energy intensity calculations are based on total floor area of occupied properties, 7,795,775 m² in FY 25/26 (FY 24/25: 7,766,178 m²). This is because a significant component of our direct environmental impact derives from our property portfolio.

In FY 25/26, we continued to improve energy efficiency in our operations through key measures, such as optimising heating, cooling and lighting controls, installing LED lighting and relamping to more efficient versions, replacing gas heating with electric Air Source Heat Pumps (ASHPs), and expanding on-site renewables, including the continued rollout and upgrading of solar PV to reduce reliance on grid power. We also progressed further electrification across the estate, with additional properties transitioning to all-electric heating.

These are in line with the three-year energy reduction plans for each banner (key energy-efficiency measures in FY 24/25 included installing LED lighting, optimising existing heating, cooling and lighting controls, replacing gas heating systems with ASHPs, and installing biomass boilers and solar PV).

Since FY 16/17 our energy intensity has decreased by 34% due to continuous energy efficiency efforts, including those outlined above.

Our overall energy consumption in FY 25/26 increased year-on-year by 3.2% and has reduced by 29.1% since our FY 16/17 baseline.

In FY 25/26, 98% of our electricity came from zero-carbon and renewable sources, supported by Renewable Energy Certificates.

Our Greenhouse gas emissions data [TCFD Metrics and targets (b)]

Metric	Unit	2025/26			2024/25 (restated)			% change (global)
		Global	UK only	Global (excl. UK)	Global	UK only	Global (excl. UK)	
Scope 1	tCO ₂ e	76,455	51,534	24,921	80,074	55,519	24,555	-4.5%
Scope 2 – location based	tCO ₂ e	73,783	27,658	46,125	80,969	31,930	49,039	-8.9%
Scope 2 – market based	tCO ₂ e	8,447	777	7,671	8,275	626	7,649	2.1%
Total Scope 1 and 2 – location based	tCO ₂ e	150,238	79,192	71,046	161,043	87,449	73,594	-6.7%
Total Scope 1 and 2 – market based	tCO ₂ e	84,902	52,310	32,592	88,348	56,146	32,202	-3.9%
Carbon footprint (market-based)	kgCO ₂ e/m ²	10.9	14.9	7.6	11.4	16.0	7.5	-4.3%
Total energy consumption	GWh	861	508	353	834	498	336	3.2%
Total energy intensity	kWh/m ²	110.4	145.0	82.2	107.4	142.2	78.9	2.8%

The figures may not add up due to rounding.

Following the sale of Brico Dépôt Romania in FY 25/26, Romania has been excluded from the Group's carbon and energy reporting in line with Kingfisher's carbon accounting methodology. Accordingly, reported GHG emissions and energy data for all years presented, including the baseline year, have been restated to exclude Romania.

Climate-related disclosures continued

Five year performance and baseline comparison [TCFD Metrics and Targets (b)]

Metric	Unit	2025/26	2024/25 (restated)	2023/24 (restated)	2022/23 (restated)	2021/22 (restated)	2016/17 (restated) baseline	% change against baseline
Total energy consumption	GWh	861	834	891	1,067	1,176	1,214	-29.1%
Total Scope 1 and 2 – market based	tCO ₂ e	84,902	88,348	95,689	133,833	206,516	270,974	-68.7%
Carbon footprint (market-based) per m ² of floor space	kgCO ₂ e/m ²	10.9	11.4	12.5	17.7	28.0	37.4	-70.9%
Carbon footprint (market-based) per £ million turnover	tCO ₂ e/£m	6.6	7.1	7.5	10.5	16.0	25.2	-74.0%

Selected Scope 3 GHG emissions data [TCFD Metrics and Targets (b)]

Metric	Unit	2025/26	2024/25 (restated)	2023/24 (restated)	2017/18 baseline (restated)
Scope 3 GHG Emissions: Category 1.1 – purchased goods and services (GFR)	tCO ₂ e	4,523,178	4,604,676	4,882,444	5,640,294
Scope 3 GHG emissions: Category 11 – use of sold products	tCO ₂ e	11,839,463	13,155,790	12,924,031	20,485,971
Scope 3 GHG emissions: (Category 1.1 & 11)	tCO ₂ e	16,362,641	17,760,466	17,806,475	26,126,265
Scope 3 footprint per £ million turnover	tCO ₂ e/£m	1,264	1,418	1,401	2,349

The table above only covers selected Scope 3 GHG emissions used in our SBTi targets from use of sold products and upstream Scope 3 GHG emissions from purchased goods for resale and services. Our total Scope 3 footprint with a detailed category-wide breakdown as per GHG protocol will be published in our Responsible Business Performance Data Appendix in June 2026.

Methodology

We calculate our greenhouse gas (GHG) emissions in line with the GHG Protocol: Corporate Accounting and Reporting Standard. The CO₂e includes the seven main greenhouse gases that contribute to climate change: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

We use the CO₂e emission factors published annually by the UK Government (DESNZ). The data, as of 2025/26, is calculated using the '2025 UK Government GHG Conversion Factors for Company Reporting', version 1.1 (expiry 10 June 2026). We record activity data (e.g. electricity consumption or gas consumption) and multiply with the relevant emission factors. Our Scope 1 emissions cover the combustion of fuels, while our Scope 2 emissions account for the purchase of electricity and heat for our own use. For Scope 2 market-based emissions, we use a combination of conversion factors according to the data hierarchy (as defined under the WRI/WBCSD GHG Protocol). We obtain supplier-specific emissions factors where available and use national residual mix emission factors published by the Association of Issuing Bodies (European Residual Mixes 2024, Version 1.1, 11 August 2025).

We collect and consolidate energy use data from our stores, offices, and other buildings, using Automated Meter Readings (AMRs) or invoice data. Where data is unavailable, we estimate usage through pro-rata calculations or by applying average energy consumption per m² from similar sites. Our property energy data covers energy used in stores, offices and other buildings (e.g. distribution centres or data centres) that are owned or leased by us where we have operational control of the energy use. Energy use data includes the combustion of fuels, the purchase of electricity and heat by Kingfisher for its own use. Kingfisher reports energy consumption data in GWh as it is not practical for us present the data in KWh. We continue to evaluate ways to align.

We use an operational control boundary, in line with the operational control approach as defined by the WRI/WBCSD GHG Protocol. We include emissions from our wholly-owned subsidiaries. For our Koçtaş joint venture, as we do not have full operational control, we include proportional emissions under Scope 3 (category 15, Investments). Kingfisher does not carry out any activities within the UK offshore areas, therefore this is not covered by the disclosure.

Our data covers our material Scope 1 and 2 impacts: emissions from property energy use and operationally controlled delivery fleets. We calculate both our market-based and our location-based emissions from electricity consumption. Our carbon reduction target is based on the market-based emissions.

We report energy consumption and GHG emissions on a calendar-year basis, which differs from our financial reporting period used in the Directors' report, as it allows additional time for data collection, verification, and quality assurance. We are working towards aligning this with our financial year in the future. Detailed information on the scope of the data and the methodologies used to calculate our data are explained in our Responsible Business Data Collection Methodology document.

Financial review

A summary of the reported financial results for the twelve months ended 31 January 2026 is set out below.

Note: all commentary below is in constant currency, unless stated otherwise.

Financial summary

	2025/26	2024/25	% Total Change	
			Reported	Constant currency
Sales	£12,945m	£12,784m	+1.3%	+0.2%
Gross profit	£4,930m	£4,763m	+3.5%	+2.5%
Gross margin %	38.1%	37.3%	+80bps	+80bps
Operating profit	£469m	£407m	+15.2%	
Statutory pre-tax profit (PBT)	£378m	£307m	+23.0%	
Statutory post-tax profit	£245m	£185m	+32.7%	
Statutory basic EPS	14.0p	10.1p	+39.5%	
Net cash flows from operating activities	£1,433m	£1,302m	+10.1%	
Total dividend per share	12.40p	12.40p	-	
Adjusted metrics				
Like-for-like (LFL) sales	+1.1%			
Retail profit	£734m	£696m	+5.4%	+4.4%
Retail profit margin %	5.7%	5.4%	+30bps	
Adjusted pre-tax profit (PBT)	£560m	£528m	+6.0%	
Adjusted pre-tax profit margin %	4.3%	4.1%	+20bps	
Adjusted post-tax profit	£416m	£381m	+9.2%	
Adjusted basic EPS	23.8p	20.7p	+14.9%	
Free cash flow	£512m	£511m	+0.1%	
Net leverage ¹	1.4x	1.6x		

1. Refers to net debt to Adjusted EBITDA. Net debt includes £2,238m (FY 24/25: £2,253m) of total lease liabilities, including nil of lease liabilities held for sale (FY 24/25: £42m).

Sales

Total sales increased by +0.2%, to £12,945m. Excluding Romania, the Group's total sales increased by +1.8%. UK & Ireland and Iberia achieved sales growth ahead of their markets. France declined against a subdued consumer backdrop but outperformed the market. Poland sales were flat and in line with the market. On a reported basis, which includes the impact of exchange rates, total sales increased by +1.3%.

Like-for-like sales

LFL sales of +1.1% excludes a (1.6)% impact from the disposal of Romania and a +0.7% contribution from net space growth. Underlying LFL sales performance (excluding calendar and leap year impacts) was +1.4%.

Space growth was driven by the conversion of acquired Homebase stores at B&Q, new Screwfix openings in the UK and France, and expansion at Castorama Poland. 41 net stores were opened during the year.

A reconciliation from LFL sales to total sales is set out below:

	2025/26 £m	2024/25 £m	Increase/ (decrease)
LFL sales (constant currency)	12,749	12,609	+1.1%
Non-LFL sales	196	307	n/a
Total sales (constant currency)	12,945	12,916	+0.2%
Impact of exchange rates	-	(132)	n/a
Total sales (reported rates)	12,945	12,784	+1.3%

Gross margin

Gross margin % increased +80 basis points to 38.1%, mainly from Kingfisher's buying and sourcing scale, growth from marketplace and retail media, AI driven promotional effectiveness, improved inventory management and clearance activity, banner mix, the disposal of Romania and FX tailwinds. Group gross profit was up by +2.5%.

Financial review continued

Operating costs

Operating costs increased by 2.1%. Excluding prior year business rates refunds at B&Q, operating costs increased by 1.3%, driven primarily by new store openings, higher staff pay rates, higher variable compensation, and increased employer national insurance contributions in the UK, as well as similar taxes in France. These increases were partly offset by structural savings delivered through our cost-reduction programme, alongside targeted actions in France and Poland to flex staffing levels and discretionary spend.

Retail profit

Retail profit increased by 4.4% to £734m, reflecting higher profits in the UK and Iberia despite the prior year benefitting from £33m business rates refunds in B&Q. On a reported basis, retail profit increased by 5.4%. The Group's retail profit margin increased by 30 basis points to 5.7%, at reported rates (FY 24/25: 5.4%).

Adjusted pre-tax profit

Adjusted pre-tax profit increased by +6% to £560m on a reported rate basis (FY 24/25: £528m), reflecting higher retail profit and lower net finance costs, partially offset by higher central costs. Adjusted pre-tax profit margin was up by 20bps to 4.3% (FY 24/25: 4.1%).

Statutory pre-tax profit

Statutory pre-tax profit increased by +23.0% to £378m (FY 24/25: £307m). This reflects higher operating profit and lower adjusting items year-on-year (see adjusting items below).

A reconciliation from the adjusted basis to the statutory basis for pre-tax profit is set out below:

	2025/26 £m	2024/25 £m	Increase/ (decrease)
Retail profit (constant currency)	734	703	+4.4%
Impact of exchange rates	–	(7)	n/a
Retail profit (reported)	734	696	+5.4%
Central costs	(80)	(62)	+28.9%
Share of interest and tax of joint ventures & associates	(3)	(6)	n/a
Net finance costs	(91)	(100)	(9.2)%
Adjusted pre-tax profit	560	528	+6.0%
Adjusting items before tax	(182)	(221)	n/a
Statutory pre-tax profit	378	307	+23.0%

Net finance costs of £91m (FY 24/25: £100m) consist principally of interest on lease liabilities.

Adjusting items before tax were a total charge of £182m (FY 24/25: charge of £221m), driven by the goodwill impairment in Castorama France, store impairment charges, the disposal of Romania, along with operating model restructuring costs.

The charges also include a £19m impairment of the Group's joint venture, Koçtaş, reflecting the continued challenging trading environment and ongoing macro-economic uncertainty in Turkey. Following this impairment, the carrying amount of the investment has been reduced to nil.

Please see note 6 in the consolidated financial statements.

Taxation

The Group's adjusted effective tax rate (ETR) is sensitive to the blend of tax rates and profits in the Group's various jurisdictions. It is higher than the UK statutory rate because of the amount of Group profit that is earned in higher tax jurisdictions, and because no future benefit is assumed for losses incurred in certain overseas territories. The adjusted ETR, calculated on profit before adjusting items, prior year tax adjustments, one-off items, and the impact of future rate changes, is 26% (FY 24/25: 28%). The adjusted ETR is lower than the prior year rate primarily due to lower losses recorded in territories in which tax credits are not recognised, and limited losses recorded in Brico Dépôt Romania following the Group's divestment of the business on 2 May 2025.

The statutory effective tax rate includes the impact of adjusting items (including prior year tax items). The impact of these result in a statutory effective tax rate of 35%.

	Pre-tax profit £m	Tax £m	2025/26 %	Pre-tax profit £m	Tax £m	2024/25 %
Adjusted effective tax rate	560	(144)	26%	528	(147)	28%
Adjusting items	(182)	11		(221)	25	
Statutory effective tax rate	378	(133)	35%	307	(122)	40%

In FY 21/22, Kingfisher paid £64m (including interest) to HM Revenue & Customs (HMRC) in relation to the European Commission's 2019 state aid decision concerning the UK's controlled foreign company tax rules. In September 2024, the European Court of Justice annulled this decision, and, in March 2025, HMRC repaid the tax and interest previously assessed, plus a £5m payment of interest (interest payment included in free cash flow). This has been reflected in 'other tax authority receipt' in the cash flow statement and does not form part of free cash flow.

Adjusted basic earnings per share increased by 14.9% to 23.8p (FY 24/25: 20.7p), which excludes the impact of adjusting items. Basic earnings per share increased by 39.5% to 14.0p (FY 24/25: 10.1p). Please refer to note 11 of the consolidated financial statements for more detail.

Tax contribution

Kingfisher makes a significant economic contribution to the countries in which it operates. In FY 25/26 it contributed £2.3 billion in taxes it both pays and collects for these governments. The Group pays tax on its profits, its properties, in employing over 70,000 people, in environmental levies, in customs duties and levies as well as in other local taxes. The most significant taxes it collects for governments are the sales taxes charged to its customers on their purchases (VAT) and employee payroll-related taxes. Taxes paid and collected together represent Kingfisher's total tax contribution which is shown below:

	2025/26 £bn	2024/25* £bn
Total taxes paid as a result of Group operations		
Taxes borne	0.7	0.7
Taxes collected	1.6	1.6
Total tax contribution	2.3	2.3

* 2024/25 comparatives are presented on a constant currency basis.

Both current and prior year figures exclude the tax contribution of discontinued operations.

Kingfisher participates in the Total Tax Contribution survey that PwC perform for the Hundred Group of Finance Directors. The 2025 survey ranked Kingfisher 30th (2024: 28th) for its Total Tax Contribution in the UK. In 2025, 88 (2024: 90) companies contributed to the survey.

Taxation governance and risk management

The Kingfisher Code of Conduct applies high standards of transparency, honesty and fairness to our colleagues and suppliers. The Code of Conduct requires that we carry out our work ethically and in compliance with the law. We have a zero-tolerance approach to tax evasion and the facilitation of tax evasion. These principles underpin our approach to tax. Our core tax objectives are to pay the right amount of tax at the right time and to comply with all relevant tax legislation in all Group entities. We undertake our activities and pay tax in the countries in which we operate in compliance with the local and worldwide tax rules. These tax objectives are met through the application of the Group Tax Standards, which are Board approved, and other relevant Group policies and standards, which document our approach to tax compliance, tax risk management and tax planning to ensure that consistent minimum standards are observed throughout the Group.

The responsibility for tax policy and management of tax risks lies with the Chief Financial Officer and the Group Tax Director who engage regularly with the Board and the Audit Committee on all tax matters.

Tax risks can arise from changes in law, differences in interpretation of law and the failure to comply with the applicable rules and procedures. The Group seeks to take a balanced approach to tax risk having regard to the interests of all stakeholders including investors, customers, staff and the governments and communities in the countries in which it operates. As a multinational group, operating in an increasingly complex and changing international corporate tax environment, some risk is unavoidable.

Kingfisher manage and control this risk through local management, the tax specialists that it employs and agile monitoring of changes in law and interpretation of law. The Group may engage with reputable professional firms on areas of significant complexity, uncertainty or materiality, to support it in complying with its tax strategy. Group companies work within a tax controls framework, and compliance with this is monitored by the Internal Audit and Risk team.

The Group seeks to engage with tax authorities with professionalism, honesty and respect. It works with all tax authorities in a timely and constructive manner to resolve disputes where they arise, although it is prepared to litigate where this is not possible.

Financial review continued

Management of balance sheet and liquidity risk and financing

Management of cash and debt facilities

Kingfisher regularly reviews the level of cash and debt facilities required to fund its activities. This involves preparing a prudent cash flow forecast for the medium term, determining the level of debt facilities required to fund the business, planning for repayment or refinancing of debt, and identifying an appropriate amount of headroom to provide a reserve against unexpected outflows and/or impacts to cash inflows. To retain financial flexibility, we aim to maintain strong liquidity headroom (including cash and cash equivalents, short term deposits and committed debt facilities), which is currently set at a minimum of £800m.

Net debt to adjusted EBITDA

As of 31 January 2026, the Group had £1,878m (FY 24/25: £2,015m) of net debt on its balance sheet. Net debt includes £2,238m (FY 24/25: £2,253m) of total lease liabilities, including nil of lease liabilities held for sale (FY 24/25: £42m). The ratio of the Group's net debt to adjusted EBITDA was 1.4 times as of 31 January 2026 (1.6 times as of 31 January 2025). At this level, the Group has financial flexibility while retaining an efficient cost of capital. The Group's target maximum net debt to adjusted EBITDA is c.2.0 times over the medium term.

Net debt to adjusted EBITDA is set out below:

	2025/26 £m	2024/25 £m
Retail profit	734	696
Central costs	(80)	(62)
Depreciation and amortisation	667	656
Adjusted EBITDA	1,321	1,290
Net debt	1,878	2,015
Net debt to adjusted EBITDA	1.4	1.6

Credit ratings

Kingfisher holds a BBB credit rating with Fitch and a BBB rating with Standard and Poor's. The outlook is Stable across both agencies.

Revolving credit facility

In May 2024 the Group entered into a new £650m Revolving Credit Facility (RCF) agreement with a group of its relationship banks, linked to sustainability targets. In May 2025 the credit facility was extended by one year and now expires in May 2028. As of 31 January 2026, this RCF was undrawn.

Term loans

The Group's two term loans were refinanced in H1 25/26 with £50m now maturing in June 2027 and £50m in January 2028, with the latter linked to the Group's sustainability targets.

Covenants

The terms of the committed RCF and both term loans require that the ratio of Group operating profit (excluding adjusting items) to net interest payable (excluding interest on IFRS 16 lease liabilities) must be no less than 3:1 for the preceding 12 months as at the half and full year-ends. As of 31 January 2026, Kingfisher was compliant with this requirement.

Total liquidity

As of 31 January 2026, the Group had access to over £1.1bn in total liquidity, including cash and cash equivalents of £462m (net of bank overdrafts), and access to a £650m RCF.

Free cash flow

A reconciliation of free cash flow is set out below:

	2025/26 £m	2024/25 £m
Operating profit	469	407
Adjusting items	182	221
Operating profit (before adjusting items)	651	628
Other non-cash items ¹	728	703
Change in working capital	74	108
Pensions and provisions	(5)	(5)
Net rent paid	(508)	(512)
Net interest received	23	15
Tax paid	(63)	(109)
Gross capital expenditure	(388)	(317)
Free cash flow	512	511
Ordinary dividends paid	(218)	(228)
Share buybacks	(256)	(225)
Share purchase for employee incentive schemes	(25)	(26)
Disposal of NeedHelp	-	(3)
Disposal of Romania	33	-
Other tax authority receipt ²	64	-
Investment in joint venture	-	(19)
Disposal of assets and other ³	(3)	(19)
Net cash flow	107	(9)
Opening net debt	(2,015)	(2,116)
Lease liabilities disposed	38	-
Movements in lease liabilities	(1)	107
Other movement including foreign exchange	(7)	3
Closing net debt	(1,878)	(2,015)

1. Includes depreciation and amortisation, share-based compensation charge and pension operating cost.

2. Refund received in relation to the EC state aid challenge (refer to Taxation section above for further details).

3. Includes adjusting cash flow items (principally comprising restructuring costs), partially offset by proceeds from the issue of new shares and the disposal of assets.

Operating profit (before adjusting items) was £23m higher than last year, reflecting higher retail profit partially offset by higher central costs. The working capital inflow of £74m was largely driven by an increase in payables of £91m. This increase reflects higher purchasing to replenish availability following stronger LFL sales and higher deferred income. Inventory ending the year broadly flat (up £1m) as higher volumes including store expansion were offset by a five day reduction in stock days. Receivables increased by £16m, driven in part by increase in trade credit sales and prepayments related to tech contracts.

Net tax paid was £46m lower than last year, predominantly reflecting receipts of refunds relating to settlements of prior years.

Gross capital expenditure up £71m (+22%) to £388m, with increase driven by freehold acquisition, technology investment and spend in existing stores. 32% of capex was invested in growth (new stores, new tech and range reviews), 42% in store and tech maintenance, and 25% in other areas, including supply chain investment and the B&Q freehold acquisition.

Overall, free cash flow was £512m. Net debt as of 31 January 2026 (including lease liabilities) was £1,878m (FY 24/25: £2,015m).

Financial review continued

A reconciliation of net cash flows from operating activities to free cash flow and net cash flow, and to the statutory net movement in cash and cash equivalents and bank overdrafts, is set out below:

	2025/26 £m	2024/25 £m
Net cash flows from operating activities	1,433	1,302
Net lease rent paid	(508)	(512)
Net interest received	23	15
Gross capital expenditure	(388)	(317)
Other tax authority receipt ¹	(64)	-
Operating cash flows relating to adjusting items ²	16	23
Free cash flow	512	511
Ordinary dividends paid	(218)	(228)
Share buybacks	(256)	(225)
Share purchase for employee incentive schemes	(25)	(26)
Other tax authority receipt ¹	64	-
Investment in joint venture	-	(19)
Disposal of Romania	33	-
Disposal of NeedHelp	-	(3)
Disposal of assets and other ³	(3)	(19)
Net cash flow	107	(9)
Arrangement fees paid	(1)	(2)
Net increase in cash and cash equivalents and bank overdrafts	106	(11)

1. Refund received in relation to the EC state aid challenge (refer to Taxation section above for further details).

2. Includes cash flows relating to adjusting items, principally comprising restructuring costs.

3. Includes adjusting cash flow items (principally comprising restructuring costs), partially offset by proceeds from the issue of new shares and the disposal of assets.

Dividends

The Board has proposed a final dividend per share of 8.60p (FY 24/25 final dividend: 8.60p). This results in a proposed total dividend per share of 12.40p in respect of FY 25/26, which is in line with the prior year (FY 24/25: 12.40p) and equates to a dividend cover of 1.9 times. The final dividend is subject to shareholder approval at the Annual General Meeting on 26 June 2026. If approved, it will be paid on 3 July 2026 to shareholders on the register at close of business on 29 May 2026. The shares will go ex-dividend on 28 May 2026. A dividend reinvestment plan (DRIP) is available to shareholders who would prefer to invest their dividends in the company's shares. The last date for receipt of DRIP elections is 12 June 2026.

Capital allocation priorities

The Group's objectives in managing capital are to:

- Invest in attractive growth opportunities.
- Deliver sustainable dividend growth.
- Provide capital returns to shareholders.
- Maintain financial resilience and an efficient balance sheet.

We allocate capital, subject to strict returns criteria, to growth opportunities with high ROCE aligned with our strategic priorities. Our target gross capital expenditure is c.3% of total sales per annum.

Our target ordinary dividend cover range is 2.25 to 2.75 times, based on adjusted basic earnings per share. We may move outside of this target range, from time to time. Overall, our aim is to grow the ordinary dividend progressively over time. If surplus capital remains after having achieved all the above objectives, the Board will return surplus capital to shareholders primarily via share buybacks.

To maintain a solid investment grade credit rating, our maximum net debt to Adjusted EBITDA is c.2.0 times over the medium term. To retain financial flexibility, we aim to maintain strong liquidity headroom (including cash, cash equivalents and committed debt facilities), which is currently set at a minimum of £800m. As of 31 January 2026, the Group had access to over £1.1bn in total liquidity, including cash and cash equivalents of £462m (net of bank overdrafts), and access to a £650m RCF.

Return on capital employed (ROCE)

In FY 25/26, Kingfisher's post-tax ROCE was 8.2% (FY 24/25: 7.4%). The increase was primarily driven by higher profits in UK & Ireland. Kingfisher's weighted average cost of capital (WACC) was 8.4% (FY 24/25: 8.8%). ROCE by geographic division is analysed below:

	Sales £bn	Proportion of Group sales	Capital employed (CE) £bn	Proportion of Group CE	ROCE 2025/26	ROCE 2024/25
UK & Ireland	6.7	52.0%	2.8	46.8%	15.5%	14.9%
France	3.9	29.9%	1.6	27.7%	4.4%	4.3%
Poland	1.8	14.2%	1.2	19.4%	6.1%	6.4%
Other International	0.5	3.9%	0.2	3.9%	n/a	n/a
Central			0.1	2.1%	n/a	n/a
Total	12.9		5.9		8.2%	7.4%

Property

Kingfisher owns a significant property portfolio, the majority of which is used for trading purposes. A formal valuation of the portfolio was undertaken by external professional valuers in October 2025. Based on this exercise, on a sale and leaseback basis with Kingfisher in occupancy, the value of the property portfolio was £2.8bn (FY 24/25: £2.7bn). This is compared to a net book value of £2.2bn (FY 24/25: £2.2bn) recorded in the financial statements (including investment property and property included within assets held for sale). Balance sheet values were frozen as of 1 February 2004, on transition to IFRS.

	2025/26 £bn	2025/26 Yields	2024/25 £bn	2024/25 Yields
France	1.3	8.3%	1.3	8.4%
UK	0.6	7.5%	0.5	7.5%
Poland	0.8	8.6%	0.7	8.3%
Other	0.1	n/a	0.2	n/a
Total	2.8		2.7	

Pensions

As at 31 January 2026, the Group had a net defined benefit pension asset of £83m (2025: £101m), comprising a £181m surplus in the UK scheme and an overseas net deficit of £98m. The reduction in the net surplus primarily reflects asset losses partially offset by reduced liabilities due to a higher discount rate for the UK scheme. In accordance with the scheme's Statement of Funding Principles, the Trustee and Kingfisher agreed to cease annual employer contributions for the period from August 2022 to July 2025, and subsequently for the period from August 2025 to July 2028. A full actuarial valuation of the UK scheme is carried out every three years, with the latest completed at 31 March 2022, and the 2025 valuation ongoing. Please refer to note 28 of the consolidated financial statements.

Risks

The Group's principal risks and uncertainties have been reviewed as part of our full year procedures. We have introduced a new technology resilience risk to reflect the importance of developing and maintaining resilient systems. We have also merged risks relating to changing customer expectations and competitor behaviour into a single market landscape risk.

Further details of the Group's risks and risk management process can be found on pages 43 to 48.

Trading review by division

Note: all commentary below is in constant currency.

UK & Ireland

£m	2025/26	2024/25	% Reported Change	% Constant Currency Change	% LFL Change
B&Q	3,971	3,820	+4.0%	+3.9%	+3.3%
Screwfix	2,755	2,636	+4.5%	+4.5%	+3.2%
Total sales	6,726	6,456	+4.2%	+4.1%	+3.3%
Retail profit	575	558	+3.0%	+2.9%	
Retail profit margin %	8.5%	8.6%	(10)bps		

Market

The home improvement market was flat on a full year basis, aided by favourable weather in H1 driving strong demand for seasonal products.

B&Q

Total sales +3.9% to £3,971m. LFL +3.3% driven by volume, progress in trade and digital, customer transference from the closure of Homebase stores and strong seasonal performance in Q1. Core +1.6% led by tools and paint. Big ticket +6.2% driven by the successful introduction of new kitchen ranges, supported by strong growth in Installations of +22%. Seasonal +6.5%, driven by strong performance of outdoor categories in Q1, helped by favourable weather and successful capture of Homebase transference.

Market share gains driven by progress in our strategic initiatives, big-ticket innovation, successful capturing of transference from the Homebase store closures and opening of eight former Homebase stores. E-commerce sales +21.5%, with penetration of 16.7% (FY 24/25: 14.6%) and strong performance across 1P and 3P. Marketplace GMV¹ grew +44.3% to £445m with a retail profit contribution² of c.£15m. In addition to its 15-minute Click & Collect (C&C) for 1P orders, B&Q successfully rolled out the UK's first marketplace C&C service for 3P products across 300 stores. We have strengthened store-to-home fulfilment capabilities by expanding our Deliveroo partnership to more B&Q stores. B&Q's AI powered product recommendation and personalisation engines generated c.10% of e-commerce sales. Hello B&Q, a new digital virtual AI assistant that provides customers with tailored advice and product recommendations, launched in Q4. B&Q also launched Lens, our visual search technology, in its app, with Lens users nearly twice as likely as website users to convert product views into purchases.

TradePoint

TradePoint sales grew to £935m +5.2%, accounting for 23.5% of B&Q total sales (FY 24/25: 23.3%). TradePoint expanded to 224 B&Q stores, representing 70% of the total estate (FY 24/25: 217), 123 trade sales partners are in role (FY 24/25: 44), supporting strong trade sales performance. We expanded the direct-to-site offer, enabling trade customers to access products beyond our in-store range and improving conversion of inbound enquiries into orders. Our partnership with Speedy Hire provides trade customers with access to heavy machinery and tools in store and via our digital channels. Trade credit solutions are live with up to 60 days of interest-free credit.

E-commerce at TradePoint saw strong growth of +12%, particularly in C&C driving store footfall. App downloads were 3 times higher in the current year, with app sales now accounting for 28% of TradePoint's online sales and stronger sales conversion rates versus the website.

Space growth contributed +0.6%. B&Q rapidly converted eight acquired Homebase stores in early 2025. Its 12 Compact stores continue to show encouraging performance, with growth in new customers and C&C penetration running at c.3x that of the rest of the estate. TradePoint announced its first standalone store to be opened in London in Q1 2026, targeting trade customers working in dense urban areas.

Screwfix

Total sales were up +4.5% to £2,755m. LFL +3.2% driven by strong volume growth and supported by range expansion, growing app usage and a new loyalty programme. Core categories (c.85% of the total) grew +3.2%. Performance was broad-based across safety & workwear, sealants & adhesives, power tools & accessories, electrical and plumbing.

There were strong market share gains across categories as Screwfix reaches new customers and continues to enhance its customer proposition. Trade credit solutions are live with up to 60 days of interest-free credit. Screwfix launched a new rewards programme through its app, with strong early engagement leading to a +13% increase in active rewards customers to 2.2m, supported by gamified campaigns, personalised offers and surprise perks.

E-commerce sales increased +5.2%, bringing e-commerce sales penetration to 59.4% (FY 24/25: 58.2%). App sales grew by +14% and now account for over 41% of e-commerce sales (FY 24/25: 38%), helped by improved offering and personalised rewards, a visual search engine Lens, streamlined collection via Check-In, and rapid delivery. We have strengthened our store-to-home fulfilment capabilities by expanding our Deliveroo partnership to more Screwfix stores, complementing Screwfix's Sprint proposition, with deliveries in as little as 20 minutes to 60% of the UK postcodes.

1. Marketplace GMV is the total transaction value (including VAT) from the sale of products supplied by third-party e-commerce marketplace vendors. What is recorded in revenue is the commission take rate which is c.10-15% of GMV.
2. Marketplace retail contribution includes only directly attributable run costs.

Space growth contributed +1.3% to total Screwfix sales with 27 net store openings. This included 13 new ultra-compact City stores, bringing the total to 39, as our convenient locations better target professionals serving high density areas. We see potential for up to 100 City stores over time and remain on track to reach the medium-term goal of over 1,000 Screwfix stores.

UK & Ireland Retail Profit

Gross margin increased +80bps, supported by effective management of product costs, supplier rebates, the margin-accretive impact of B&Q's expanding marketplace and the contribution of retail media income, supported by FX tailwinds. Operating costs increased +7.3%, driven by higher staff costs due to wage inflation, labour flexing to support increased volumes, increased UK employer NI contributions, costs from new store openings, higher variable compensation and the annualisation of last year's £33m one-off business rates refund at B&Q. Cost increases were partially offset by savings achieved through structural cost reductions. Retail profit increased +2.9% to £575m (FY 24/25: £558m) or +9.4% when excluding last year's one-off business rates refund. Retail profit margin declined (10) bps to 8.5%, primarily due to the annualisation of last year's business rates refund at B&Q. Excluding this prior year one-off, UK profit margin improved +40bps.

France

£m	2025/26	2024/25	% Reported Change	% Constant Currency Change	% LFL Change
Castorama	2,000	2,014	(0.7)%	(2.3)%	(2.2)%
Brico Dépôt	1,866	1,869	(0.2)%	(1.8)%	(2.3)%
Total sales	3,866	3,883	(0.4)%	(2.1)%	(2.2)%
Retail profit	97	95	+2.7%	+1.0%	
Retail profit margin %	2.5%	2.4%	+10bps		

Market

Market declined by c.(3)%, as consumer savings rates continue to be elevated.

Castorama

Castorama total sales decreased (2.3)% to £2,000m. LFL sales at (2.2)% were ahead of the market despite disruption from restructuring the store portfolio. As 10% of the store estate was undergoing transformation, H2 LFL were impacted by c. (0.6)%. To improve the overall offer, 15% of ranges were reviewed, with encouraging impact on volume in surfaces & décor, tools and garden. Seasonal performance of (0.9)% was ahead of other categories, driven by cooling and outdoor in H1, while big-ticket suffered from low demand in the market with LFL sales down (4.5)%.

Trade sales growth was driven by the successful roll-out of the CastoPro trade proposition across the estate in H1, the rapid introduction of dedicated CastoPro zones in 50 stores and the implementation of a trade loyalty programme. Trade penetration reached 9% at the end of FY 25/26. Our in-house CastoRent service is now available across 14 stores, offering low-cost tool rental and increasing exposure to our Erbauer and MacAllister OEB ranges.

E-commerce sales growth was driven by the rapid expansion of Castorama's marketplace. Castorama onboarded 978 merchants, growing marketplace to 1.6m SKUs and reaching online penetration of 21%. Hello Casto, our AI virtual assistant, continued to enhance customer experience and supported conversion across 1P and 3P. Hello Casto visits increased +61%, and we have seen customers who click through to a product from the assistant convert at more than twice the Castorama France average. Our in-house AI-powered product recommendations and personalisation now generate c.30% of app revenue. Our data monetisation platform Core IQ was successfully launched and more than 120 1P vendors now use the platform.

Space contributed (0.1)% to Castorama total sales, reflecting the successful conversion and opening of two franchise stores within the existing estate in June 2025. The three compact stores are trading ahead of the estate average, with an opportunity to expand this concept over time.

Castorama is making rapid progress in the restructuring and modernisation of its lowest-performing stores. 24 stores (c.25% of the estate) have now been addressed under the following initiatives, delivering encouraging early results:

- Eight rightsized stores: Four completed in FY 25/26 have on average delivered double-digit percentage improvements in sales density on average compared to the Castorama France average. Four are scheduled to complete in FY 26/27.
- Seven comprehensive refits: Toulon La Seyne and Givors were completed in H1, with resulting LFL sales performance well ahead of the Castorama France average. Five have been completed in Q1 26/27.
- Five light touch modernisations: The stores completed in the year have delivered improvements in sales density compared with the Castorama France average following their reopening.
- Two stores transferred to Brico Dépôt: Montgeron has increased sales by c.10% along with a selling space reduction of 20% following transfer to the Brico Dépôt banner. The second store in Le Havre is expected to reopen in Q2.
- Franchises: The first two franchise stores opened in June, with first results encouraging. The transition to a franchise model has moved these stores from loss-making positions to a positive profit contribution.
- Building on this momentum, Castorama has initiated work on a further nine stores.

Trading review by division continued

Brico Dépôt

Total sales decreased (1.8)% to £1,866m. LFL sales decreased (2.3)% but with improving sequential trends from H1 to H2 and sales performance ahead of the market. There was continued strong focus on trade professionals, improved customer offer, enhanced ranges and leading price positioning in key categories. Core LFL sales improved in H2 (2.2)% vs H1 (5.1)% with building and joinery benefitting from increased investment in commercial campaigns. Big-ticket sales (1.2)% were supported by kitchen range reviews but impacted by market weakness, particularly in H2. Seasonal sales +1.1% had a strong H2, led by heating propellants and garden power tools.

Trade sales grew +26%, driven by significant development of the trade proposition. Penetration reached 13.1%, up 290bps, supported by Brico Dépôt's efficient model, offering competitive pricing and high in-store availability for time-pressed tradespeople. Brico Dépôt opened two Pro corners during the year, built out its trade-focused range and increased investment in dedicated trade sales partners. Trade loyalty membership more than doubled. Brico Dépôt strengthened its price competitiveness with bulk-buy pricing offers, driving volume growth in key products.

E-commerce penetration reached 4.9%, with momentum from upgrades to our web presence.

Space growth contributed +0.5%, driven by the successful opening of the store transferred from Castorama, where sales increased by c.10% along with a selling space reduction of 20%. The second transferred store, in Le Havre, is expected to reopen in Q2 FY 26/27. Brico Dépôt France will also expand its partnership with Mr Bricolage, converting a Mr Bricolage store into a Brico Dépôt franchise in FY 26/27, in addition to the existing OEB supply arrangement. The three 1,000 sqm Brico Dépôt compact stores currently open continue to trade well ahead of the estate average.

France Retail profit

Gross margin increased +60bps, reflecting the effective management of product costs and supplier negotiations, lower stock provisions driven by better inventory management and lower logistics costs from the reduction of c.10% of distribution centre space. Operating costs decreased (0.6)%, with increases in staff pay, social taxes and IT costs offset by savings from structural cost reductions, and the flexing of staff levels and discretionary spend. Retail profit increased +1.0% to £97m (FY 24/25: £95m, at reported rates). Retail profit margin increased by +10bps to 2.5% (FY 24/25: 2.4%) despite market decline of 3%.

In 2024 we announced a plan to drive the next level of our performance and profitability in France. The plan targets a retail profit margin of c.5%-7% over the medium term, driven by a combination of self-help measures and operating leverage from an improved market environment. We are pleased with the delivery of our self help measures. The French market has declined by c.10% since 2024, therefore the timing and trajectory of reaching our target is dependent on the pace of the market recovery.

Poland

£m	2025/26	2024/25	% Reported Change	% Constant Currency Change	% LFL Change
Total sales	1,843	1,788	+3.1%	–	(1.1)%
Retail profit	87	90	(3.5)%	(6.4)%	
Retail profit margin %	4.7%	5.1%	(40)bps		

Market

Market flat, with continued geopolitical uncertainty impacting the home improvement market.

Total sales were flat at £1,843m. LFL sales were down (1.1)%, reflecting a challenging market backdrop with sales performance in line with the market (as measured by GfK). LFL returned to growth in Q4, led by seasonal sales aided by colder weather. Core delivered sequential improvement in LFL sales in H2 (0.4)% vs H1 (2.5)%, led by building & joinery, as OEB range reviews in interior doors delivered strong results. Full year big-ticket sales were (0.1)%, with strong performance in kitchens driven by new ranges and targeted promotional activities, offset by softer performance in bathrooms. Installation services for kitchens and flooring are seeing increasing uptake.

Trade sales grew +46.6% with penetration reaching 27% (FY 24/25: 18%) as Castorama drove further rollout of CastoPro zones, recruited specialised trade sales partners and optimised its ranges for pro customers. 120 trade sales partners are now in role. The new loyalty programme, which includes a cash-back feature saw 489k sign-ups and is successfully driving footfall into stores. In addition, CastoRent is offering tool rental for tradespeople.

E-commerce sales increased +30% to £84m, benefiting from the launch of marketplace. A year into launch, Castorama's marketplace has recruited +350 vendors and reached 21% of e-commerce sales in January 2026. Space growth contributed +1.1% to total sales from one net store opening in the current year, following five in the prior year. The proven 4,000 sqm medium-box format and the Smart compact store concept continue to expand our population reach and enable entry into new catchments. We are also piloting standalone Design Points in high traffic shopping malls, leveraging strong footfall to showcase our kitchen ranges, with orders fulfilled by nearby stores.

Poland Retail profit

Gross margin increased by 20bps, reflecting the effective management of product costs and supplier negotiations, partially offset by higher promotional sales, as consumers continue to focus more of their spend around promotional events. Operating costs increased +1.7%, with increases in staff pay and IT costs, partially offset by structural cost reductions and the flexing of staff levels and discretionary spend. IT costs include a one-off c.£5m impairment charge related to the acceleration of next-generation technology, which resulted in the write-down of legacy systems. Excluding this charge, operating costs increase would have been +0.8%. Retail profit decreased by (6.4)% to £87m (FY 24/25: £90m). Retail profit margin decreased by (40) bps to 4.7%, at reported rates (FY 24/25: 5.1%). Excluding the impairment charge, retail profit margin would have been broadly flat.

Other International

Sales £m	2025/26	2024/25	% Reported Change	% Constant Currency Change	% LFL Change
Iberia	425	384	+10.6%	+8.8%	+8.8%
Screwfix France & Other [±]	25	16	+42.4%	+40.3%	n/a
Romania ^{**}	60	257	n/a	n/a	n/a
Other International	510	657	(22.5)%	(23.3)%	+8.0%
Other International (excl. Romania)	450	400	+12.0%	+10.1%	+9.3%

Retail profit £m	2025/26	2024/25	% Reported Change	% Constant Currency Change	% LFL Change
Iberia	15	8	+86.0%	+82.9%	
Screwfix France & Other [±]	(31)	(35)	(9.5)%	(10.9)%	
Turkey (50% JV)	(6)	(9)	n/a	n/a	
Romania ^{**}	(3)	(11)	n/a	n/a	
Other International	(25)	(47)	(46.0)%	(43.6)%	
Other International (excl. Romania)	(22)	(36)	(37.9)%	(34.3)%	

± Screwfix France & Other consists of the consolidated results of Screwfix International, and results from franchise and wholesale agreements. The prior year comparator includes NeedHelp – we divested our c.80% equity interest on 18 July 2024.

** On 2 May 2025 the Group completed the divestment of its 100% equity interest in Brico Dépôt Romania. The Group recognised a £31m loss on disposal (included in adjusting items). Please see note 6 and note 34 of the consolidated financial statements.

Iberia

Iberia total sales increased by +8.8% to £425m. LFL sales were up +8.8% driven by volume & transaction growth. Positive LFL across all categories. Continued strong focus on trade professionals, improved customer offer, enhanced ranges and leading price positioning in key categories. Growth was also supported by strong demand in Valencia following last year's flood damage. Market share gains in Spain (AECOC) were driven by strong price positioning and effective commercial activation programmes.

Trade sales grew by 35.5% with penetration reaching 19.7% (FY 24/25: 15.8%), driven by the successful launch of the new loyalty programme BricoClub Pro and the creation of trade zones in six stores. The e-commerce marketplace continued to scale, reaching 30% of e-commerce online sales (FY 24/25: 25%). Brico Dépôt Spain has launched a hub network to fulfil e-commerce orders, covering its entire estate. The transition to a digital-hub fulfilment model led to a 10bps increase in digital conversion and improved gross margin driven by lower delivery costs and reduced stock shrinkage.

Retail profit increased to £15m (FY 24/25: £8m), reflecting higher gross profit and strong cost control.

Screwfix France & Other

Following our first opening in Q4 2022, Screwfix France now has a total of 35 stores in operation, of which five stores were opened in the year. Store LFL sales grew +49%¹, supported by the benefits of network effects and growing brand awareness in northern France, as successful marketing is driving increases in store traffic. Brand awareness in the North region reached 21% (+4pts). LFL growth continues to be higher in the more recently launched cohorts and strongest in areas with higher network effect. Trade penetration is at 54% (FY 24/25: 50%) with continued focus on enhancing the customer proposition through trade brands and trade-focused campaigns. Franchise and wholesale agreements are currently in place with seven partners that are buying selected Own Exclusive Brand (OEB) products, including Altex in Romania following their purchase of Brico Dépôt Romania. This has contributed c.£4m in retail profit for the current year. There was a combined retail loss of £31m (FY 24/25: £35m).

1. Store LFL sales excludes online sales (Screwfix France launched as an online-only proposition in April 2021, with the first store opening in October 2022).

Trading review by division continued

Turkey

In Turkey, total contribution to Group adjusted PBT was a net loss of £9m as demand remained constrained by high inflation and interest rates, though the environment improved over the year, with LFL sales returning to positive figures for the full year. Please see note 6 of the consolidated financial statements for more details.

Romania

On 2 May 2025, the Group completed the divestment of its 100% equity interest in Brico Dépôt Romania for proceeds of £53m. The Group recognised a £31m loss on disposal (included in adjusting items). Kingfisher continues to supply OEB products into Romania through our wholesale partnership with Altex. Please see note 6 and note 34 of the consolidated financial statements for more details.

LFL sales by category

	% LFL Change			
	Core	'Big-ticket'	Seasonal	FY 25/26
UK & Ireland	+2.4%	+5.0%	+6.1%	+3.3%
B&Q	+1.6%	+6.2%	+6.5%	+3.3%
Screwfix	+3.2%	+2.4%	+4.4%	+3.2%
France	(2.8)%	(2.7)%	(0.1)%	(2.2)%
Castorama	(1.9)%	(4.5)%	(0.9)%	(2.2)%
Brico Dépôt	(3.7)%	(1.2)%	+1.1%	(2.3)%
Poland	(1.5)%	(0.1)%	(0.8)%	(1.1)%
Other International*	+9.2%	+6.3%	+5.7%	+8.0%
Iberia	+10.5%	+5.4%	+6.8%	+8.8%
Romania	(4.1)%	+8.7%	+1.6%	n/a
Group LFL	+0.6%	+1.1%	+2.8%	+1.1%
Excluding calendar impact	+0.9%	+1.4%	+3.1%	+1.4%

* Includes Screwfix France and other.

Core (67% of sales): UK performance remained solid, led by strong interior paint sales at B&Q and sustained growth in tools at Screwfix. Iberia reported strong growth across all categories, whereas trading in France and Poland was comparatively softer.

Big ticket (15% of sales): Growth was led by kitchen category sales, particularly at B&Q, supported by recent range reviews and soft prior-year comparators, with Brico Dépôt France and Poland also delivering a solid performance. There was a softer performance in Bathrooms, with range reviews planned for FY 26/27.

Seasonal (18% of sales): Performance was led by the UK, supported by favourable weather in Q1 with LFL sales up +28%, driven by outdoor and garden categories. In Poland unfavourable H1 weather was partly offset by beneficial weather in Q4.

Risks

Risk management and material controls

Effective risk management underpins our ability to deliver our strategic and operational objectives. Throughout the year, our banners and Group Functions work closely with the Group Risk team to ensure robust processes are applied, including regular review of risk management practices. Individual Group Executive members remain accountable for risks within their areas, while the Group Executive collectively oversees identification, assessment and management of the Group's principal risks.

Work has progressed to comply with the UK Corporate Governance Code 2024 provision 29. During the year, we simplified our risk descriptions, aligning risk appetite and documenting material controls through facilitated discussions across teams. An internal dashboard provides the Board with clear visibility over assurance in place to mitigate our risks. External guidance supported this process, with new descriptions, appetite levels and controls validated by the Group Executive and Board in September. Internal Audit conducted a dry-run review of our material controls during the year, identifying minor enhancements that are being remediated and we remain on track to make a declaration over their effectiveness next year.

Following the September review, the Board also performed a robust risk assessment of our principal and emerging risks at year-end, along with the mitigating controls and actions.

→ [The governance framework and the role of the Board, Audit Committee and Group Executive are set out from page 53.](#)

To **identify our risks**, we consider our strategic objectives and potential barriers over a three-year horizon. We combine a top-down strategic view with a bottom-up operational view of risks. Banners and Group Functions identify changes to risks within their operations, starting with workshops involving local leadership teams, discussing existing, new and emerging risks. These inputs are consolidated and validated against external benchmarking and horizon scanning to capture emerging risks. The resulting principal risks are presented to the Group Executive and non-executive directors for consideration and approval.

To **assess our risks**, we consider potential financial, reputational, regulatory or operational impacts alongside the likelihood of occurrence within our three-year outlook. This informs appropriate actions and controls to manage risks to an acceptable level. For each principal risk, we also assess changes to the risk level compared to the prior year.

To **manage our risks**, ownership is assigned at all levels. Each banner and Group Function is responsible for implementing actions, controls, and procedures to manage and monitor identified risks and to ensure controls operate effectively. Mitigation plans are developed by local risk owners, validated by the respective Group Executive member and supported by dedicated risk and control managers.

Risk monitoring is embedded throughout the year. Local management regularly reviews mitigation plans while the Group Executive and Board hold ongoing discussions and dedicated sessions twice annually to assess the nature, likelihood and impact of the Group's principal risks and any changes since the previous review. These sessions also include mitigating actions to ensure risks are proactively managed. The Audit Committee oversees the risk assessment process and receives presentations from banners and Group Functions on a rotating basis covering strategic progress, local risks and mitigation plans.

Internal Audit incorporates operational and Group level risks into its audit planning cycle, providing timely assurance on significant risks, delivering a risk-focused assurance programme informed by the risk management process.

→ [Further information on this is included in the Audit Committee report on page 72.](#)

Principal risks

Following a comprehensive review, we introduced a new technology resilience risk to reflect the importance of developing and maintaining resilient systems.

We also merged risks relating to changing customer expectations and competitor behaviour into a single market landscape risk. Other existing principal risks were updated to reflect our strategic progress and shifts in the external operating environment.

All principal risks are given significant attention and focus. We believe the highest severity risks are:

- Geopolitical instability creating macroeconomic volatility.
- Cyber and data security.
- Market landscape.

→ [Principal risks are shown on pages 44 to 48.](#)

Emerging risks

As part of our risk management process, we identify and monitor emerging risks. These risks are harder to quantify or may materialise beyond our outlook period.

We capture emerging risks through banner and Group Function reviews, asking what their future concerns are along with actions to understand them. We also benchmark against other companies' disclosures. The reviews highlighted several potential emerging risks which we will continue to monitor closely.

Risks continued

Risk trend: ▲ Increasing ◀ No movement ▼ Decreasing + New

1 Supply chain resilience

A resilient supply chain is key to our business to ensure we have sufficient stock availability to meet our customers' needs. This requires us to have robust supply chain solutions and be effectively managing our suppliers and our logistics partners.

Failure to respond to major disruptions to our supply chain could result in a material impact to product availability.

Risk trend ▲

Global supply chains are operating in an increasingly volatile and complex environment. Pressure on China-based sourcing has intensified as demand shifts, while tariff-driven purchasing windows have created container availability challenges. There is also uncertainty posed by recent events in the Middle East. Our sourcing and supply chain strategy is designed to maintain resilience and agility, enabling us to adapt to these structural changes. Enhanced monitoring and contingency planning are strengthening our ability to absorb shocks, while safeguarding long-term continuity of supply and cost competitiveness.

Link to strategic priorities

- Grow our trade business.
- Scale our digital ecosystem.
- Win through our offer, own exclusive brands and services.
- Agile, human and lean.

How we manage and monitor the risk

- Our supply and logistics three-year roadmap was updated in 2025/26. It considers our future logistics capacity needs, based on the various sourcing, inventory and sales-generative strategies identified in the Group's strategic planning activities.
- Our business continuity plans cover our internal points of failure and key partner service-continuity plans.
- We have established partnerships with key transportation and logistics suppliers to align planning and secure capacity.
- We continue to improve demand forecasting to anticipate future sales requirements and work with suppliers to ensure product availability. Our supply chain visibility tools help us monitor inventory health, track product movement and respond to events. We are starting to review key suppliers by category to assess capacity, volumes and the impact of potential supply interruptions.
- Our OEB supplier strategy includes initiatives to diversify our 'sourcing footprint', build alternative sources where possible and guidance on sourcing regions to enhance resilience.
- We have a robust process for selecting suppliers. This includes checks on financial strength, ethical and environmental risks and their ability to manufacture products to the agreed specification. In addition, our contracts allow us to hold vendors accountable for the service level agreement associated.
- We are enhancing our organisational agility through continuous macro-monitoring and proactive scenario assessment, ensuring we can respond quickly and effectively as conditions evolve.

How we provide oversight to the Board

- The Board annually receives an update on Group and banner supply and logistics strategies, OEB strategies and a summary confirming that our business continuity plans are in place. Any significant vendor issues are escalated immediately.

2 Our people

Our colleagues are critical to the successful delivery of our 'Powered by Kingfisher' strategy and priorities.

Failure to attract, retain and develop colleagues with appropriate skills and capabilities could impact our ability to deliver our strategic priorities and business objectives at the pace required.

Risk trend ◀▶

This year we accelerated the development of organisational capabilities to support long-term growth, with a strong focus on performance, leadership development, succession planning and operating model transformation (see the People and culture section on pages 14 to 16 for further information).

Link to strategic priorities

- Grow our banners and formats.
- Scale our digital ecosystem.
- Lead the industry in responsible business and energy efficiency.
- Agile, human and lean.

How we manage and monitor the risk

- The Board has approved our Group strategy for people and culture, with individual priorities agreed for each banner and Group Function, including a focus on attracting, retaining, and developing their colleagues.
- The Group Executive and Board hold regular talent reviews focused on ensuring senior leadership has the required capabilities to deliver the strategy and activities to strengthen our leadership succession pipeline.
- We are investing in tools and infrastructure to support our colleagues' learning, including a leadership development portal for bite-size instant learning and e-learning for our store teams on new products.
- Each banner closely monitors colleague sentiment through our listening platform 'Peakon' and creates associated action plans to improve colleague sentiment.

How we provide oversight to the Board

- The Board receives the three-year People plan annually, along with a review of colleague engagement. In addition, the Nomination Committee receives a summary of the Group Executive succession plan annually.

3 Reputation and trust

Our customers, colleagues, suppliers and investors expect us to perform our business in a way that is responsible, reliable and in everyone's long-term interest. One of the many ways we strive to ensure this is through our publicly communicated Responsible Business strategy and targets.

The safety of our customers and colleagues is of paramount importance and we are committed to ensuring our products and our working environments are safe.

Failure to deliver on our obligations and commitments or material breaches of our policies or controls, could undermine trust in Kingfisher, damage our reputation and impact our ability to meet our strategic objectives.

Risk trend ◀

The level of scrutiny and expectations from our stakeholders remains high and the opportunity to provide an effective response is often limited.

Link to strategic priorities

- Lead the industry in responsible business and energy efficiency.
- Agile, human and lean.

4 Climate change

Globally, the impacts and scale of climate change are not fully understood and it continues to evolve.

Failure to monitor, understand and act upon the opportunities and risks of climate change could impact our long-term profitability.

Risk trend ◀

Scrutiny on the validity and reliability of our response to climate-related risks remains high.

Link to strategic priorities

- Win through our offer, own exclusive brands and services.
- Lead the industry in responsible business and energy efficiency.

How we manage and monitor the risk

- The Responsible Business Committee (RBC) leads and oversees the delivery of the Responsible Business strategy. It is chaired by a non-executive director and includes the CEO. The banners and relevant Group Functions are responsible for delivery of the strategy, with progress monitored against agreed targets.
- We have established a robust governance framework to oversee health and safety, with Group standards setting minimum requirements, implemented locally by banners.
- A framework is in place to ensure our products are safe and comply with relevant regulations, supported by Group policies and processes setting minimum requirements. In addition, our due diligence of suppliers and partners covers a range of ESG issues, from environment to modern slavery.
- We are evolving our frameworks for managing incidents, and for responding to societal and geopolitical issues, and we have specific policies relating to corporate affairs and external communications.
- Externally, we monitor developments and have regular engagement with a range of stakeholders including NGO partners, trade associations, politicians, civil servants, media, etc. in our key markets, which helps to ensure that the company remains close to social and environmental concerns.

How we provide oversight to the Board

- The Board receives a biannual summary of health & safety concerns. Any serious matters of concern relating to the delivery of the Responsible Business strategy, health & safety, product safety or other incidents are reported to the Board as they arise.

How we manage and monitor the risk

- The Responsible Business Committee (RBC), chaired by a non-executive director, supports and oversees the delivery of the Group's Responsible Business strategy, including how we manage our approach to climate change.
- The Group Climate Committee, chaired by the CEO, monitors the effectiveness of the company's approach to assessing and managing climate-related risks and opportunities. It provides recommendations to the Group Executive on the management of climate-related risks and opportunities.
- We have a range of commitments to reduce our emissions and maximise opportunities for the transition to a net zero future, such as our Sustainable Home Products targets, establishing science-based targets for carbon emissions and alignment of our climate-related ambitions with our financial performance (see TCFD section on pages 103 to 114). Decarbonisation planning is also integrated into each banner's capital investment plans.
- We support several industry initiatives to tackle climate change, including a collaborative Scope 3 task force, initiated by EDRA/GHIN (the global trade bodies for home improvement retailers).

How we provide oversight to the Board

- The Board receives updates from the RBC as appropriate and annual presentations on banner and Group Function strategies, which consider significant risks and opportunities including climate change. These are also contained within the TCFD disclosure, which the Board approves annually.

Risks continued

Risk trend: ▲ Increasing ◀ No movement ▼ Decreasing + New

5 Legal and regulatory

The Group's operations are subject to a broad range of regulatory requirements in the markets in which we operate, and new regulations continue to emerge.

Failure to ensure we comply with applicable laws and regulations could impact our brands and reputation and expose us to significant fines or penalties.

Risk trend ◀

The legal landscape in which we operate continues to evolve, with new regulations and greater complexity. We continue to monitor the potential impacts, as well as focusing on the internal controls, systems and processes that support compliance.

Link to strategic priorities

- Grow our banners and formats.
- Scale our digital ecosystem.
- Win through our offer, own exclusive brands and services.
- Lead the industry in responsible business and energy efficiency.

How we manage and monitor the risk

- Policies and procedures are in place, clearly stating our expectation to carry out our business fairly and with complete integrity.
- Our legal and compliance network, supported by external experts where needed, monitors for legislative changes relevant to our business, and helps us to identify, understand the impact of, and comply with current and new legal obligations, so that we can respond appropriately.
- A compliance programme is in place which covers key areas such as our Code of Conduct, anti-bribery and corruption, data protection, competition law and market abuse. This includes mandatory Group-wide annual training on these areas; an independently facilitated whistleblowing hotline across the Group, supported by Speak Up champions to ensure that any concerns are investigated appropriately; and third-party due diligence processes covering risks such as sustainability, human rights, business integrity, data protection and information security.
- The Group Ethics and Compliance Committee (GECC) ensures that the Group approach to ethics and compliance is adequate and effective. This includes approving compliance training and reviewing the outcomes of investigations. Local Ethics and Compliance Committees are in place in all banners to ensure a consistent approach.

How we provide oversight to the Board

- The Board approves material changes to Group policies. Regular reporting is provided to the Board and Audit Committee on material legal and compliance matters, including topics such as data protection, compliance programmes, material litigations, whistleblowing and Speak Up, and material policy breaches.

6 Cyber and data security

Cyberattacks and security incidents continue to present a risk for all organisations, including both Kingfisher and our vendors.

Failure to protect data, information and systems, detect incidents and respond accordingly would negatively impact our operations, profitability and reputation.

Risk trend ▲

This remains one of our most significant risks and the past year has seen several high-profile cyberattacks against retailers.

Link to strategic priorities

- Grow our banners and formats.
- Grow our trade business.
- Scale our digital ecosystem.
- Win through our offer, own exclusive brands and services.
- Lead the industry in responsible business and energy efficiency.
- Agile, human and lean.

How we manage and monitor the risk

- Cyber security receives Group Executive level sponsorship, and we continue to make investments in support of our IT security roadmap.
- We use AI to strengthen existing technology capability to protect us against threats.
- We have a robust major incident management process, supported by a third-party incident response and forensic retainer, and we run regular assessments and exercises, including at Board level, to ensure we are prepared for security incidents.
- We deliver mandatory training and run phishing awareness tests to ensure colleagues understand the importance of their role in cyber security.
- We regularly review the cyber threats facing Kingfisher and work with security partners to evaluate and implement appropriate controls, including within our IT general control framework.
- We commission continuous independent assurance to monitor progress against our strategy and alignment to cyber security best practice standards, to ensure we meet our maturity milestones.

How we provide oversight to the Board

- The Board receives an update annually on cyber security, with additional updates provided throughout the year as and when required.

7 Geopolitical instability creating macroeconomic volatility

Kingfisher's operations extend across the globe, exposing us to both geopolitical uncertainty and local volatility.

Failure to anticipate events or respond appropriately could have a significant impact on our business operations resulting in a loss of sales, increased costs and negatively impacting our strategic objectives.

Risk trend ▲

Heightened geopolitical volatility, including the use of tariffs as political leverage, increases the risk of supply disruption and cost inflation given Kingfisher's global sourcing footprint. Persistent tensions between major trading nations continue to impact consumer confidence in our core European markets and home improvement spend. Geopolitical instability therefore remains a significant driver of macroeconomic uncertainty and one of our highest severity risks.

Link to strategic priorities

- Grow our banners and formats.
- Scale our digital ecosystem.
- Win through our offer, own exclusive brands and services.

How we manage and monitor the risk

- Our Group Corporate Affairs team monitors the political and economic situations in our markets and countries which may impact our operations. This is supported by membership of key business trade associations in every market.
- Strategies are in place to identify, monitor and engage with proposed changes to legislation that may impact our business.
- We are revising our incident and crisis management processes and teams to ensure that they are relevant and current, allowing us to identify, detect and respond to situations as they arise.
- Our banner and Group sourcing teams work to diversify our sourcing options where appropriate. Our buying offices and supply chain teams are focused on ensuring we maintain appropriate levels of competitively priced products available from alternative sources through periods of potential disruption.
- We have strong and distinct banners, with each able to set the right product offer and pricing to meet our customers' appetite for spending and to respond in an agile, flexible way to changes in the environment. Our OEBs, representing 43% of our sales, offer particularly great value for customers in all our banners.
- We have access to significant committed liquidity facilities and debt funding, through a Revolving Credit Facility (RCF), and drawn term loans.
- Cash holdings are diversified across several financial institutions. We continuously monitor our exposure to these to ensure our credit risk is effectively managed.
- We have appropriate treasury policies in place, enabling us to use derivatives, investments and debt financing to minimise the impact of foreign exchange currency volatility for the Group.

How we provide oversight to the Board

- The Board receives regular Corporate Affairs updates and annual presentations of banner Group Function strategies which consider geopolitical trends. In addition, serious incidents are escalated as they arise.

8 Technology resilience

Kingfisher relies on several systems managed internally and by third parties to serve our customers.

Failure to develop and maintain resilient systems could disrupt critical operations and the delivery of our strategic priorities, damaging our reputation.

Risk trend +

The 'Powered by Kingfisher' strategy is increasingly reliant on robust technological solutions. This new risk reflects our commitment to ensuring the successful delivery of our priorities, enabling future growth for Kingfisher.

Link to strategic priorities

- Grow our banners and formats.
- Grow our trade business.
- Scale our digital ecosystem.
- Win through our offer, own exclusive brands and services.
- Lead the industry in responsible business and energy efficiency.
- Agile, human and lean.

How we manage and monitor the risk

- Our technology roadmap ensures our infrastructure adapts to support strategic initiatives. We continue to invest in both core and customer-facing technologies, and we are modernising legacy systems to enable faster, secure, more agile change across our digital platforms.
- We work with third-party providers to strengthen our digital capabilities and overall resilience. Partnering with experts through our cloud partnerships gives us access to their skills and technology, helping us attract and retain top engineering talent.
- We embed resilience principles from the outset when developing or modernising technology, building high-availability and recovery paths as a priority.
- Our business continuity and disaster recovery plans ensure we can recover quickly and in a structured way from incidents affecting critical processes, assets, and third parties.

How we provide oversight to the Board

- The Board receives annual updates on the IT roadmap.

Risks continued

Risk trend: ▲ Increasing ◀ No movement ▼ Decreasing + New

9 Market landscape

The markets in which we operate are very competitive and the pace of change remains high with increasing customer demand for greater choice, experience and value.

Failure to respond with speed to customer demand or to changes in the external landscape could affect our ability to remain competitive and adversely impact our financial results.

Risk trend ◀

This remains a key area of focus and one of our highest severity risks. The previous responding to changing customer expectations and competitor behaviour risks were merged due to their similar impacts. This simpler approach enables more efficient management by teams.

Link to strategic priorities

- Grow our banners and formats.
- Grow our trade business.
- Scale our digital ecosystem.
- Win through our offer, own exclusive brands and services.
- Lead the industry in responsible business and energy efficiency.
- Agile, human and lean.

How we manage and monitor the risk

- Our Customer and Market Intelligence team continuously monitors customer trends and behaviours across all our markets, feeding into our banner strategies to anticipate needs and develop relevant offerings. This is reflected in dedicated teams' focus on customer data and digital experience, enabling us to better understand customer behaviour and deliver personalised, omni-channel experiences.
- Retail media uses targeted advertising and data insights to help us understand behaviour trends, optimise digital touchpoints and enhance engagement. Our Centre of Excellence for online marketing and digital trading monitors demand and benchmarks e-commerce capabilities to identify opportunities in site speed, order management and customer recommendations.
- We track Net Promoter Scores (NPS) against targets to improve customer experience and satisfaction across digital and in-store touchpoints.
- We compare price indices with competitors in key categories and measure customer price perception on a regular basis to ensure we remain competitive.
- We have launched strategic programmes to accelerate e-commerce, placing stores at the centre of our fulfilment model. Our online marketplaces expand product choice, reduce availability risks and align with consumer trends. Our Technology Product board meets quarterly to monitor financial and project portfolio performance and to prioritise upcoming digital initiatives.
- Compact stores play a crucial role in addressing the consumer need for convenience and enable us to further meet demand for fast fulfilment, whether through click & collect or delivery. These formats provide valuable learnings and attract new customer types.
- We continue to attract trade customers through formats such as Tradepoint and Casto Pro and expanded loyalty programme offerings across all markets.
- We extend and refresh our own exclusive brand ranges based on customer and banner feedback to deliver a differentiated, compelling offer across all price points, with a strong focus on Sustainable Home Products to meet changing customer preferences.

How we provide oversight to the Board

- The Board receives an annual update on market and customer trends and annual presentations of banner and Group Function strategies incorporating these market insights, as well as an annual update on our IT strategy and roadmap.

Viability statement

Assessment period

The directors consider a three-year period appropriate given the rapid change in consumer and retail markets. This aligns with the Group's strategic planning period and timeframe for implementing new ranges, stores and technology investments. No major renewal or investment commitments beyond the current levels (around 3% of revenues) are expected after this three-year period. The Group's debt repayment profile is not relevant due to the low levels of debt, and the Revolving Credit Facility (RCF) has a three-year horizon.

Assessment of prospects

The directors regularly assess the Group's current and future financial position, performance trends and forecasts against the strategy, business model and principal risks outlined on pages 44 to 48. In addition, the directors regularly review the financing position and future funding requirements, including sensitivity analyses.

The Group remains operationally and financially strong, with a strong track record of consistent profit and cash generation, expected to continue in both the short and long term.¹

In its assessment of the Group's prospects, the Board has considered the following:

- **The Group's strategy and how it addresses changing customer preferences.** Our growth has been high-quality, volume-led, driven by our Group strategic initiatives in e-commerce and trade. Online platforms increase product choice and enable fast fulfilment times while our proprietary marketplace technology delivers high-margin growth. We continue to grow our trade customer, based on frequent, higher spending, and predictable shoppers through formats like Tradepoint and Casto Pro, leveraging our existing store footprint to increase store sales densities with limited additional capex. Our trade business is both revenue and margin accretive at a retail operating level. Looking ahead, we remain confident in both our long-term growth and cash generation opportunities.
- **The inherent resilience of the Group's activities.** The Group operates across diverse geographies and customer segments, with a strong competitive position. We maintain a well-balanced mix of retail and trade customers and a significant proportion of our sales is linked to essential repairs and maintenance. Our geographic spread helps mitigate political instability or economic downturn in a particular country. Our diverse product portfolio, including own exclusive brands (OEB) and diversified sourcing footprint (both near and far sourcing) strengthen stability.
- **Expectations of the future economic environment.** Political and macroeconomic uncertainty persists across our markets. Despite consumer uncertainty, our UK banners and Brico Dépôt Iberia delivered strong results and grew market share. Our banners in France and Poland faced subdued consumer demand but performed in line with their markets, demonstrating the resilience of our strategy. Longer term, we are well positioned to benefit as the home improvement market inflects. Industry trends, including ageing housing stock, investments in sustainability and a continued interest from consumers in adapting their homes to their evolving lifestyles, will endure and provide the opportunity for sustained long-term growth.

- **The Group's financial position.** The Group retains a strong financial position; as of 31 January 2026, Kingfisher had access to over £1.1 billion in total liquidity, comprising cash and cash equivalents of £462 million (net of bank overdrafts) and access to an undrawn Revolving Credit Facility (RCF) of £650 million (which expires at the end of May 2028). The RCF has a one-year extension option, and the modelling assumes this is renewed at a similar level (deemed highly likely). This level of liquidity is sufficient for all viability scenarios. The Group has low levels of debt and a proven track record of strong cash generation. The Board considers this headroom, coupled with the highly cash generative nature of the business, to provide robust financial resilience and flexibility.
- **Supplier and supply chain resilience.** The Group's supply chain has remained resilient despite geopolitical uncertainty, with product availability continuing to improve. While some dependency on far-sourced products from Asia exists, we mitigate this through dual-sourcing key OEB products and maintaining updated business continuity plans. We work closely with vendors to optimise inventory levels and strengthen resilience in our supply chain.
- **Climate change.** We regularly assess climate-related risks and opportunities. TCFD scenario analysis indicates no material risks to our business model over the three-year time horizon but highlights the opportunity to promote our more sustainable products to customers (refer to TCFD section on page 108).

Taking these factors into account, we have shown that our business model is resilient, and we are confident that our strategy provides a strong foundation for sustainable long-term growth.

Assessment of viability

To assess our viability, we have modelled several severe but plausible scenarios which would have the most material impact on our liquidity. These were identified by considering how our principal risks could materialise either individually or in combination, impacting the business both operationally and financially.

In total, four severe but plausible individual scenarios have been modelled, in addition to a fifth 'collective' scenario. The latter considers the combined impact of scenarios 1, 3 and 4 detailed below, to model a worst-case situation. Theoretically, all these scenarios could run together, with different impacts. Although the causes are different, the potential impact of scenario 2 (production and supply chain disruption) is similar to scenario 3 (further economic downturn) and overlaying it on the collective scenario would not make a material difference to the results.

The **legal and regulatory** risk was not specifically modelled as it could result in a significant financial penalty and related financial pressure similar to scenario 1 (demand/operational shock). An aspect of **climate change** has been modelled in scenario 2 (production and supply chain disruption) but it should be noted that the additional investments being made to realise our climate targets are already included in the base financial projections.

1. This viability statement should be read in conjunction with the description of the Group's strategy and business model, which are set out on pages 7 to 13.

Viability statement continued

Recent events in the Middle East have disrupted global supply chains and driven higher energy prices. While the duration and impact of the conflict remain uncertain, learnings from recent similar events, such as those in the Red Sea or during the pandemic have been considered as part of our modelling and mitigations in place. We believe any potential impacts are reflected in our modelling, primarily through scenario 2 (Production and Supply Chain Disruption) and scenario 3 (Further Economic Downturn).

None of the scenarios modelled, including the more extreme and unlikely aggregated scenario, were found to impact the long-term viability of the Group over the assessment period. In assessing each of the scenarios, we have considered the mitigating actions available to us, including, but not limited to:

- reducing discretionary operating spend;
- reducing non-committed capital expenditure;
- renegotiating prices and payment terms with suppliers;
- freezing recruitment and reducing variable incentives; and
- temporary suspension of dividend payments or share buybacks.

Having assessed our current position, principal risks and prospects of the Group and considering the assumptions below, the directors confirm they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year assessment period.

Scenarios modelled	Links to principal risks
<p>Scenario 1 – Demand/operational shock</p> <p>The whole of Kingfisher's operations become subject to a material and unexpected reduction in demand or operational disruption resulting in reduced sales for a period of time (e.g. a failure of our global IT infrastructure, with operational and/or reputational damage).</p> <p>Assumptions Sales: Reduced sales during our peak period (a shock with an initial two-week sales impact of 75%, reducing to 25% the following two weeks before normalising). Margin: Margin rate reduced by 2% due to the loss of sales and impacts of fixed distribution costs during disruption period. Cost: Minimal cost savings due to the acute nature of the event. Inventory: Limited adjustment opportunity given lead times.</p>	<p>Risk 3: Reputation and trust. Risk 6: Cyber and data security. Risk 7: Geopolitical instability creating macroeconomic volatility. Risk 8: Technology resilience.</p>
<p>Scenario 2 – Production and supply chain disruption</p> <p>Our suppliers and supply chain continue to be affected through 2026/27 and into 2027/28 by an event which impacts production or supply. Stock availability is severely reduced in several key product categories and logistics costs are significantly increased for others. Suppliers are not able to support the increased sales volumes on key ranges.</p> <p>Assumptions Sales: Negative sales impact in years 1 and 2 of 2% for our larger stores and up to 4% for our smaller stores (more affected due to limited range depth so fewer alternatives). Margin: Margin rate reduced by 1% due to the loss of sales and increased shipping and transportation costs.</p>	<p>Risk 1: Supply chain resilience. Risk 4: Climate change. Risk 7: Geopolitical instability creating macroeconomic volatility.</p>
<p>Scenario 3 – Further economic downturn</p> <p>Prolonged and further downturn in economic conditions across Europe with lower economic activity, higher unemployment and higher inflation resulting in changing customer behaviours, reduced consumer confidence and lower spending. Customers become more price sensitive, and price reductions impacting margins are required to manage overstocks. Suppliers of key ranges default on their supply commitments.</p> <p>Assumptions Sales: Year-on-year sales reduction of 5% for a 12-month period, followed by a 6-month period of stabilisation before resumption of growth. Margin: Margin rate reduced by 1% from lower sales and pricing pressure for a period of 24 months, followed by recovery in the third year.</p>	<p>Risk 7: Geopolitical instability creating macroeconomic volatility.</p>
<p>Scenario 4 – Failure to execute our strategy</p> <p>We continue to implement our strategy, including planned investments, but this fails to deliver the expected sales growth and margin enhancement. In addition, there is a failure to realise cost-reduction targets.</p> <p>Assumptions Sales: Non-delivery of planned sales growth from initiatives included in the three-year plan. Margin: Non-delivery of margin increases linked to growth in OEB product sales. Costs: Non-delivery of efficiency benefits.</p>	<p>Risk 2: Our people. Risk 9: Market landscape.</p>
<p>Scenario 5 – A combination of scenarios 1, 3 and 4</p> <p>This represents a demand or operational shock, resulting in a short period of reduced revenue, followed by a further economic downturn. At the same time, our strategy fails to deliver the planned benefits. This is seen as a worst-case scenario and highly unlikely.</p>	<p>As indicated in the above scenarios.</p>

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report, including the principal risks of the Group set out on pages 44 to 48. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 31 to 37. In addition, note 25 of the Group financial statements includes the Group's financial risk management objectives and exposures to liquidity and other financial risks.

The directors have considered the above and how they may impact going concern as well as the modelling of a remote scenario which assesses the impact on the Group's liquidity headroom of a significant demand or supply shock preventing us from realising a large part of our sales over the period of a month followed by subdued demand for the remainder of the year. As a result of this review, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the date on which the financial statements are authorised for issue, and consider it appropriate for the Group to continue to adopt the going concern basis of accounting in preparing the annual financial statements. Further details in relation to the use of the going concern assumption and the scenario modelled by the directors are detailed in note 2 of the Group financial statements.

Strategic Report approval

The Strategic report was approved by a duly authorised Committee of the Board of Directors on 23 March 2026 and signed on its behalf by:

Thierry Garnier

Chief Executive Officer

23 March 2026

Chair's statement

Dear Shareholder,

At Kingfisher, we believe that a better world starts with better homes. Through our 'Powered by Kingfisher' strategy, we are committed to making this vision a reality for our customers, colleagues, and communities by helping people to improve their homes.

In 2025/26, we continued to build strong momentum, delivering tangible progress against our strategic priorities. We have delivered significant market share gains and made progress in advancing our trade and e-commerce initiatives, with both delivering double-digit sales growth. We completed the sale of our Romanian business and progressed the restructuring and modernisation of our Castorama stores in France, in line with our plan to improve their performance and profitability.

By focusing on the biggest drivers of growth – while maintaining strong cost discipline – we were able to increase both profit and free cash flow guidance during the year. This momentum, supported by one-off cash inflows, led to the Board's decision to accelerate the £300 million share buyback programme, which completed in line with our policy to return surplus capital to shareholders.

As we look ahead to 2026, we will continue to focus on the levers that drive continued sustainable growth, acting with consistency in the execution of our strategic priorities and remaining disciplined on margin and costs.

Our governance framework

At the heart of our decision making is a robust governance framework that ensures timely decisions are made using high-quality information, discipline and sound judgement. We also consider the outcomes of our prior decisions to understand their wider impacts and to inform future choices. Protecting the long-term health of the business is a core priority, and our governance structure is designed to support sustainable growth, resilience and competitive strength in an uncertain macro-economic environment. The following pages set out how Kingfisher is governed to serve our customers, support our colleagues, contribute to our communities, and deliver value for our shareholders and wider stakeholders.

Board composition and succession planning

During the year, we placed strong emphasis on evaluating and strengthening the Board's composition as part of our succession planning. We reviewed the breadth and depth of skills across the Board, identified areas where additional expertise would be valuable, and further expanded the range of Board experience.

We were delighted to announce in February the appointment of Stephen Daintith as a non-executive director, effective 1 April 2026. Stephen will also succeed Jeff Carr as Chair of the Audit Committee at the conclusion of Jeff's nine-year term in 2027.

We continue to remain focused on succession planning to ensure the balance of skills and experience on the Board remains appropriate in the context of our strategy. You can read more about our work in this area in the Nomination Committee report on page 63.

Culture, diversity and inclusion

As a result of changes to the Board's composition during the year, gender diversity is 37.5%, below the 40% target set by the UK Listing Rules (at the date of this report). We continue to meet or exceed the other targets set by the Listing Rules including having two women in senior Board positions. We recognise that a diverse, inclusive Board enhances representation and has a positive effect on board performance and good quality decision-making. We are proactively addressing this within our ongoing succession planning. We remain committed to equality, diversity and inclusion, recognising that a culture that reflects the diverse communities in which we operate is in the company's best interests. This belief is embedded in Kingfisher's purpose and aligned to our strategy, and in our goal to create an agile, inclusive culture led by trust, driving high performance.

Further information regarding the Board's diversity and inclusion policy can be found on page 65. Further information on how the Board monitors and assesses culture can be found on pages 59 and 60.

Reviewing Board performance

The annual review of the Board's performance plays a crucial role in strengthening our governance, enabling us to reflect, improve and enhance our effectiveness. This year, we engaged Lisa Thomas of Independent Board Evaluation to conduct the assessment. The review produced valuable insights, and more detail on the outcomes and recommendations can be found on pages 61 and 62.

Looking forward

Kingfisher is a great business with a unique combination of assets and capabilities that differentiate us within the home improvement sector. Our differentiated retail banners, OEB and branded product ranges provide resilience and a clear competitive advantage, enabling us to respond to changes in customer behaviour and market conditions. Our growing digital and data capabilities further enhance our ability to anticipate market shifts, optimise our supply chains and deliver more personalised customer experiences. Supported by a strong balance sheet, these strengths give us a solid foundation to invest confidently and sustainably for long-term growth.

The Board is confident in the future of the business, underpinned by our clear strategy, the quality of our leadership and the resilience of our retail banners. We remain committed to driving sustainable shareholder returns through disciplined execution and a continued focus on costs, margins and operational excellence.

Finally, on behalf of the Board, I would like to extend our sincere thanks to our customers, suppliers, communities and investors for their continued support and engagement. I would also like to express my heartfelt appreciation to our colleagues across the Group. Their hard work, passion and commitment to our values are the bedrock of Kingfisher's success, enabling us to serve our customers every day.

Claudia Arney
Chair of the Board

23 March 2026

Corporate governance

Our governance structure

Our structured framework comprises the Board and its committees, and enables the company and our directors to work effectively.

The Kingfisher plc Board

Responsible for the overall leadership of the Group, the Board defines our purpose, values, and strategy and aligns them with our culture. Considering the views of our key stakeholders, the Board promotes the Group's long-term sustainable success and its contribution to wider society. It is also responsible for the Group's performance and governance oversight.

Board Committees

Audit Committee

Oversees the integrity of our financial and narrative reporting, the effectiveness of our internal controls, risk management and audit, and oversees compliance matters.

➔ Report can be found from page 68.

Nomination Committee

Manages the composition of the Board and its committees, as well as succession planning for the Board and senior management.

➔ Report can be found from page 63.

Remuneration Committee

Ensures rewards are linked to our strategy and recognises success.

➔ Report can be found from page 73.

Responsible Business Committee

Oversees the delivery of our Responsible Business activities, providing collective advice and support.

➔ Report can be found on page 67 with additional reporting from page 24.

Principal Executive Committees

Group Executive

Comprises the Chief Executive Officer and his direct reports, including the Chief Financial Officer, banner CEOs, and certain functional leads. This group meets monthly, excluding August, to support and advise our Chief Executive Officer to develop and implement the strategic direction of the Group and its constituent businesses, to make and implement operational decisions, and, where appropriate, make Board recommendations.

Group Investment Committee

Chaired by the Chief Financial Officer, this group approves all capital and revenue expenditure above the threshold reserved for approval at the banner or Group Function level. Authority for approval for such matters also resides with the Chief Executive Officer.

Group Climate Committee

Monitors and agrees our emission reduction commitments and net zero roadmap. Oversees our external reporting on climate-related matters, and assesses and manages our climate-related risks and opportunities.

Disclosure Committee

Responsible for the framework we use to identify, manage, and release inside information.

Corporate governance continued

Board attendance

Directors' attendance at Board meetings during the year is set out below. Directors are expected to attend all Board meetings, except for in exceptional circumstances. Where directors are unable to attend scheduled meetings, they are encouraged to input in advance. Detail regarding information flows to the directors can be found in the Corporate Governance Statement on our website: www.kingfisher.com/corporategovernance.

Current directors	Attendance
Claudia Arney	7/7
Jeff Carr	7/7
Thierry Garnier	7/7
Sophie Gasperment	7/7
Bill Lennie	7/7
Ian McLeod	7/7
Bhavesh Mistry	7/7
Lucinda Riches	7/7

Former directors who served during 2025/26	
Catherine Bradley ¹	2/2
Rakhi Goss-Custard ¹	2/2

1. Catherine Bradley and Rakhi Goss-Custard stepped down from the Board at the conclusion of the company's AGM held on 23 June 2025.

In addition to the scheduled meetings reflected in the table above, three ad hoc Board meetings were held during the year.

Compliance with the UK Corporate Governance Code

The company was subject to the Financial Reporting Council's 2024 UK Corporate Governance Code (the 'Code') for the year ended 31 January 2026. Kingfisher complied in full with the provisions and consistently applied the principles of the Code during the year. A copy of the Code is available at the FRC's website at www.frc.org.uk.

This report, together with the reports of the Nomination, Audit, Remuneration and Responsible Business committees, the other statutory disclosures and the Corporate Governance Statement on our website, provide details of how the company has applied the principles of the Code.

Provision 29 of the 2024 Code, which came into effect on 1 January 2026, will apply to the company for the financial year ended 31 January 2027 and will be reported against in our 2026/27 Annual Report. During the year, we have reviewed our readiness to comply with this provision. Further information regarding readiness can be found in the Risk section on page 43 and in the Audit Committee report on page 71.

At the company's 2025 AGM, the Board was pleased to see a high level of engagement from shareholders with 87.5 per cent of shares in issue being voted and all resolutions passed by poll by the requisite majority. However, the Board also noted that there were 20.5 per cent of votes cast against Resolution 16 (Authority to allot shares). In accordance with the Code, the company has

consulted with its major shareholders and understands that some, as a matter of policy, do not support resolutions giving companies a general authority to allot shares without further approval from shareholders. The Board considers it in the best interests of the company to renew this authority to retain the flexibility to issue shares when appropriate. The company will continue to take into account the views of its shareholders and will keep the authorities it intends to seek under review.

The table below outlines how Kingfisher applied the principles and complied with the provisions of the Code which may also be found in the Corporate Governance Statement (CGS) at www.kingfisher.com/corporategovernance. Our website also has copies of Matters Reserved for the Board, Terms of Reference of the Committees and role profiles for the Chair, Chief Executive Officer, Senior Independent Director, and other relevant roles.

1. Board leadership and company purpose	Page no. or document
Effective and entrepreneurial Board	17, 28-30, 43-51, 53, CGS, Matters Reserved
Purpose, values and strategy	7, 12-13, 59-60, CGS
Board decisions and outcomes	58, CGS
Engagement with stakeholders	17-22, 59-60, CGS
Workforce policies and practices	14-16, 26-27, 59, CGS

2. Division of responsibilities	
Role of the Chair	CGS, role profiles
Composition of the Board	55-57, 65-66, CGS
Role of the non-executive director	CGS, role profiles
Board information, time and resource	53, 61-62, 64-66, CGS

3. Composition, succession and evaluation	
Appointment to the Board	63-66, CGS
Board composition	55-57, 63-66, CGS
Board effectiveness	61-62, CGS

4. Audit, risk and internal control	
Internal and external audit functions	70-72, CGS
Fair, balanced and understandable	49-51, 68, 102, CGS
Risk management	43-48, 71-72, CGS

5. Remuneration	
Aligning remuneration to strategy	73-98, CGS
Policy for executive remuneration	76-83, CGS
Independent judgement	84, CGS

Board of Directors

Claudia Arney, Chair of the Board

Appointed: Chair of the Board: June 2024
Non-Executive Director: November 2018



Skills and experience: Claudia brings a wealth of experience of business transformation and building digital capabilities to the Board having previously held multiple non-executive roles, including Chair of Deliveroo plc, interim Chair of the Premier League, Senior Independent Director of Telecity Group plc, Chair of the Remuneration Committee at Halfords plc, Non-Executive Director at Ocado Group plc, and Governance Committee Chair at Aviva plc. Claudia began her career at McKinsey & Company, before holding roles at Pearson, the Financial Times, Goldman Sachs, and HM Treasury. She was also Group Managing Director, Digital at EMAP.

External appointments:

- Panel on Takeovers and Mergers – Member
- Department for Digital, Culture, Media and Sport – Lead Non-Executive Board Member

Thierry Garnier, Chief Executive Officer

Appointed: September 2019



Skills and experience: Thierry spent 20 years in senior roles at Carrefour, the French multi-national retailer. Before joining Kingfisher, he was a member of the Carrefour Group Executive Committee and CEO of Carrefour Asia. From 2003 to 2008, Thierry was the Managing Director of Supermarkets for Carrefour France. Following his success in this role he became CEO of Carrefour International and a member of the Group Executive Committee in 2008, where he became responsible for operations in Asia, Latin America and various European countries. In 2016, Thierry was awarded the Chevalier de l'Ordre National de la Légion d'Honneur (France).

External appointments:

- Tesco plc – Non-Executive Director
- EDRA/GHIN (the European DIY Retail Association and the Global Home Improvement Network) – Member of the Board

Bhavesh Mistry, Chief Financial Officer

Appointed: January 2025

Skills and experience: Bhavesh brings extensive finance and retail experience gained in senior roles across a range of listed businesses, most recently at British Land, where he served as CFO from 2021. Prior to joining British Land, Bhavesh was Deputy Chief Financial Officer at Tesco PLC. He has previously held senior finance and strategy roles in a range of consumer-facing businesses, including Whitbread Hotels and Restaurants, Anheuser Busch InBev and Virgin Media. Bhavesh qualified as a Chartered Accountant with KPMG and holds an MBA from London Business School.

External appointments: None

Lucinda Riches, Senior Independent Director

Appointed: January 2025



Skills and experience: Lucinda is a highly experienced non-executive director, having served in several roles as board chair and remuneration committee chair across multiple sectors. Prior to becoming a non-executive director, Lucinda had an executive career in investment banking at UBS where she was Global Head of Equity Capital Markets and a member of the board of UBS Investment Bank. Her previous non-executive director roles include Ashtead Group plc, CRH plc, ICG Enterprise Trust plc, the British Standards Institution, Diverse Income Trust plc and UK Financial Investments Ltd.

External appointments:

- Greencoat UK Wind plc – Independent Non-Executive Chair and Nomination Committee Chair
- Peel Hunt Limited – Independent Non-Executive Chair and Nomination Committee Chair

Key: Chair Audit Committee Nomination Committee Remuneration Committee Responsible Business Committee

Board of Directors continued

Jeff Carr, Non-Executive Director

Appointed: June 2018



Skills and experience: Jeff brings substantial international finance experience to the Board, particularly within the consumer and retail sectors. Until the end of March 2024, Jeff served as CFO of Reckitt Benckiser Group plc, a British multinational consumer goods company with operations in over 60 countries and a large number of globally trusted household brands and products. Jeff also held an executive finance role with Reckitt earlier in his career. Prior to joining Reckitt, Jeff was CFO of Koninklijke Ahold Delhaize N.V. (Ahold Delhaize), one of the world's largest retail groups. Jeff was also previously Group Finance Director at both FirstGroup plc and easyJet plc, and held a senior finance role at Associated British Foods plc, as well as a non-executive director role at McBride plc.

External appointments:

- Tate and Lyle plc – Independent Non-Executive Director and Remuneration Committee Chair

Sophie Gasperment, Non-Executive Director

Appointed: December 2018



Skills and experience: Sophie brings to the Board expertise in strategy, brand and international retail markets as well as substantial experience in business transformation and digital capabilities, having held a number of senior leadership positions at L'Oréal, including managing director of L'Oréal UK & Ireland, and Executive Chair and Global Chief Executive Officer of The Body Shop, as well as 12 years as Non-Executive Director at Accor where she chaired the Nominations, Remunerations and CSR committees.

External appointments:

- Givaudan S.A – Lead Independent Director and Nomination and Governance Committee Chair
- Cimpress plc – Independent Director and Nominating Committee Chair
- Boston Consulting Group – Senior Advisor

Bill Lennie, Non-Executive Director

Appointed: May 2022



Representative to the Kingfisher Colleague Forum: from June 2025

Skills and experience: Bill brings substantial industry experience to the Board, having spent 26 years at The Home Depot, Inc., the largest home improvement company in the world, where he had an outstanding track record of delivery, supporting the company's remarkable growth during this period. Bill was most recently Executive Vice President, Outside Sales and Services at Home Depot and retired in 2021. During his time there, he held many senior leadership roles including President, Canada and Senior Vice President, International Merchandising, Private Brands, and Global Sourcing. Bill has a deep knowledge of merchandising and global sourcing, and experience in developing successful trade and services strategies. Before his time at Home Depot, Bill was merchandising manager for Lowe's Companies Inc. and millwork plant manager for Menards Inc.

External appointments: None

Ian McLeod, Non-Executive Director

Appointed: January 2025



Skills and experience: Ian has over 40 years' retail experience, including 20 years in CEO positions leading multi-billion dollar publicly traded or private equity-owned companies around the world, developing specialist expertise in leading business transformation and change management programmes globally.

Ian's leadership and board experience includes businesses such as Asda and Halfords in the UK, Walmart International as well as Carrefour in the Middle East. His CEO roles include Coles Retail Group in Australia, Southeastern Grocers in the United States and more recently the DFI Retail Group based in Hong Kong with stores across 13 Asian markets, including key market franchises for IKEA, 7-Eleven and Starbucks. In 2010, Ian was awarded an Honorary Doctorate in his native Scotland for his contributions to business and retail.

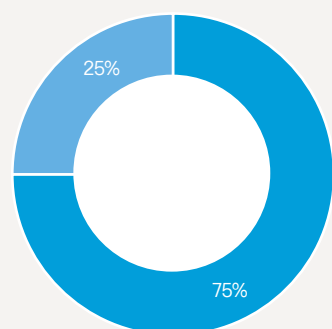
External appointments:

- Quadria Capital – Operating Partner
- Alvarez & Marsal, US – Consultant Advisor

Key: Chair Audit Committee Nomination Committee Remuneration Committee Responsible Business Committee

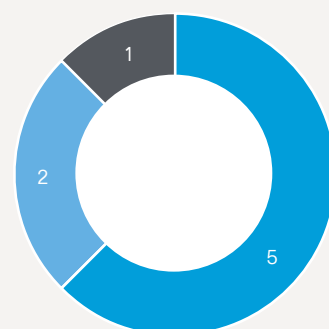
Board composition

Board independence



■ Independent non-executive directors
■ Executive directors

Board nationality



■ British
■ French
■ US

Board diversity

➔ Board diversity and ethnicity is set out on pages 65 and 66.

Board tenure

Current directors **Tenure at 31 January 2026**

Claudia Arney	7 years, 3 months
Jeff Carr	7 years, 8 months
Sophie Gasperment	7 years, 2 months
Thierry Garnier	6 years, 4 months
Bill Lennie	3 years, 9 months
Bhavesh Mistry	1 year, 1 month
Lucinda Riches	1 year, 1 month
Ian McLeod	1 year, 1 month

➔ Board biographies are set out on pages 55 and 56.

Director sector experience¹

Retail	7
Home improvement sector	3
Digital	7
International markets	6
Former CEO	3
Brand/marketing	5
Listed market experience	6
Remuneration/HR	6
Finance	3
Sustainability	4
Matrix-model business ²	5

1. To be counted for each skill area, a director is either required to have sustained executive or senior management experience, or meaningful non-executive experience.
2. Experience of multi-divisional/business unit model with responsibilities split across regions and the centre.

Board activities

The table below sets out the key matters considered, and key decisions and outcomes during the year to promote the long-term success of the company. The Board recognises its responsibility to consider the needs and concerns of our stakeholders as part of its discussion and decision-making processes and seeks to deliver value for all our stakeholders. The company's Section 172 disclosure is available in the Strategic report on page 17.

Board activity	Key decisions and outcomes	Links to strategy
Strategy		See page 7
<ul style="list-style-type: none"> Held strategy discussions throughout the year, including a two-day meeting dedicated to strategy in November. 	<ul style="list-style-type: none"> Enabled informed decision-making aligned with strategic priorities and supporting the company's long-term success. 	1-6
<ul style="list-style-type: none"> Reviewed progress against the 'Powered by Kingfisher' strategic objectives and priorities and considered performance against strategic KPIs. 	<ul style="list-style-type: none"> Reaffirmed strategic direction and agreed actions and focus areas which included the performance of our operations in France. 	1-6
<ul style="list-style-type: none"> Discussed longer-term strategic options and growth drivers, including banner-specific strategies and multi-year planning. 	<ul style="list-style-type: none"> Endorsed our strategic priorities for 2026/27 for banners and Group Functions. 	1-6
<ul style="list-style-type: none"> Reviewed opportunities, including operating model efficiencies, new trade propositions, developments in OEB ranges and store portfolios, AI developments, e-commerce, data, marketplace and retail media, informed by trends shaping the home improvement and retail sectors. 	<ul style="list-style-type: none"> Approved investments supporting delivery of the 'Powered by Kingfisher' strategy. 	1-6
Finance and performance		
<ul style="list-style-type: none"> Reviewed Kingfisher's performance, including market and trading updates and guidance. Received updates from corporate brokers and advisors. 	<ul style="list-style-type: none"> Approved the full and half-year results and the Q1 and Q3 trading updates, including the upgraded adjusted profit before tax and free cash flow guidance. 	1-6
<ul style="list-style-type: none"> Reviewed the Group's capital and liquidity position, dividend cover, and shareholder distributions. 	<ul style="list-style-type: none"> Recommended the final dividend payment and approved the interim dividend payment; approved the acceleration of the current share buyback programme. 	1-6
<ul style="list-style-type: none"> Reviewed performance against budget and forecasts, cash flow, funding requirements, credit rating and leverage targets. 	<ul style="list-style-type: none"> Approved the annual budget, endorsed the three-year plan and capital allocation policy; approved the refinancing of term loans. 	1-6
People, culture, vision and values		
<ul style="list-style-type: none"> Discussed the new Responsible Business Strategy and considered the level of ambition across the priorities, with the Responsible Business Committee providing guidance on the criteria underpinning the strategy. 	<ul style="list-style-type: none"> Endorsed the Responsible Business Strategy 2030. 	5-6
<ul style="list-style-type: none"> Maintained oversight of progress against our Responsible Business Strategy. 	<ul style="list-style-type: none"> Approved the 2024/25 Responsible Business Report for publication. 	5-6
<ul style="list-style-type: none"> Non-executive directors spent time with colleagues in stores and in banner offices (see page 60). 	<ul style="list-style-type: none"> Enhanced understanding and saw first-hand the culture embedded across the Group. 	5-6
<ul style="list-style-type: none"> Reviewed progress against the People and Culture Plan, with regular updates delivered through the culture dashboard. 	<ul style="list-style-type: none"> Endorsed the key priorities for 2026/27 for the People and Culture Plan. 	5-6
<ul style="list-style-type: none"> Received an update on community investments made during 2024/25. 	<ul style="list-style-type: none"> Approved projected charitable donations to the B&Q Foundation and Shelter for 2026/27. 	5
Governance and risk		
<ul style="list-style-type: none"> Oversaw Board succession planning and the director search processes (see pages 63 and 64). 	<ul style="list-style-type: none"> Approved appointments of Stephen Daintith as a non-executive director and Lucinda Riches as Senior Independent Director. 	6
<ul style="list-style-type: none"> Considered the updated principal risks, risk appetite and material controls across the principal risks and focus areas. Maintained a regular focus on information security, including receiving an annual update from the Chief Information Security Officer. 	<ul style="list-style-type: none"> Approved the Group's principal and emerging risks and risk appetite statement. 	1-6
<ul style="list-style-type: none"> Maintained oversight of the ESG reporting readiness. 	<ul style="list-style-type: none"> Approved the output from the Double Materiality Assessment undertaken at Group level as part of the company's ESG reporting programme. 	5
<ul style="list-style-type: none"> Oversaw the approach to modern slavery and human rights, including supply chain risk management. Considered reports received via the 'Speak Up' hotline. 	<ul style="list-style-type: none"> Approved the 2024/25 Modern Slavery Act Transparency Statement. 	5-6

Assessing and monitoring culture

Culture

The Board approves the Group's purpose, values and standards and satisfies itself that these align with its culture. We believe an agile, inclusive culture, led by trust, reflects our purpose and values and enables us to drive progress against our strategic priorities.

This year's focus was on further developing a high-performance culture that is embedded in our purpose and strategy, while strengthening trust, inclusion, and engagement across the Group. We continue to take actions to build a positive and healthy working environment, engaging colleagues across all parts of the business.

How does the Board assess and monitor culture?

The Board spends time throughout the year engaged in activities that provide insight into Kingfisher's culture and receives detailed reports on a wide variety of topics to allow it to assess culture and its alignment to the Group's purpose, values and strategy.

Kingfisher Colleague Forum

Our workforce engagement mechanism is the Kingfisher Colleague Forum (KCF), a joint forum of Kingfisher-nominated management representatives and colleague representatives from across all banners and Group Functions. The KCF engages with representatives to help colleagues stay connected to, and provide feedback on, the direction of the Group and business decisions in compliance with the European Works Council Directive.

A representative non-executive director, together with the Chief Executive Officer and Chief People Officer, attend KCF meetings to listen to and discuss colleague views on a range of topics and colleague feedback is presented to the Board following each meeting. During the year, the Board nominated Bill Lennie to succeed Catherine Bradley as the representative non-executive director to the KCF, ensuring that we continue our focus on active engagement and transparency.

Key topics discussed by the KCF and representative groups, such as our colleague forums and works councils during the year included trading and market context, AI and emerging technologies, inclusion and diversity and OEB visibility.

Colleague engagement survey

The Board receives insights and actions arising from the Group-wide colleague engagement survey twice a year and, during the year, requested further detail on Group engagement mechanisms to gain a deeper insight into the trends and drivers of strong engagement at Kingfisher. See page 15 for how we listen to our colleagues, including our engagement scores.

Culture dashboard

The Board regularly reviews key indicators of cultural health through an analysis of quantitative and qualitative data, covering colleague headcount, time to hire, colleague turnover, gender representation and Speak Up reports and eNPS scores. This data enables the Board to monitor progress against targets and the actions in place to support a strong culture within Kingfisher.



58 eNPS

within the top 5% for retail versus Peakon's Retail benchmark
2024/25: 59



26.71% colleague turnover

rolling 12-month attrition rate (permanent and fixed term employees)
2024/25: 24.9%



Speak Up: Group-wide volumes increased by 6.81%

from 602 cases in 2024/25 to 643 cases in 2025/26. This remains within European benchmarks and reflects a strong awareness of the system and trust in the Speak Up process

Strategic review

Culture is a key part of our three-year plan, and progress against the plan is reviewed by the Board biannually. The Board considers the company's current and desired culture in the context of our purpose, values and strategy to ensure they are aligned.

Workforce policies and practices

Our Code of Conduct sets out our personal and shared responsibilities for meeting high ethical standards and helps to promote a culture where transparency, honesty and fairness are the norm. Mandatory training is issued to all directors and colleagues on an annual basis to reinforce the importance of these standards. On behalf of the Board, the Audit Committee oversees compliance matters, including reports on whistleblowing activity across Kingfisher.

The Remuneration Committee receives regular reports on the wider workforce policies and practices. This includes embedding a high-performance culture in the company. Read more about how we invest in and reward our people on pages 15 and 73.

Assessing and monitoring culture continued

Board engagement activities

Each year, the Board holds at least one of its meetings offsite in a different part of the business. In addition, non-executive directors take time throughout the year to visit banner or Group Function locations to gain insights and understanding of different areas of the business outside of a formal meeting setting. Following their visits, directors provided feedback to the rest of the Board and to management.

Case study: Board offsite and store visits in France

In May 2025, the Board held one of its offsites in Marseille, and spent time with head office and store colleagues from across the business in Castorama and Brico Dépôt France.

As part of its engagement programme, the Board spent two days immersed in the French banners, focusing on connecting with the customer and colleague experience following the launch of their new strategies.

Directors had breakfast with a mixture of store and head office high potential leaders, which gave directors the opportunity to hear the experiences and views of colleagues first hand. Colleagues welcomed the high level of transparency and close interaction with the Board as it facilitated effective sharing and alignment of brand and Group strategies.

The Board also spent time with colleagues in stores at Castorama Toulon la Seyne and Brico Dépôt Marseille to gain a deeper understanding of the day-to-day operations, organisational make-up and colleague sentiment. This provided an opportunity for direct engagement with colleagues on the ground.

The Board had dinner with senior colleagues responsible for delivering our strategic goals, enabling deeper discussions and strategic alignment between colleagues and the Board.

May

Castorama and Brico Dépôt France stores: directors explored the customer and colleague experiences with store visits to both Castorama Toulon la Seyne and Brico Dépôt Marseille.

Colleague breakfast, France: 15 colleagues attended to share their experiences of working in store and head office.

Local board dinner, France: 19 senior colleagues attended to discuss strategy and performance.

June

KCF in London: Catherine Bradley attended her last KCF, during which OEB initiatives and inclusion and diversity were discussed.

September

Castorama Poland stores: Claudia Arney, Lucinda Riches and Ian McLeod visited the Castorama Gdańsk Osowa, Oliwa and Kowale stores, as well as a design point in Bałtycka Shopping Mall in Gdańsk, to experience the customer journey and hear from store directors about categories and initiatives.

Castorama Polska Foundation: Claudia Arney, Lucinda Riches and Ian McLeod went on a guided tour with the European Solidarity Centre and representatives of the Foundation Metapomoc to discuss social support projects.

Management Committee dinner, Poland: 10 senior colleagues attended to discuss the competitive landscape and consumer trends.

B&Q stores: Jeff Carr and Bill Lennie visited the B&Q Basingstoke and Farnborough stores to discuss operational and strategic initiatives and trade activities.

October

B&Q store: directors visited the Reading store to see first-hand how strategic and operational priorities were landing in store.

O&S visit: Sophie Gasperment and Bill Lennie visited our head office in Lille to hear about OEB projects and sourcing initiatives, and spend time with the team.

November

Screwfix distribution centre: members of the Responsible Business Committee visited Stafford to see firsthand the sustainability initiatives at Screwfix, including our leading refurbishment facility and fossil fuel free fleet (further detail can be found on page 67).

December

KCF in France: Bill Lennie attended his first KCF, during which current trends and our strategy in e-commerce were discussed.

Board effectiveness

Board performance review process

In line with best practice, the performance and effectiveness of the Board, its committees, and individual directors are assessed annually. This process operates on a three-year cycle, with the 2025/26 review conducted externally in accordance with the UK Corporate Governance Code (Code).

Several independent providers were invited to submit proposals outlining their approach and, following a selection process, Independent Board Evaluation (IBE) was appointed to conduct this year's review, and to support the Board and committee reviews in 2026 and 2027. The review was led by Lisa Thomas, who is a member of The International Register of Board Reviewers. IBE do not have any other connection with the company or its individual directors.

The review commenced in May 2025 following a detailed briefing involving the Chair, Chief Executive Officer, and Company Secretary. These sessions were designed to agree the scope of the evaluation and identify key areas of focus, ensuring alignment with the Group's strategic priorities and governance framework. To support the review, Ms Thomas undertook extensive preparatory work, including a thorough examination of Board and committee planners, prior performance review findings and recommendations, meeting papers, and other governance documentation; this provided valuable context and informed the subsequent evaluation stages.

As part of the process, Ms Thomas attended scheduled Board and committee meetings during September and October, including participation in private sessions with Board and committee members. These observations enabled her to assess the dynamics, quality of debate, and decision-making processes in practice. Following these meetings, Ms Thomas conducted individual interviews with each director and with members of the Group's wider leadership team to gather qualitative insights on Board composition, culture, and overall effectiveness.

Ms Thomas discussed the draft conclusions of her review with the Chair and subsequently the final conclusions were discussed with the Board in January 2026, with Ms Thomas present. Following that Board meeting, Ms Thomas provided feedback to the chairs of each of the committees and also discussed the Board's feedback for the Chair with the Senior Independent Director. The Chair received a report with feedback on individual directors' performance as an input to the regular performance review process.

Ms Thomas reviewed and approved this disclosure.

Review recommendations and actions

The evaluation concluded that the Board continues on a positive upward trajectory, with strong composition, effective chairing, and enhanced strategic focus. The review noted the impact of recent and forthcoming Board changes and encouraged the Board to harness the benefits of fresh perspectives while continuing to develop a balanced collective presence and maintaining its collegiate, supportive and open culture. It highlighted that upcoming high-level agenda items will require careful prioritisation to ensure the Board maintains an appropriate strategic focus without compressing important discussions.

During the Board discussion of the evaluation findings, risk appetite was also considered and the Board agreed to continue to test and develop its approach in this area to ensure an appropriate balance between caution and moving at pace on key growth objectives. In terms of information flows, the evaluation recognised the Board's thorough approach to meeting materials and processes, recommending further streamlining to enhance clarity and reduce unnecessary detail.

The review considered that committee structures were broadly sound, requiring some minor adjustments following the appointment of a new Audit Committee Chair designate. The Board agreed it was an opportune moment to review the remit of the Responsible Business Committee, given the maturity of the company's programme in this area.

An action plan has been agreed to address the conclusions and recommendations from the review, and progress will be monitored throughout the coming year.

In accordance with the Code, Lucinda Riches, as Senior Independent Director, led a review of Claudia Arney's performance as Chair of the Board, informed by the recommendations from Ms Thomas' review. The review also included individual meetings with each director, followed by a collective discussion, and concluded that Claudia continues to be a strong and effective Chair.

Board effectiveness continued

Progress against 2024/25 actions

Following the output of the internal evaluation in the previous financial year, the Board has continued to prioritise meeting time for matters critical to business performance, value creation and long-term strategy. Strategic discussions were deepened through greater exposure to diverse perspectives, including more frequent engagement with the Group Executive and relevant external insights. Non-executive directors also continue to benefit from expanded opportunities to engage outside the boardroom, with a well-established programme of immersion visits, comprehensive induction sessions and dedicated time for post-meeting reflection. Enhanced visibility of the Group Executive and a structured feedback loop between non-executive directors and management has further supported informed oversight and continual improvement.

Review process

Initiation of evaluation

Evaluation commissioned and briefing held between the Chair and the facilitator.

Observation phase

Facilitator observes the Board and committee meetings and reviews meeting materials.

Interview phase

Interviews held with all board members, senior management and certain advisors.

Assessment and analysis

Themes, insights and feedback compiled along with recommendations aligned to the Code.

Draft conclusions

Facilitator reviews draft findings with the Chair, the SID and the chair of each committee.

Board discussion

Review findings discussed at a dedicated meeting of the Board with actions agreed for the forthcoming year.

Committee feedback

Feedback for each committee discussed at separate meetings and action plans agreed as needed.

Director feedback

Chair receives individual director insights which are fed back as appropriate. The SID also feeds back on the Chair's review.

Nomination Committee report

Dear Shareholder,

I am pleased to present the Nomination Committee report for the year ended 31 January 2026. Having a Board that has the right balance of experience, skills and knowledge is crucial to supporting delivery of the company's strategic priorities and ensuring we can adapt with agility to external trends and factors. The Committee continues to be focused on succession planning, ensuring that the Board remains well balanced, with a strong pipeline of candidates with the appropriate skill sets, experience and capabilities to maximise the opportunities for the company's long-term success.

Claudia Arney

Chair of the Nomination Committee

23 March 2026

Membership ¹	Meeting attendance
Claudia Arney (Committee Chair)	2/2
Jeff Carr	2/2
Sophie Gasperment	2/2
Bill Lennie	2/2
Ian McLeod	2/2
Lucinda Riches	2/2
Catherine Bradley ²	0/0
Rakhi Goss-Custard ²	0/0

1. Stephen Daintith will be appointed a member of the Committee with effect from 1 April 2026.
2. Catherine Bradley and Rakhi Goss-Custard stepped down as members of the Committee on 23 June 2025.

The Nomination Committee solely comprises independent non-executive directors. Its terms of reference are reviewed annually and are available on the company's website. The Chair of the Committee reports on the Committee's activities at each subsequent Board meeting. At the invitation of the Committee, the Chief Executive Officer, the Chief Financial Officer and the General Counsel & Company Secretary attended meetings of the Committee.

During the year, an evaluation of the Committee's performance was undertaken as part of the broader external evaluation of Board performance. The evaluation concluded that the Committee continues to operate effectively and raised no areas of concern. The Committee considered the recommendations of the review that related to the composition of the Board and its Committees, and succession planning. It concluded that the Board has the necessary mix of skills, knowledge and expertise and most aspects of diversity, while acknowledging that there is more to do on gender diversity. In terms of succession, it agreed it should monitor the impact of ongoing succession activities throughout the year to maintain its collegiate, supportive and open culture.

➔ [Further detail on the evaluation process can be found on pages 61 and 62.](#)

Board composition and succession planning

During the year, the Committee undertook a comprehensive review of the Board's collective skills, experience and diversity, taking into account both the tenure of individual directors and the evolving strategic priorities of the company. This exercise was designed to identify succession planning priorities for the coming years, ensuring that the Board remains well positioned to provide effective leadership as the company evolves and grows in a dynamic retail environment. The review process was rigorous and forward-looking, recognising the need to maintain a balance between continuity and the introduction of new perspectives that can contribute to the ongoing success of Kingfisher.

To assist the Committee in its evaluation and in succession planning work, a detailed skills matrix is maintained and is subject to regular review (see page 57). It is updated alongside the company's priorities and as director tenures progress.

This matrix maps the current skills, experience and attributes of the Board's members against the company's strategic objectives, including expertise in areas such as digital transformation, finance, international retail operations, sustainability, supply chain management and customer experience. By systematically aligning the Board's competencies with Kingfisher's long-term strategy as an international, matrix-model retail business, the Committee ensures that directors possess the appropriate breadth and depth of knowledge to oversee the execution of the company's plans.

The insights derived from the skills matrix are used to inform the Committee's ongoing assessment of the Board's composition and in considering future appointments. Any gaps or areas for enhancement that are identified through this analysis are incorporated into the succession planning process, helping to ensure that forthcoming appointments are targeted to address specific needs. This approach supports the development of a Board with a diverse and complementary range of skills, backgrounds and experiences, driving robust decision-making and effective oversight.

As part of this work, the Committee completed a search process during the year for the appointment of a non-executive director. The search was specifically targeted at identifying a candidate with recent and relevant financial experience who would be able to succeed Jeff Carr as Chair of the Audit Committee, given that Jeff is currently serving his third term at Kingfisher and will step down from the Board when that term ends in 2027. The Committee placed particular emphasis on ensuring that shortlisted candidates possessed both technical competence and a track record of robust financial stewardship, reflecting the evolving governance requirements and regulatory expectations placed upon the Audit Committee Chair role.

To ensure a rigorous and inclusive appointment process, Russell Reynolds Associates was engaged to facilitate the search. Russell Reynolds worked closely with the Committee to agree detailed specifications for the role, taking into account the company's strategic priorities, succession planning needs, and the requirement to promote diversity and inclusion throughout the search. The Committee reviewed and refined the role profile to reflect both the current and anticipated future needs of the Board, and was actively involved at each stage of the process, from developing longlists and shortlists to challenging the search firm on the breadth and diversity of the candidate pool. This structured and consultative approach aimed to ensure that the appointment of a non-executive director would bring relevant expertise, fresh perspectives, and complementary skills to the Board.

Nomination Committee report continued

Following this search and selection process, the Committee recommended Stephen Daintith's appointment to the Board as a non-executive director and Audit Committee Chair designate effective 1 April 2026. As an experienced FTSE 100 CFO and audit committee chair, he brings a wealth of financial and commercial expertise to the Board along with a deep understanding of UK-listed and international businesses. Stephen's depth of experience, including in consumer and retail, will provide valuable insights as we continue to execute Kingfisher's strategic priorities, and we look forward to his contribution to the work of the Board and the Audit Committee.

An outline of the process followed by the Committee when conducting a search for a new director role is set out below. As part of the new director search process, the Committee considers the search pool to ensure it is sufficiently wide and diverse. Appointments to the Board and succession plans are based on merit and seek to promote diversity, inclusion and equal opportunity while having due regard to the context of the business and its needs. Briefs for non-executive roles have specifically highlighted the importance of diverse longlists and the external search firms have been challenged on this by the Committee during the year.

The Committee also continues to keep under review succession plans for other directors, in particular for Claudia Arney as Chair of the Board and Sophie Gasperment as Chair of the Responsible Business Committee, as they begin to approach their nine-year tenures in the coming years. In line with the Provisions of the Code, the Senior Independent Director will lead the succession process for the Chair of the Board and will determine the appropriate manner and timing to initiate the process.

Senior management talent planning

Senior management succession and the development of a strong pipeline for Group Executive level and senior leadership roles remains an area of ongoing focus for the Committee.

The Committee and the Board as a whole continue to dedicate significant attention to this area. Regular updates from the Chief Executive Officer and Chief People Officer have been provided to both the Committee and the Board, detailing succession plans for Group Executive level and senior leadership positions.

In its review, the Committee has acknowledged the importance of developing internal talent and equipping individuals with the skills and experience necessary to step into senior roles when required. Ongoing efforts have been made to strengthen in-house talent development programmes, with a view to creating clear and transparent pathways for high-performing individuals to advance into leadership positions. This approach is intended not only to foster a culture of meritocracy and inclusion, but also to minimise dependence on external recruitment and search processes for senior appointments. By prioritising internal development, the Committee seeks to build a robust leadership pipeline that reflects the diversity and breadth of skills needed for the Group's continued growth and success.

In addition to reviewing succession plans, the Committee monitors the effectiveness of talent management initiatives and ensures that there are mechanisms in place to identify, nurture and retain key individuals within the organisation and appropriate emphasis on the promotion of diversity. This includes regular assessment of leadership potential, targeted development

opportunities and active consideration of diversity and inclusion at every stage of the succession process. The Committee will continue to work closely with the Board and the Chief People Officer to support the evolution of succession and talent planning in alignment with the business's strategic priorities and changing requirements.

→ [The skills of our directors are summarised on page 57.](#)

Overview of our search process

1. Board composition review

The Committee evaluates the skills, knowledge, experience and diversity on the Board, and the future challenges affecting the business, and, in the light of this evaluation, agree the search criteria and engage with a search consultant to support.

2. Role brief development

A comprehensive role and capabilities brief is prepared, including the time commitment expected, for a particular appointment. All role briefs should be free from bias.

3. Shortlisting

The company's retained search consultants prepare an initial diverse longlist of candidates for discussion with the Committee. The Chair and Company Secretary then coordinate with the search consultants to refine this into a shortlist. The Committee agrees candidates for interview based on merit and against objective criteria, values and expected behaviours, while considering diversity and the time available to devote to the position.

4. Interview

Through a multi-stage interview process, every effort is made to ensure that prospective candidates meet with all directors, by Committee where appropriate. Initial interviews will include the Chair, CEO and SID and will be flexed as appropriate for the role in question. After the first round of interviews, it is agreed which candidates should be invited to participate in subsequent interview rounds.

5. Recommendation to, and approval by, the Board

Upon completion of the preceding stages, the Committee will determine to conclude the search in favour of the preferred candidate and new appointments will be approved by the Board.

Russell Reynolds are an accredited firm under the UK Government's Enhanced Code of Conduct for Executive Search Firms, and signatories to the latest Standard Voluntary Code of Conduct for Executive Search Firms (the Voluntary Code), supporting gender and ethnic diversity on corporate boards. Russell Reynolds do not have any other relationship with the company or its directors.

Induction

Following their appointments in January 2025, Ian McLeod and Lucinda Riches received a tailored induction programme to meet their needs as new directors. The induction process encompassed a comprehensive range of activities designed to facilitate a thorough understanding of the company's operations, governance, and culture.

New directors are given the opportunity to hold individual one-to-one meetings with all existing Board members, as well as with the General Counsel & Company Secretary, ensuring a personal introduction to the leadership team and providing a platform for open dialogue and relationship-building from the outset. The induction also includes meetings with members of the Group Executive, senior colleagues from Group Functions and various banners, as well as, where appropriate, external parties such as the company's auditors, brokers, legal advisers, and selected investors. These interactions help to provide valuable insights into the company's wider operating environment and stakeholder relationships.

Furthermore, new directors receive detailed briefings on the work and responsibilities of each of the Board's committees, enabling them to quickly understand the scope of committee activities and the key issues under consideration. Directors are also introduced to the Board's dedicated online resources centre, which offer ongoing access to materials such as meeting minutes, key governance documents, reference materials, and timely briefings on market trends and competitive developments. To complement this learning, support is provided to facilitate visits to the Group's stores, office locations, and other key sites across the business, ensuring that new directors are able to experience first-hand the company's operations and culture in action (see pages 59 and 60). This holistic approach to induction is designed to equip new directors with the knowledge, context and relationships they need to make an effective contribution from the very beginning of their tenure.

Board inclusion and diversity

The Board and the Committee are committed to supporting equality, inclusion and diversity across the Group, recognising that a culture that reflects the diverse communities in which we operate is in the company's best interests. An inclusive, diverse Board enhances representation and has a positive effect on board performance and good quality decision-making.

The Board's Inclusion and Diversity Policy (the 'Policy'), which extends to its Committees, sets out our objectives, which are aligned with the UK Listing Rules, the FTSE Women Leaders Review, and the Parker Review, and help support the development of a diverse pipeline. The Committee reviews the Policy annually and monitors progress against its objectives to ensure that we are able to maintain an inclusive and diverse leadership structure that is aligned with our strategic priorities.

The Policy, which includes details of its objectives, is available on our website. Progress against the Policy's objectives are set out in this report and in our People and Culture Plan on pages 14 to 16; this includes the gender diversity of senior management and colleagues and progress against the initiatives in place to drive performance through diversity and representation.

The Committee supports the work undertaken by management to support inclusion and diversity in leadership and monitors progress on building an inclusive culture which continues to be a priority for the company.

Statement on Board diversity targets

The Policy's objectives align with the targets set out in UK Listing Rule 6.6.6(9)R. A summary of progress against these targets as at 31 January 2026 is set out below.

- Maintain at least 40% female directors on the Kingfisher plc Board. **As disclosed in the FY2024/25 Annual Report, as a result of retirements and reduction in overall Board size, 37.5% of Board directors were female. The Committee has kept this target firmly in mind in its consideration of Board composition and succession plans in 2025 and will continue to do so in 2026, and for future appointments to the Board.**
- Maintain at least one woman in a senior Board position (Chair, Chief Executive Officer, Senior Independent Director, or Chief Financial Officer). **Target met; the Chair of the Board and Senior Independent Director are women.**
- Maintain at least one Board director from an ethnic minority background. **Target met; one Board director is from an ethnic minority background.**

In accordance with the UK Listing Rules, numerical data on the gender¹ and ethnic diversity of the Board and executive management² is set out below.

Gender and ethnicity data reported below was collected directly from Board and executive management members via a secure questionnaire using the categories listed in the tables below as at 31 January 2026. The data was processed and retained in accordance with the Group's Data Protection Policy.

Data protection laws in certain jurisdictions have prevented the collection of data on ethnicity for certain Board and executive management members who are resident in those jurisdictions. Those individuals have been recorded in the 'not specified' category for the disclosure on ethnic background.

1. The data reported is on the basis of sex.

2. Per the definition within the UK Listing Rules, executive management comprises members of the Group Executive.

Nomination Committee report continued

Gender (sex) as at 31 January 2026

	Number of Board members	Percentage of the board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	5	62.5	2	7	58.3
Women	3	37.5	2	3	25.0
Not specified/prefer not to say	-	-	-	2	16.7

Ethnic background as at 31 January 2026

	Number of Board members	Percentage of the board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	6	75.0	3	4	33.3
Mixed/Multiple Ethnic groups	-	-	-	-	-
Asian/Asian British	1	12.5	1	3	25.0
Black/African/Caribbean/Black British	-	-	-	-	-
Other ethnic group	-	-	-	-	-
Not specified/prefer not to say	1	12.5	-	5	41.7

Our approach to collecting data more broadly for colleagues, including senior leadership across the Group, is set out in the People and Culture section on page 16.

The Committee continues to support and aims to adhere to the recommendations of the Parker Review and FTSE Women Leaders Review. Since 2016, the Board has adhered to the Parker Review targets on ethnic diversity (as required for the relevant year), and this year Kingfisher has ranked 28 out of the FTSE 100 in the 2025 FTSE Women Leaders Review.

In alignment with the Parker Review, we have set a milestone target of 12.5% ethnic diversity for the Group Executive and their direct reports based in the UK (and on UK contracts) by 2027. As reported to the Parker Review as at 31 December 2025, this group is 4.2% ethnically diverse, based on self-identification against UK ONS categories.

Independence, time commitment, and re-appointment to the Board

New directors are advised upon appointment of the time commitment expected from them. Non-executive directors' independence and time commitments are reviewed annually, taking into account the recommended guidance from investor bodies and our larger shareholders, as well as their attendance at Board and relevant committee meetings. Having due regard to their performance and ability, contribution to the company's long-term sustainable success and the need for progressive refreshing of the Board, the Committee also considered and

recommended to the Board the re-appointment of directors by shareholders at the 2026 AGM. This is supported by each director's individual assessment undertaken as part of the Board performance review and the Committee's assessment that each non-executive director remains independent and continues to dedicate sufficient time to fulfil their duties.

In line with directors' appointment terms, the Board considers existing time commitments before approving new appointments, and directors give careful and ongoing consideration to their external time commitments to ensure that they can devote an appropriate amount of time to their role at Kingfisher.

All directors are subject to annual re-appointment by shareholders, as required by the company's Articles of Association. Kingfisher's policy allows executive directors to hold one external non-executive directorship.

Our areas of focus in 2026/27

- Continue to work closely with the Board and the Chief People Officer to support the evolution of succession and talent planning in alignment with the business's strategic priorities and evolving requirements.
- Continue to focus on Board-level inclusion and diversity in its consideration of Board composition and succession plans, keeping in mind the UK Listing Rule Board diversity targets, and the FTSE Women Leaders and Parker review recommendations.

Responsible Business Committee report

Dear Shareholder,

The Responsible Business Committee oversees the delivery of the Group's Responsible Business strategy, an integral part of 'Powered by Kingfisher'. Further detail on our Responsible Business strategy is set out on pages 24 to 27 and in the Responsible Business Report available on the company's website.

The Committee guides Kingfisher in its ambition to lead the industry in Responsible Business practices and energy efficiency, ensuring that our strategy is robust and fully integrated into our governance. Its remit includes monitoring performance against the Responsible Business priorities and providing advice and support to the Group Executive and the Board on all Responsible Business matters.

During the past year, the Committee continued its oversight of Kingfisher's commitments to be a responsible business, drive positive change, and engage our colleagues and customers.

The Committee considered the changes in ESG reporting and in the external landscape, and supported Kingfisher in its continued commitment to the Responsible Business agenda.

As the 2025 strategy was in its final year, the Committee played an active role in shaping the next phase of our journey. The strategy for 2030 builds on the progress achieved over the past five years and the strong foundations we have built in the past decades. Discussions at the Committee informed the ambition for 2030, ensuring that our Responsible Business strategy continues to meet the needs of the business, remains firmly anchored in our purpose, and reflects what is distinctive to Kingfisher.

Sophie Gasperment

Chair of the Responsible Business Committee

23 March 2026

Membership ^{1,2}	Meeting attendance ³
Sophie Gasperment (Committee Chair)	3/3
Thierry Garnier	3/3
John Mewett	3/3
Lucinda Riches	3/3
Kate Seljeflot	3/3
Henri Solère ³	2/2
Rakhi Goss-Custard ³	1/1

1. Bill Lennie was appointed a member of the Committee with effect from 1 March 2026.
2. Due to diary conflicts one of the scheduled meetings was held on 18 February 2026.
3. Rakhi Goss-Custard and Henri Solère stepped down as members of the Committee on 23 June 2025 and 31 January 2026 respectively.

The Responsible Business Committee comprises two independent non-executive directors, our CEO and other members of the Group Executive. The Committee's terms of reference are reviewed annually and are available on the company's website. The Chair of the Committee reports on its activities at each subsequent Board meeting.

At the invitation of the Committee, the Chair of the Board, Director of Responsible Business and other representatives from management attended meetings of the Committee.

During the year, an evaluation of the Committee's performance was undertaken as part of the broader external evaluation of Board performance. The evaluation concluded that the Committee continues to operate effectively, and that the maturity and embedding of the Responsible Business strategy presented an opportunity to adjust the Committee composition to both continue to support and extend oversight of key Responsible Business topics.

 Further detail on the evaluation process can be found on pages 61 and 62.

Key activities during the year

In 2025/26, the Committee discussed the progress made on the 2025 Responsible Business strategy pillars and guided the development of the 2030 Responsible Business strategy, building on the work done to date and remaining aligned with the Group's strategic objectives. The Committee also received quarterly updates on progress against the current strategy, helping it to maintain meaningful focus on the Responsible Business priorities.

Other key areas of focus included investor engagement and ESG ratings, and through reports on the meetings of the Group Climate Committee, the Committee was kept informed of the actions and decisions taken by executive leadership to drive the Group's climate agenda. The Committee was also updated on Kingfisher's approach to ESG regulation and the measures being taken by the business in response.

In November 2025, the Committee visited the Screwfix Distribution Centre in Stafford, where it heard first-hand about Screwfix's social mobility initiatives, including its tailored apprenticeship programme, which the Committee recognised as a vital contributor to the Group's colleague development commitment. Committee members welcomed the opportunity to meet teams delivering this work and explored how these initiatives are helping to create more accessible career pathways across the business.

The Committee also received a presentation on circularity, enabling members to assess the innovative sustainability initiatives launched during the year and to review progress on key programmes, such as the transition towards a fossil fuel free fleet. The visit concluded with a tour of the refurbishment facility, giving the Committee direct insight into how circularity initiatives are being embedded operationally and the impact they are having across the Group.

Our areas of focus in 2026/27

In 2026/27, the Committee will support and guide the business in the activation and delivery of the new Responsible Business strategy to enable the team to deliver at scale and pace.

Audit Committee report

Dear Shareholder,

The Audit Committee's primary function is to offer independent challenge and oversight, on behalf of the Board, in matters related to accounting, financial reporting, risk management, and the Group's internal control environment. It also supervises the Internal Audit function and manages Kingfisher's relationship with our external auditor, Deloitte LLP (Deloitte). The Committee maintains an evolving annual forward agenda that adapts to the shifting risks and priorities of the business.

Throughout the year, as part of an ongoing programme of scheduled risk and control updates, the Committee received presentations from banners, Group Functions, and leaders of relevant projects regarding their control environments and the mitigating actions employed to manage key risks. The topics considered by the Committee included:

- The control environments for various functions, including Poland, Brico Dépôt France & Iberia and Group Technology.
- The Group's readiness for changes to the UK Corporate Governance Code (the Code) concerning the effectiveness of internal controls and the mechanisms in place to monitor them.
- An evaluation of changes to ESG reporting landscape and, specifically, the postponement of the application of the Corporate Sustainability Reporting Directive.

Membership¹

Meeting attendance

Jeff Carr (Committee Chair)	4/4
Bill Lennie	4/4
Lucinda Riches	4/4
Catherine Bradley ²	1/1
Rakhi Goss-Custard ²	1/1

1. Ian McLeod was appointed a member of the Committee with effect from 1 March 2026 and Stephen Daintith will be appointed a member with effect from 1 April 2026.
2. Catherine Bradley and Rakhi Goss-Custard stepped down as members of the Committee on 23 June 2025.

Jeff Carr is a qualified chartered accountant and former Chief Financial Officer with substantial financial experience in both the retail sector and UK-listed companies and is considered to have recent and relevant financial experience as required by the Code. The Committee as a whole has financial and commercial competence relevant to the retail sector and each member satisfies the relevant independence requirements of the Code.

At the invitation of the Committee, the Chair of the Board, Chief Executive Officer, Chief Financial Officer, Group Finance Director, General Counsel & Company Secretary, Director of Internal Audit & Risk and other representatives from management and the external auditor also attended meetings of the Committee.

During the year, an internal evaluation of the Committee's effectiveness was undertaken as part of the broader evaluation of Board performance. The evaluation concluded that the Committee operates effectively and raised no areas of concern.

 Further detail on the evaluation process can be found on pages 61 and 62.

Additionally, the Committee devoted substantial attention to its core responsibilities related to monitoring the integrity of the financial and narrative statements in the Group's annual and half-year reports. This included monitoring significant reporting matters, judgements and estimates, and disclosures included within those reports. The work entailed reviewing the assumptions underlying store, goodwill and other asset impairment reviews, inventory provisioning and the presentation of adjusting items. Further details regarding the Committee's activities in these and other areas, including the work undertaken to meet the Minimum Standard for Audit Committees, are provided on the following pages.

As mentioned in the Chair's statement and Nomination Committee report, Stephen Daintith will join the Board and the Committee, effective 1 April 2026. His extensive experience as a FTSE 100 CFO and audit committee chair will be particularly valuable as we undertake a statutory audit tender in 2026/27. Stephen will succeed me as Chair of the Committee when I step down from the Board in 2027 at the end of my nine-year term, and I look forward to working with him over the next year to ensure an orderly transition.

Jeff Carr

Chair of the Audit Committee

23 March 2026

Financial statements and reporting

The Committee reviews the Group's financial statements and results announcements, and is supported by the Disclosure Committee, whose membership consists of the Chief Financial Officer, General Counsel & Company Secretary, and the Group Investor Relations Director. It is the Committee's responsibility to consider and challenge management regarding accounting principles, policies, and practices applied, as well as any financial reporting matters and significant judgments made. The Committee's work in this regard also extends to the use of alternative performance measures ('APMs') in order to ensure that good quality disclosures are included for APMs that support users of the financial statements in gaining an understanding of the ongoing business performance.

Following our review of the draft 2025/26 Annual Report and Accounts and the full-year results announcement, we recommended to the Board that the disclosures, along with the processes and controls underlying their production, met the legal and regulatory requirements for a UK-listed company. We believe that, taken as a whole, the Annual Report and Accounts and the announcement of full-year results are fair, balanced, and understandable. Our review extended to the publication of these documents in a structured XHTML format and the electronic tagging of the financial statements, ensuring that the necessary procedures had been completed by all parties, including our technical accounting team and a specialist IT provider. No external assurance was deemed necessary for the XHTML structured report.

Significant financial reporting matters

We assess all issues that may affect the integrity of the Group's published financial statements to ensure that each is treated appropriately. For 2025/26, we monitored the following significant financial reporting matters and took appropriate actions. The Committee discussed these matters with Deloitte and, where appropriate, they have been addressed as key audit matters in the independent auditor's report from page 115.

Matter considered	Role of the Committee	Conclusion
Does the carrying value of store-based assets, Castorama France goodwill or other assets require any impairment charges or reversals ?	<p>We examined the results of management's year-end impairment reviews and assessed the validity of cash flow projections based on the company's three-year strategic plans and the financial assumptions used. These assumptions included forecast sales growth, margin and operating profit percentages.</p> <p>Our review included consideration of actual trading during the year, expectations for the future market environment, and the impact of Kingfisher's strategy. For store-based assets, we assessed management's approach to identifying impaired stores, including how strategic plan assumptions are applied at a store level. For Castorama France goodwill, we reviewed the appropriateness of strategic plan assumptions, including external market growth expectations and internal operational efficiencies. We also reviewed the long-term growth rates, based on inflation expectations, and the discount rates, which take into account the cost of equity and debt. Sensitivity analyses were reviewed for the impact of changes in operating cash flows and discount rates on both store-based assets and Castorama France impairment charges.</p>	The Committee endorsed the recognition of net store-based asset impairment charges of £38 million (recorded as adjusting items), principally in France and the UK, and a £73 million impairment of goodwill, relating to Castorama France, and the associated disclosures. Refer to notes 3, 6, 13, 15, 16 and 17 to the consolidated financial statements.
Are adjusting items appropriately presented and disclosed in the financial statements?	The Committee reviewed the appropriateness and completeness of all items which were presented within adjusting items in the financial statements. This review included consideration of the appropriateness of the Group's policy for adjusting items, as well as the consistency of the application of the policy. We also reviewed the appropriateness of disclosures relating to adjusting items included within the financial statements.	The Committee endorsed management's judgements relating to the recognition of a net post-tax charge of £171 million within adjusting items. Refer to note 6 to the consolidated financial statements.
What are the principal judgements relating to inventory provisioning ?	<p>We closely monitored the levels of inventory in each banner as well as the estimated impacts on future selling prices from range review and clearance activities. This included consideration of our trading performance, in particular in France, stock availability, price indices, new ranges and the impact of inflation on cost and selling prices, as well as the impact of the Group's stock optimisation initiatives which have successfully reduced the level of slow-moving stock, particularly in the UK and France.</p> <p>The key consideration was the appropriateness of the Group's inventory provisions and policy, which considers factors including stock turn, range or delisted status, shrinkage, damage, and obsolescence when assessing net realisable value. This included an assessment of any significant judgemental provisions or exclusions from the standard mechanical provision calculations.</p>	The Committee endorsed management's accounting estimates relating to inventory valuation (£2.8 billion), and that the provisions recorded were appropriate considering the quality and profile of inventories held by the Group at the reporting date. Refer to note 19 to the consolidated financial statements.
Are appropriate actuarial assumptions being used in respect of the valuation of the pension schemes ?	The Committee reviewed the principal financial and demographic assumptions used to value the Group's defined benefit pension schemes, in particular for the significant UK scheme. This included the assumptions used for discount rate, pension increases and mortality.	The Committee endorsed management's accounting estimates relating to defined benefit pensions and the recognition in other comprehensive income of £7 million of net remeasurement losses. Refer to note 28 to the consolidated financial statements.

Audit Committee report continued

Viability statement and going concern

The Committee also reviewed and agreed the scenarios underpinning the viability statement and going concern statement. This assessment included the modelling of a remote downside scenario which estimated the impact of a demand or supply shock preventing the Group from realising a large part of its sales during the peak trading period. As part of this assessment, the Committee also considered the period covered by the viability statement and concluded that a three-year assessment period remains appropriate given the alignment with the Group's three-year planning process under the 'Powered by Kingfisher' strategy. Having considered the various downside scenarios and possible mitigation actions, the Committee is of the view that the company would have sufficient headroom under its key financial covenants, and therefore both statements were recommended to the Board for approval.

→ The viability and going concern statements are set out on pages 49 to 51.

The Committee also reviewed the relevant disclosures in relation to climate change, including compliance with the Task Force on Climate-related Financial Disclosures (TCFD) and the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (CFD) requirements, and considered whether the impact of climate change represented a key source of estimation uncertainty or a critical accounting judgement in the financial statements. The Committee endorsed management's disclosures and its assessment that climate change does not represent a key source of estimation uncertainty or a critical accounting judgement, given the limited financial impacts expected in the time horizons used in forecasts such as for going concern or impairment testing purposes, and the mitigations and opportunities available to the Group in the longer term.

External audit

Audit quality

The Committee's oversight of our relationship with Deloitte includes making recommendations to the Board regarding its appointment, reappointment, and removal, as well as continuously assessing its independence and negotiating the audit fee. The Committee recognises the importance of encouraging challenge by the auditor and satisfying itself that the quality of the audit is of a high standard. Both the full-year audit and half-year review process were conducted with a culture of challenge, openness and collaboration at their core, which we believe has been essential in ensuring audit quality.

Throughout each audit and review process, the Committee reviewed the findings issued by the Financial Reporting Council (FRC) in relation to audit quality and was pleased to note Deloitte's continued strong performance across its Tier 1 audits. The Committee also welcomed Deloitte's ongoing investment in and use of technology in the audit process to enhance both quality and effectiveness. This includes the deployment of data analytics tools and the integration of artificial intelligence (AI) throughout the process. Through the use of AI, Deloitte has provided deeper insights and more comprehensive assurance for the Committee, supporting more rigorous scrutiny of key audit areas. In addition, the use of these technologies streamlines data requests, making the process more efficient and less burdensome for both the audit team and management.

The Committee believes that such innovation not only strengthens audit quality but also fosters a proactive approach to identifying and addressing potential risks, ensuring that the Group continues to meet the highest standards of financial reporting and governance.

A key part of the Committee's role in the audit process is to review the audit plan set by Deloitte and ensure that the approach is tailored to the company's business and its control environment. At its June meeting, the Committee reviewed Deloitte's audit plan for 2025/26, including the key risks and areas of focus that had been identified for the audit, the planned audit procedures, including substantive procedures and assessment of the Group's internal controls and the team structure proposed.

In September and January, the Committee reviewed the progress against the priorities as the audit progressed and noted the efforts of both the Deloitte team and management to meet the stated objectives. This included a review of key risks and areas of focus, the resources allocated by Deloitte to meet the plan and the audit timeline. In March 2026, the Committee assessed the outcomes of the audit against the priorities.

Independence

A key part of the Committee's role in overseeing the external audit is ensuring that the auditor remains independent, thereby allowing the audit process to be conducted objectively and with appropriate levels of challenge. At each meeting, the Committee assesses Deloitte's independence and the safeguards in place with regards to the provision of non-audit services in order to ensure that there are no engagements that might inhibit the audit team from forming an impartial view.

In addition to Deloitte's safeguards, the company operates its own policy on the provision of non-audit services to ensure compliance with the FRC's Revised Ethical Standard 2024. This policy, which is reviewed annually and is available on our website, sets out the parameters for engaging the auditor for services outside of the statutory audit and seeks to strike an appropriate balance between maintaining independence and not depriving the company of Deloitte's expertise where it might be appropriate to engage it. In line with the Ethical Standard, our policy caps the level of non-audit fees at 70 per cent of the average audit fee for the last three years. In 2025/26, non-audit fees were 7 per cent of the audit fee, with the bulk of these fees being in relation to the interim review process where it is standard practice for the external auditor to be engaged.

→ Fees for non-audit services are also set out in note 8 to the consolidated financial statements.

Effectiveness and reappointment

The Committee also considered the effectiveness of the external audit process based on the outcome of the annual evaluation. This process captures feedback on the audit and the performance of the audit team from both the Committee and members of senior management from across the business.

Topics surveyed include:

- Quality of service.
- Capability and resourcing of the audit team.
- Communication and interaction.
- Independence, objectivity and professional scepticism.

Overall, the survey concluded that Deloitte is meeting or exceeding the Committee's and management's expectations, with Deloitte providing a good level of challenge during the process, with clear communication of findings on key judgement areas. Following the outcome of this evaluation process and, taking into account the requirements of the Minimum Standard for Audit Committees, the Committee concluded that Deloitte conducted an effective audit, and therefore recommended their reappointment for the financial year ending 2025/26, which was approved at the 2025 AGM. The Board also expects to propose Deloitte's reappointment at the 2026 AGM.

In addition, taking into account the output of the survey and separate debrief sessions with Group Finance, Deloitte presented its proposals to address actions from the survey in the design of the 2025/26 audit. These proposals were reviewed and endorsed by the Committee at its June meeting and included actions in relation to process, store-based impairment reviews and testing of controls.

In terms of fees paid to Deloitte for audit services in 2025/26, these are set out in note 8 to the consolidated financial statements.

Kingfisher continues to comply with the Statutory Audit Services Order 2014 which sets out the provisions for listed companies regarding regular tendering and accountability of statutory audit services. Deloitte was appointed as auditor in 2009/10 and subsequently reappointed in 2019/20 after a comprehensive and competitive audit tender process. As the company is required to conduct an audit tender process every 10 years, the Committee initiated a tender process during the year which is expected to complete in the 2026/27 financial year. Given Deloitte's understanding of the Group's business, their continued effectiveness as external auditor and the need to ensure an orderly transition to a new auditor, the Committee believes that it is in shareholders' best interests to continue to recommend Deloitte as auditor. The Committee's recommendation is free from third-party influence and there are no contractual obligations that restrict the Committee's ability to make such a recommendation.

Accountability, risk management and internal control

On behalf of the Board, the Committee oversees the Group's system of internal control, including its risk management framework and the work of the Internal Audit function.

Internal Audit reports directly to the Committee and has authority to review any part of the organisation and to oversee the audit and risk committees of the banners. Internal Audit provides updates on its audit schedule and findings at every meeting of the Committee so that our leadership always has objective assurance on the control environment across the Group.

The Group's approach in this regard complies with the requirements of the Code and was developed with reference to the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. The Committee provides an independent overview of internal control matters while Deloitte's reports to the Committee include key audit risk and control findings relevant to the audit process.

Internal control

In response to the updates to the UK Corporate Governance Code regarding internal control, the company is actively preparing to meet the requirements of Provision 29 ahead of the declaration on the effectiveness of material controls due in 2026/27. The Group Risk team kept the Audit Committee informed of the project throughout the year. In September, the Committee evaluated a list of material controls and their effectiveness, designed to mitigate the principal risks to a level aligned with the company's risk appetite. These were reviewed and approved by the Board in September. Internal Audit performed a 'dry run' exercise over the controls and the results were presented to both the Committee and the Board in March 2026, along with an assessment of the effectiveness of the agreed material controls. The Board is well placed to make the first declaration under the new Code in its 2026/27 Annual Report.

Compliance

In addition to internal controls, the Committee receives regular updates on litigation and compliance matters, including reports on the Group's 'Speak Up' whistleblowing hotline. Operating as a responsible business is a key element of the 'Powered by Kingfisher' strategy and the Committee plays a fundamental role in overseeing the process to ensure the highest ethical standards are maintained across Kingfisher's business. During the year, the Committee endorsed the compliance priorities for the Group. This included ensuring continued compliance of the Group's operations against a backdrop of evolving regulatory requirements, and ongoing engagement with stakeholders on core compliance processes.

 [More information on the company's Code of Conduct and the role of the Group Ethics and Compliance Committee can be found on page 27.](#)

Audit Committee report continued

Risk management

The risk assessment process in place across the Group directly impacts the way in which significant business risks are identified, measured, and managed. The Committee's consideration of risk management and internal control is driven primarily by the Group's assessment of its principal and emerging risks and uncertainties, discussed on pages 44 to 48. During the year, the Committee received briefings from the Internal Audit and Risk Director, as well as from banner CEOs and Group Function directors, on operational risks and associated controls, including on risk mitigation and control improvements.

The Board is responsible for establishing a framework of effective controls for assessing and managing risk. Our internal control environment is codified in a suite of policies, procedures, operating standards, and delegated authorities to ensure the right actions are approved and taken quickly. We aim to manage rather than eliminate the risk of failure to achieve our business objectives, as it is not possible to provide absolute assurance against material misstatement or loss.

Management is responsible for applying judgement when evaluating and managing the risks the Group faces as part of its operations.

→ [The company's approach to risk management is also discussed on page 43.](#)

There are clear processes for controlling and monitoring the system of internal control and reporting any significant control failings or weaknesses. These include:

- The annual planning process and regular financial reporting to compare our results with those set out in our strategic plan and against previous performance.
- Quarterly updates on financial risks and the Internal Controls over Reporting Programme are made against the global controls framework prescribed by the Group and detailed control design assessments updated by all banners and Group Functions for each reporting period.
- Reports from the CEO and CFO at each Board meeting.
- Periodic reports from banner CEOs and Group Function directors on the control environment in their businesses.
- Reports and presentations to the Board on certain specialist risks, including treasury, insurance, tax, governance, cyber threats, and pensions.

In addition, banner finance directors certify compliance with the Group's policies and procedures, and that the relevant internal controls were in operation during the period. Any weaknesses are highlighted, and the results are reviewed by the Internal Audit and Risk Director, the CFO and the Committee, and made available to the Board. Furthermore, full substantive testing of financial reporting controls is now in place across the Group to support the updated global controls framework.

Group Internal Audit

Each year, the Internal Audit function's reviews are aligned to the Group's principal risks. The function works with the banners and Group Functions to develop, improve, and further embed risk management activities into their operations.

Detailed outputs of internal audits are conducted in several areas, including:

- Strategic: reviews of our material controls, CastoPro Programme, Services Programme, Retail Media France and assurance over various strategic programmes.
- Financial risks: rebates negotiations and agreements across multiple banners.
- Operational risks: customer relations centres in Castorama France, our joiners, movers and leavers process, our property lease and maintenance cost management process at Castorama Poland, as well as technology risks such as website security and cloud controls.
- Compliance risks: controls over third party quality assessments and GFR ethical sourcing governance.

The remit, organisation, and resources of the Internal Audit function were reviewed as part of the internal effectiveness evaluation that was conducted internally by Group Secretariat and captured the views of Committee members, executive directors, and senior management including banner CEOs and Group Function directors. The Committee and management continued to rate the Internal Audit function highly and, in doing so, agreed a number of actions to continue to enhance the work of the function and its role within the business.

Directors' remuneration report

Dear Shareholder,

I am pleased to present the Directors' remuneration report for 2025/26, my first as Committee Chair. In this statement, I describe the key items considered by the Committee during the financial year, more detail of which can be found within our Annual Report on Remuneration. This Report, along with this statement, will be put to an advisory vote at the 2026 AGM.

Also included in this report is our Directors' Remuneration Policy which was approved by the majority of our shareholders at the 2025 AGM.

Performance during the year

We continue to make tangible progress against our strategic priorities, delivering shareholder returns whilst maintaining cost discipline. We have delivered adjusted pre-tax profit of £560m, up 6% from the prior year. We have made significant progress in expanding our trade proposition, with trade sales reaching £3.9bn, a 23% growth (excluding Screwfix) since last year. In France, we continue to focus on our plan to drive performance and profitability with an improvement in our retail profit margin despite continued subdued consumer sentiment.

We remain committed to leading our industry in Responsible Business, as shown in the Responsible Business section on pages 24 to 27. Our Scope 1 and 2 carbon emissions have reduced by 68.7% since 2016/17, far exceeding our 2025/26 science based target of 37.8%, and 99.4% of our wood and paper products are now responsibly sourced. As evidenced in our People and Culture section on pages 14 to 16, further progress is also being made on gender representation with now 33.3% of our senior leaders being women.

Our wider workforce

At Kingfisher, we believe that everyone should have equal opportunities and as such are committed to investing in our colleagues.

During the year, the Committee is regularly updated on reward topics for our colleagues across Kingfisher. This includes but is not limited to the following:

- updates on pay reviews across all our banners for colleagues in stores and banners;
- gender pay gap reporting where continued improvement is being made;
- update on our preparation for the upcoming EU Pay Transparency Directive; and
- progress made on embedding a high performance culture. This includes a new individual component in the senior leader bonus plan to strengthen the link between performance, reward and accountability.

➔ More details can be found in our People and Culture section on pages 14 to 16.

In this report

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Membership	Meeting attendance
Lucinda Riches (Committee Chair)	3/3
Jeff Carr	3/3
Sophie Gasperment	3/3
Catherine Bradley ¹	1/1
Rakhi Goss-Custard ¹	1/1

1. Catherine Bradley and Rakhi Goss-Custard stepped down as members and Rakhi as Chair of the Committee on 23 June 2025.

At the invitation of the Committee, the Chair of the Board, Chief Executive Officer, Chief Financial Officer, Chief People Officer, General Counsel & Company Secretary, Group Reward Director, Head of Executive Reward and the Committee's remuneration advisers attended meetings and provided advice to the Committee held during the year. No individual was present when their own remuneration or benefits were discussed.

During the year, an evaluation of the Committee's performance was undertaken as part of the broader evaluation of Board performance. The evaluation concluded that the Committee continues to operate effectively and raised no areas of concern. Further detail on the evaluation process can be found on pages 61 and 62.

Directors' remuneration report continued

Our Remuneration Policy

At the 2025 AGM, the Committee submitted a new Remuneration Policy for shareholders' approval which was well received with a vote of over 99%. The Committee and I would like to thank shareholders for their strong level of support.

Decisions made by the Committee during the year

Taking into account the performance during the year and our continuing commitment to ensuring that executives are focused on outcomes and strategic priorities, the Committee implemented the current Policy as follows:

2025/26 Annual Bonus outturn

The 2025/26 Annual Bonus for the executive directors was assessed against adjusted pre-tax profit (40% weighting), like-for-like (LFL) sales growth (40% weighting) and individual measures (20% weighting).

Adjusted pre-tax profit is £553.4m (on a constant currency basis), which on a formulaic basis is between target and stretch.

During the year, the Company accelerated the implementation of next-generation technology and the write-down of legacy systems. This decision impacted profit which was not anticipated when the adjusted pre-tax profit targets were set at the start of the financial year. Therefore, in light of the overall strong underlying profit growth delivered and other broader market factors, the Committee adjusted the profit outcome by 17.8 ppts which better reflected the quality of the underlying year-on-year profit growth. Between threshold and target performance was achieved for LFL sales growth.

A review of the achievements against their individual measures resulted in an outturn of 82.5% of maximum for the CEO and CFO for this element. Collectively, this resulted in a formulaic outturn of 73.83% of total bonus opportunity for both the CEO and CFO.

The Committee determined this overall level of outturn was appropriate given the performance over the year, the value delivered to shareholders and the treatment of the wider workforce.

→ Full details on the performance against each of the 2025/26 measures can be found on page 86.

Vesting of the 2023 Performance Share Plan

The 2023 Performance Share Plan (PSP) award is dependent on performance against targets for EPS, ROCE, Relative TSR and a basket of ESG measures, all equally weighted at 25%. Performance was measured over a three-year performance period, between 1 February 2023 and 31 January 2026. In March, the Committee reviewed the performance during the period ahead of the award vesting in April 2026, resulting in a formulaic outturn of 42.6% of maximum. The Committee determined this level of outturn was appropriate given the performance over the period, the value delivered to shareholders and the treatment of the wider workforce and therefore no discretion was applied to the formulaic outturn.

→ Full details on the performance against each of the measures can be found on page 87.

Key remuneration decisions for 2026/27

The Committee also made a number of decisions relevant for 2026/27 which are as follows:

Salary increases

Salary increases of 2.5% will be awarded to Thierry Garnier and Bhavesh Mistry effective from 1 April 2026. These increases are in line with the standard increase proposed for the UK head office workforce and lower than that offered for UK store colleagues.

2026/27 Annual Bonus

The 2026/27 Annual Bonus will continue to be assessed against adjusted pre-tax profit, LFL sales growth and individual measures.

2026 PSP measures and targets

The 2026 PSP measures will continue to be EPS, Cumulative FCF, Relative TSR and a basket of ESG measures with a 25% weighting each.

→ Full details of measures and targets are set out on pages 94 and 95.

Changes to non-executive directors' and Chair's fees

The Board reviewed the non-executive directors' fees and agreed, effective 1 February 2026, that the base fee, Senior Independent Director, and committees' chair and member fees will be increased by up to 2.5%.

Separately, in respect of the Chair fee, a 2.5% increase effective 1 February 2026 was agreed by the Committee.

Committee changes

I succeeded Rakhi Goss-Custard as Chair of the Committee following her stepping down from the Committee and the Board at the conclusion of the 2025 AGM. Catherine Bradley also stepped down from the Committee, and the Board at this time. I am grateful for the support they provided to the Committee and Kingfisher.

Looking ahead

The Committee and I remain committed to ensuring that we have an open and transparent dialogue with shareholders and so welcome any questions you may have on the Policy and its implementation as well as other reward topics. I look forward to receiving your support for our Annual Report on Remuneration at the 2026 AGM.

Lucinda Riches

Chair of the Remuneration Committee

23 March 2026

Remuneration at a glance

The following page provides our Remuneration principles, a summary of the Remuneration Policy, and its proposed implementation in 2026/27.

Remuneration principles

Simple, transparent and relevant	Supports long-term value creation	Fully supports Kingfisher's purpose and values	Rewards for strategy delivery and performance
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Summary of Policy and implementation for 2026/27

	Summary	Measures	Alignment to strategy
Base salary	For 2026: CEO: £959,600 (2.5% increase) CFO: £661,130 (2.5% increase)		Reflects the individual's role, experience and contribution to the company and is set at levels that support the recruitment and retention of executive directors of the calibre required by the company.
Annual Bonus	Maximum opportunity CEO: 200% of salary CFO: 190% of salary Performance is assessed over one year. Any bonus earned over 100% of salary will be deferred into shares for three years subject to the shareholding requirement being met.	40% Adjusted pre-tax profit 40% LFL sales growth 20% Individual measures	Incentivises executive directors to achieve or exceed annual financial and individual objectives set by the Committee at the start of each financial year. Long-term shareholder alignment provided through bonus deferral or shareholding guidelines.
Performance Share Plan	Maximum opportunity CEO: 275% of salary CFO: 260% of salary Awards vest subject to performance over three financial years and are subject to a further two-year holding period.	25% EPS 25% Cumulative FCF 25% Relative TSR 25% on a basket of ESG measures	EPS, Cumulative FCF and ESG are aligned to the strategy while Relative TSR ensures that payout for participants is aligned to value creation for shareholders. ESG reflects the importance of our Responsible Business agenda and recognises our long-term goals and commitments.
Share ownership requirements	CEO: 350% of salary CFO: 270% of salary Executives are additionally required to hold 100% of the shareholding requirement for a period of two years post-employment.		To ensure the alignment of the interests of executives and shareholders over the long term, executive directors are required to build a significant shareholding.

Our FY 25/26 performance highlights

Adjusted pre-tax profit	LFL sales growth	Adjusted EPS	ROCE	Reduction in Scope 1 and 2 carbon emissions	Wood and paper responsibly sourced	Percentage of women in senior leadership
£560m	1.1%	23.8p	8.2%	68.7%	99.4%	33.3%

Remuneration in 2025/26

	Fixed pay		Annual Bonus outcome		Performance Share Plan outcome		Total single figure
	£'000	% of max	% of salary	£'000	% of max	£'000	
CEO	1,145.5	73.8%	147.7%	1,377.9	42.6%	1,413.2	3,936.6
CFO	755.5	73.8%	140.3%	904.8	42.6%	734.3	2,394.6

Directors' remuneration report continued

Directors' Remuneration Policy (approved at the 2025 AGM)

Our Remuneration Policy (the Policy) is set out in this section. The Policy was approved by 99.19% of our shareholders at the AGM held on 23 June 2025.

The Policy is presented unchanged from that approved by shareholders other than minor wording changes to reflect, for example, that the Policy has been approved by shareholders, the legacy awards have now vested, an update on selection of performance measures to reflect rationale for 2026/27 bonus measures and the 2026 PSP and updated scenario charts. In addition, the Policy presented here excludes the paragraph on Section 40 disclosures which is no longer required by the UK Corporate Governance Code. This can be found in the full version of the approved Policy in the 2024/25 Annual Report.

Policy table

Base salary

Element and purpose

Base salary reflects the individual's role, experience and contribution to the company and is set at levels that support the recruitment and retention of executive directors of the calibre required by the company.

Operation

In setting base salaries, the Committee also has regard to salaries for similar roles in comparator companies including those in FTSE retailers and companies of a similar size and complexity.

Maximum opportunity

Salary increases will typically be in line with the wider workforce. The Committee has the flexibility to award higher salary increases in exceptional circumstances.

Increases awarded each year will normally be set out in the statement of implementation of the Policy.

Assessment of performance

Individual performance is an important factor considered by the Committee when reviewing base salary each year.

Benefits

Element and purpose

Benefits are provided to assist executive directors in the performance of their roles and are designed to be competitive and cost-effective.

Operation

The company may provide pension benefits (set out in the following section), a company car or cash alternative, medical insurance, and life assurance cover.

Other benefits may be provided from time to time if considered reasonable and appropriate by the Committee, such as relocation allowances, and would be explained in the subsequent Annual Report on Remuneration.

The company pays the cost of providing benefits on a monthly basis or as required for one-off events such as financial planning advice.

Store discounts may be offered to all executive directors on the same basis as offered to other company employees.

Maximum opportunity

Maximum levels of benefit provision are:

- Car allowance of £25,000 per annum.
- Private medical insurance on a family basis.
- Life assurance cover of four times base salary.
- Store discount of up to 20%.

The cost of providing insurance benefits varies according to premium rates so there is no formal maximum monetary value.

Any relocation allowance will be limited to 50% of base salary (inclusive of any tax payable on expenses reimbursed).

Assessment of performance

None.

Pension

Element and purpose

To provide retirement benefits, support retirement planning, and provide a competitive fixed pay package.

Operation

Pension provision for executive directors is by way of contributions to a defined contribution scheme or cash allowance.

Maximum opportunity

Employer contribution into a defined contribution scheme or a cash alternative. Maximum in line with arrangements for other UK colleagues.

This is currently a maximum employer contribution of 14% of base salary or cash alternative of 12.5% of base salary.

Assessment of performance

None.

Annual Bonus

Element and purpose

To incentivise executive directors to achieve or exceed annual strategic objectives set by the Committee at the start of each financial year.

Operation

Annual bonuses are earned over the year, based on performance against targets over the financial year.

The Annual Bonus will be delivered as follows:

- bonus earned up to 100% of salary in cash; and
- bonus earned above 100% of salary in shares which are deferred for three years and subject to continued employment in line with plan rules. The level of deferral may be scaled down, including the option to take down to nil if the shareholding requirement has been suitably satisfied.

Dividend equivalents are payable in respect of any deferred shares that vest.

The Committee has the discretion to adjust the bonus outcome in light of overall underlying performance.

Any adjustment made using discretion will be explained in the following Annual Report on Remuneration.

Malus and clawback apply under circumstances as set out in the notes to the Policy table.

Change of control provisions apply as set out in the notes to the Policy table.

Maximum opportunity

The maximum Annual Bonus award is 200% of salary for the CEO and 190% of salary for the CFO (and any other executive directors).

The level of payment at threshold is set on an annual basis but will not exceed 25% of maximum.

Assessment of performance

The Annual Bonus measures may be based on a mixture of financial, operational, strategic and individual performance measures dependent on the company's goals and strategic priorities over the year under review.

At least 70% of the bonus will be dependent on financial measures.

Performance Share Plan (PSP)

Element and purpose

To incentivise executive directors to deliver on Kingfisher's long-term strategic aims and create sustainable shareholder value, aligning the interests of participants with those of shareholders.

To retain executive directors and provide market competitive total reward.

Operation

Awards are granted annually, and vest after three years subject to performance achieved against performance targets set over no less than a three-year period. All vested shares will normally be subject to a further two-year holding period.

Dividend equivalents are payable in respect of the shares that vest.

The Committee has discretion to adjust the vesting outcome if the formulaic outcome is not felt to produce an appropriate result in light of overall underlying company performance. Any adjustment made using this discretion will be explained in the following Annual Report on Remuneration.

Malus and clawback apply under circumstances as set out in the notes to the Policy table.

Change of control provisions apply as set out in the notes to the Policy table.

Maximum opportunity

The maximum annual award that can be granted each year under the PSP is 275% of salary for the CEO and 260% of salary for the CFO (and any other executive directors) respectively.

For threshold performance on any measure, at most 25% of the maximum award available for that measure may vest.

Assessment of performance

Awards granted will vest based on performance over not less than three years against performance measures determined by the Committee and aligned to the company's strategic priorities. At least 50% of the measures will be based on financial measures.

The performance measures selected for the 2026 grant are:

- 25% Earnings per Share (EPS);
- 25% Cumulative Free Cash Flow (FCF);
- 25% Relative Total Shareholder Return (TSR); and
- 25% on a basket of Environmental, Social and Governance (ESG) measures.

Any substantial or significant changes to the measures will be subject to shareholder consultation.

The performance outcomes will be assessed at the end of the three-year period to ensure they are appropriate within the context of the wider business performance.

The performance measures have been chosen to balance growth and returns and ensure sustainable delivery of performance.

Directors' remuneration report continued

Chair and non-executive director fees

Element and purpose

To attract and retain a Chair and non-executive directors of the highest calibre.

Operation

The fees paid to the Chair are determined by the Committee, while the fees of the non-executive directors are determined by the Board with affected persons absenting themselves from the discussions, as appropriate.

The Committee reviews the Chair's fees annually.

The Chair's fees are determined with reference to time commitment and relevant benchmark market data. Contributions are made towards the cost of running the Chair's office.

The Board determines non-executive directors' fees under a policy that seeks to recognise the time commitment, responsibility and technical skills required to make a valuable contribution to an effective Board.

A base fee is paid to all non-executive directors and additional fees are also paid to the Senior Independent Director, the chairs and members of each of the Audit, Remuneration and Responsible Business Committees.

Chair and membership fees may be introduced for current and new committees.

Appropriate benefits, including the reimbursement of appropriate expenses, may be provided from time to time, as required.

The Board may annually review fees paid to non-executive directors against those in similar companies and take into account the time commitment expected of them.

Fees are paid monthly, wholly in cash.

The Chair and the non-executive directors do not participate in any of the company's performance-related pay programmes and do not receive pension benefits.

Maximum opportunity

Aggregate annual fees paid to the Chair and non-executive directors are limited by the company's Articles of Association, which may be varied by special resolution of the shareholders.

The current limit contained within the Articles of Association is £1.75 million as approved at the 2014 AGM.

Contributions towards the cost of running the Chair's office will not exceed £60,000 per annum and are included within the aggregate fees set out above.

Assessment of performance

None.

All-employee share plans

Element and purpose

Executive directors may participate in Kingfisher's all-employee share plans on similar terms to other employees.

Operation

In particular, UK-based executive directors may participate in the Sharesave Plan (Sharesave), a tax-approved all-employee scheme under which they make monthly savings over a period of three or five years, which may be used to buy Kingfisher shares at a discounted price when the scheme matures. They may also choose to withdraw their savings at the end of the savings period or at any time during the savings contract.

UK-based executive directors may also participate in the Share Incentive Plan (SIP). Designed to promote employee share ownership, the SIP enables employees to make monthly investments in Kingfisher shares.

Maximum opportunity

The maximum limit for the Sharesave is currently £500 per month. The maximum amount an individual may invest in partnership shares under the SIP is currently £150 per month. The SIP also allows the award of free and matching shares up to the limits set by the UK Government. The company may increase the amounts that can be saved or invested under the Sharesave and SIP plans in line with any increases authorised by the UK Government for approved plans.

Assessment of performance

None.

Shareholding requirements

To ensure the alignment of the interests of executives and shareholders over the long term, executive directors are required to build a significant shareholding. The shareholding requirement is 350% of salary for the CEO and 270% for the CFO, and any other executive director.

All shares owned beneficially and nil-cost awards that have vested but that the executive has yet to exercise are considered to count towards the shareholding on a notional post-tax basis.

Until the shareholding requirement is met, executive directors are required to retain 100% of vested post-tax PSP, Deferred Bonus and historical Alignment Share awards, and retain 50% of historical vested post-tax Delivering Value Incentive (DVI) shares.

The full shareholding requirement will apply for two years post-employment. The Committee has established mechanisms to enforce the post-employment shareholding guidelines once an executive director has left the company.

Notes to the Policy table

Selection of performance measures

The measures for the Annual Bonus and the Performance Share Plan will be chosen each year for their alignment to the company's goals and strategic priorities and may vary according to the priorities over the relevant performance periods.

The measures for the 2026/27 Annual Bonus are adjusted pre-tax profit, like-for-like (LFL) sales growth and individual measures. Adjusted pre-tax profit and LFL sales growth ensure that executives are focused on delivering both growth and profitability for our shareholders. Individual measures directly support the achievement of key in-year objectives.

For the 2026 PSP, the measures chosen are EPS, Cumulative FCF, Relative TSR and ESG. EPS was chosen to ensure sustainable, long-term delivery of profit for our shareholders. The inclusion of FCF signifies it as a key metric in Kingfisher's financial priorities and commitment to the market. Relative TSR is measured against the constituents of the FTSE 350 Retailers, FTSE 350 Drug and Grocery Stores as well as the STOXX 600 Drug and Grocery Stores. The Group ensures that we deliver strong shareholder returns within the context of an appropriate group of peers.

ESG measures provide a direct link to our Responsible Business agenda and recognise our long-term goals and commitments. For the 2026 PSP, the ESG bucket of measures includes (1) a measure addressing climate change, (2) a measure on Sustainable Home Products and (3) an inclusion-based measure (gender diversity). These measures reflect the importance of Kingfisher's long-term goals in respect of the planet, supporting our customers to create more sustainable homes and our commitment to improve the representation of our women in senior roles.

The targets are set each year to ensure they are appropriately stretching, taking into account short and long term internal forecasts and ambitions as well as external forecasts and views. The specific measures, targets and weightings may vary from year to year to align with the company's strategy.

Malus and clawback

Malus and clawback apply in respect of the Annual Bonus and Deferred Bonus Shares and PSP awards granted under the Kingfisher Performance Share Plan (KPSP) as well as legacy Alignment Shares and DVI awards granted under the Kingfisher Alignment Share and Transformation Incentive Plan (KASTIP). 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. These provisions will apply to the cash bonus for a period of three years following payment, to the Deferred Bonus Awards during the three-year deferral period and for a period of two years following vesting of the PSP and legacy Alignment Share and DVI grants. These provisions could take effect in the event of financial misstatement, miscalculation due to an error, serious reputational damage, or material misconduct in individual cases. The malus and clawback periods are purposefully designed to align with respective deferral, vesting and holding periods. These are considered appropriate timeframes to review whether any trigger events have occurred under the malus and clawback provisions.

Change of control

In the event of a change of control, share awards will normally vest subject to performance conditions. PSP awards will normally be reduced on a time pro-rated basis in line with the treatment for good leavers, which is set out in the Policy on payment for loss of office section of this Directors' Remuneration Policy. Deferred Bonus share awards will normally vest on change of control. The Committee retains discretion to replace awards with an equivalent share award in the acquiring company.

The Committee may alternatively consider that such a reduction is inappropriate, e.g. if it is agreed with an acquirer to roll over outstanding awards. Other awards may be reduced at the Committee's discretion.

Discretions

The Committee retains certain discretions in relation to the Annual Bonus Plan, which are set out in full in the plan rules, and which include but are not limited to:

- The determination, and timing, of any bonus payment.
- The impact of a change of control or restructuring.
- Overriding formulaic outcomes in line with the provisions of the UK Corporate Governance Code.
- Adjustments for accounting or equivalent changes for the Annual Bonus.
- Any adjustments required as a result of a corporate event (such as a transaction, corporate restructuring event, special dividend, share buyback or rights issue).

Directors' remuneration report continued

Discretions set out as part of this Policy provide the Committee with discretion in certain matters regarding the administration and operation of Deferred Bonus and KPSP awards (as set out in the corresponding plan rules approved by shareholders), including, but not limited to, the following:

- The assessment of good leaver status.
- Overriding formulaic outcomes in line with the provisions of the UK Corporate Governance Code.
- Adjustments for accounting or equivalent changes for the KPSP.
- Minor administrative matters to improve the efficiency of the operation of the plans or to comply with local tax law or regulation.
- Any adjustments to performance conditions or awards required as a result of a corporate event (such as a transaction, corporate restructuring event, special dividend, share buyback or rights issue).

In relation to the Annual Bonus Plan and KPSP awards, and in line with the plan rules, the Committee retains the ability to amend the performance conditions and/or measures in respect of any award or payment if one or more event(s) occur that would lead the Committee to consider that it would be appropriate to do so, provided that such an amendment would not be materially less difficult to satisfy than the original performance condition would have been but for the event in question.

Should the Committee use any of the discretions set out above, these would, where relevant, be disclosed in the following Annual Report on Remuneration. The views of major shareholders may also be sought. Discretion in relation to the company's All-Employee Share Plans (Sharesave and SIP) would be exercised within the parameters of the HMRC-approved plan status and the FCA's UK Listing Rules.

Legacy awards

In-flight awards made before the adoption of this Policy will continue in line with the approved Policy under which they were granted. Further details of these awards can be found within the Remuneration Policy approved at the 9 July 2019 and 22 June 2022 AGMs and included within relevant Annual Report and Accounts.

Differences in Remuneration Policy for all employees

The remuneration structure for members of the Group Executive follows a similar approach as for the executive directors but with a lower maximum opportunity as appropriate under the Annual Bonus and KPSP. The performance measures attached to the Annual Bonus are a combination of Group financial and strategic measures, banner-specific financial and strategic measures and/or individual measures, depending on the Group Executive member's role and responsibilities. Like the executive directors, bonus earned over 100% of salary is paid into deferred shares with the Committee having the flexibility to scale down deferral if any applicable shareholding requirement has been met. KPSP awards for the Group Executive have the same performance conditions as the executive directors.

For the next two levels of management below the Group Executive, the remuneration structure consists of base salary, benefits, pension, Annual Bonus and KPSP awards. Performance measures attached to the Annual Bonus are tailored to reflect the position of the individual and the part of the business in which they operate, and as such are a combination of Group financial and strategic measures, banner-specific financial and strategic measures and/or individual measures. Vesting of the KPSP awards for these colleagues will be primarily based on the same measures as the executive directors and Group Executive, however there is also an element based on time in employment only for these colleagues.

All other employees are entitled to base salary and benefits and may also receive bonus, pension, profit share and share awards, which vary according to local jurisdiction and market practice. The maximum provision and incentive opportunity available are determined by the seniority and responsibility of the role.

Statement of consideration of employment conditions elsewhere in the company

The CPO is invited to present to the Committee the proposals for salary increases for the employee population generally and on any other remuneration changes. The CPO consults with the Committee on the performance conditions for the executive directors' bonuses and the extent to which these should be cascaded to other employees. The Committee has oversight of all long-term incentive awards across the Group.

The Committee is provided with data on the remuneration structure for all individuals in Kingfisher's leadership team, which includes retail banner CEOs and Group Function directors. The Committee approves the policy on share award levels for all employees and uses this information to ensure that there is consistency of approach across Kingfisher.

As part of a Kingfisher Colleague Forum, colleagues are advised on a periodic basis on the remuneration arrangements of executive directors and how these align with the arrangements offered elsewhere in the organisation.

Statement of consideration of shareholder views

When determining the Remuneration Policy and its implementation, the Committee engaged with the company's largest shareholders and also reviewed best practice guidelines issued by institutional investor bodies. The Committee took on board the feedback received when finalising the Policy.

The Committee continues to always be open to feedback from shareholders on our Remuneration Policy and remuneration arrangements and commits to ensuring consultation with our largest shareholders in advance of any significant changes to the Remuneration Policy or structure. The Committee continues to monitor trends and developments in corporate governance and market practice to ensure the structure of executive remuneration remains appropriate.

Approach for recruitment remuneration

Area	Policy and operation
Overall	<p>When hiring a new executive director, or making internal promotions to the Board, the Committee will apply the Remuneration Policy.</p> <p>The rationale for the package offered will be explained in the following Annual Report on Remuneration.</p> <p>For internal promotions, any commitments made prior to appointment may continue to be honoured as the executive is transitioned to the new remuneration arrangements. Where an individual is promoted after the annual KPSP award has been granted, an award may be made to bring the executive on to the in-flight cycle at an opportunity level reflecting their new role, subject to the limits set out in the Policy. Awards may be pro-rated to reflect the remaining portion of the vesting period. Any award will take into consideration awards granted prior to promotion.</p>
Base salary	<p>Base salary would be set at an appropriate level to recruit the best candidate based on their skills, experience and current remuneration.</p>
Benefits	<p>Benefits provision would be in line with the normal Policy.</p> <p>Where appropriate, the executive may also receive relocation benefits or other benefits reflective of normal market practice in the territory in which the executive director is employed.</p>
Pension	<p>Pension provision would be in line with the normal Policy.</p>
Incentive awards	<p>Incentive awards would be made under the Annual Bonus and KPSP in line with the normal Policy, which determines the maximum incentive awards that can be made.</p> <p>Where an individual joins after the annual KPSP has been granted, an award may be made to bring the executive on to the in-flight cycle subject to the limits set out in the Policy. Awards may be pro-rated to reflect the remaining portion of the vesting period.</p>
Buyout awards	<p>In addition to normal incentive awards, buyout awards may be made to reflect value forfeited through an individual leaving their previous employer.</p> <p>If a buyout award is required, the Committee would aim to reflect the nature, timing and value of awards foregone in any replacement awards. Awards may be made in cash, as KPSP awards, shares with vesting based on time only or by any other method deemed appropriate by the Committee. Where possible, share awards will be replaced with share awards.</p> <p>Where performance conditions applied to the forfeited awards, performance conditions will be applied to the replacement award or the award size will be discounted accordingly.</p> <p>In establishing the appropriate value of any buyout, the Committee would also take into account the value of the other elements of the new remuneration package.</p> <p>The Committee would aim to minimise the cost to the company; however, buyout awards are not subject to a formal maximum. Any awards would be broadly no more valuable than those being replaced.</p>

Directors' remuneration report continued

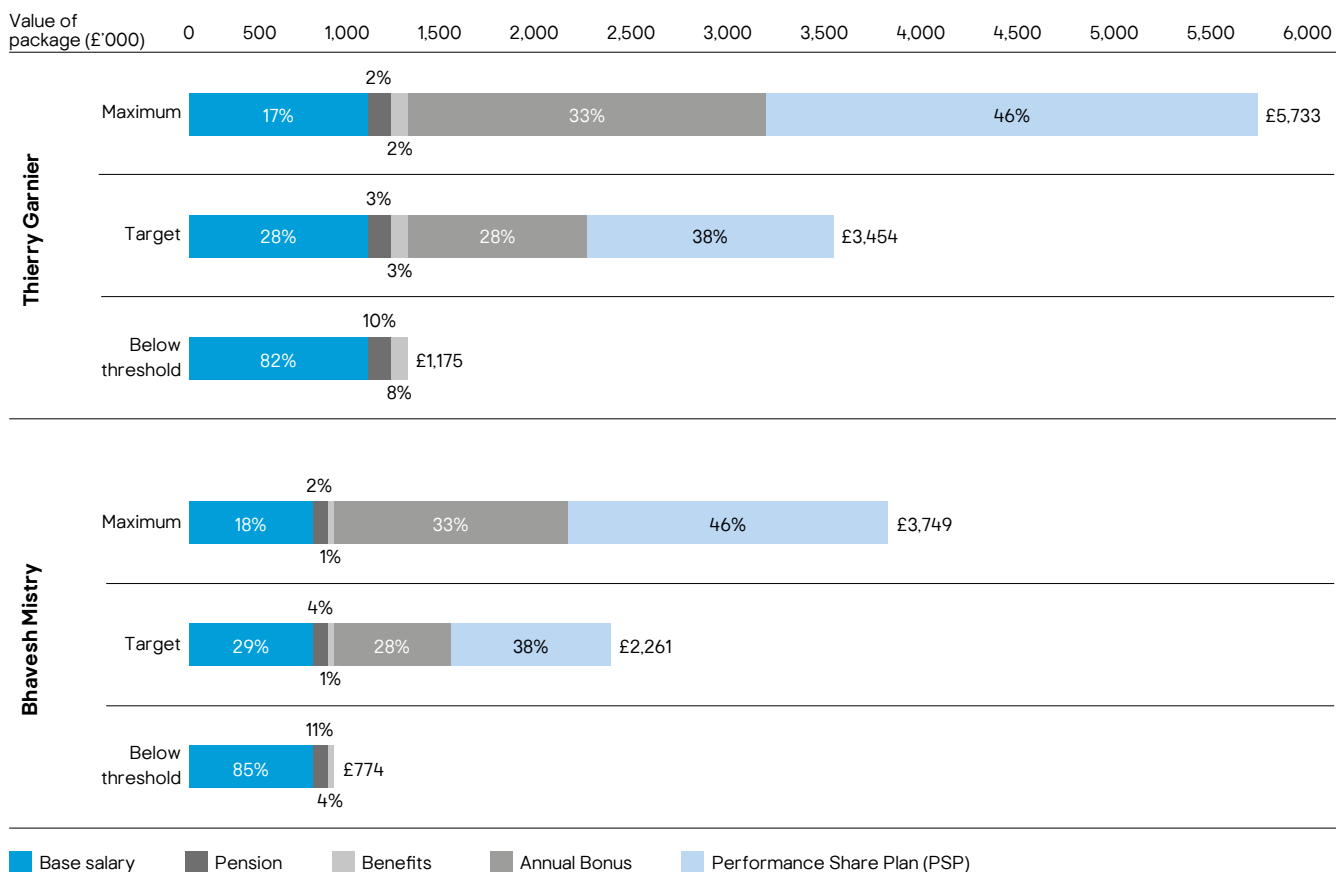
Policy for payment for loss of office

Area	Policy
Notice period	12 months' notice by either the director or the company.
Non-competes	During employment and for 12 months after cessation of active employment.
Executive directors' contractual termination payment	<p>Resignation No payments on departure will be made on termination, even if by mutual agreement the notice period is cut short.</p> <p>Departure not in the case of resignation For the period of notice served, the executive director may continue to receive their monthly base salary, benefits and pension. During this time, at the discretion of the company, they may continue their duties or be assigned garden leave. For the period of notice not served, the executive director may receive a payment in lieu of notice. No other payments should be due on departure.</p> <p>Settlement agreement The Committee may agree payments it considers reasonable in settlement of legal claims. This may include an entitlement to compensation in respect of a director's statutory rights under employment protection legislation in the UK or in other jurisdictions. The Committee may also include in such payments reasonable reimbursement of professional fees in connection with such agreements.</p>
Treatment of incentives for bad leavers	Any outstanding awards under any incentive plans will lapse in the event of the Committee determining the departing individual to be a bad leaver as defined by the plan rules.
Leaver provisions for Annual Bonus for good leavers	<p>Bonus payments may be receivable at the normal date, pro-rated for time, and taking into account performance achieved. Bonus deferral would normally continue to apply.</p> <p>Deferred Bonus awards vest on the normal date in full.</p> <p>Where the participant ceases to be employed as a result of death, the Deferred Bonus award will vest in full shortly after the company is notified.</p> <p>The Committee retains the ultimate discretion to make bonus payments and determine the basis upon which they are made (including if bonus deferral still applies) and their vehicle and value, taking into account the individual circumstances of the departure. The Committee may, in its discretion, accelerate vesting of the Deferred Bonus award up to the point of departure.</p>
Performance Share Plan for good leavers	<p>Awards will vest on the normal date, pro-rated for time, and will take into account performance achieved.</p> <p>The Committee retains discretion to further reduce the awards granted to reflect any personal performance issues or accelerate vesting.</p> <p>Where the participant ceases to be employed as a result of death, the award will vest shortly after the company is notified, pro-rated for time, and taking into account the Committee's assessment of performance achieved to that date.</p> <p>The Committee may decide, acting fairly and reasonably, that any adjustment set out above to reduce the vesting of the award would be inappropriate.</p>
Shareholding requirements	<p>Upon leaving the company, the shareholding requirement will continue to apply for two years.</p> <p>The shareholding requirement will be 100% of the shareholding requirement for two years after departure.</p> <p>Shareholding requirements will no longer apply in the case of death. At its discretion, the Committee may apply the same treatment in cases of ill health.</p>
Chair and non-executive directors' contractual termination payment	<p>Non-executive directors are appointed under letters of engagement.</p> <p>Appointments have historically been for an initial period of three years and invitations to act for subsequent three-year terms are subject to a review of performance and take into account the need to progressively refresh the Board.</p> <p>The appointment may be terminated by either party giving the other not less than three months' prior written notice, unless terminated earlier in accordance with the company's Articles of Association.</p> <p>The company has no obligation to pay compensation when the appointment terminates.</p>

Leavers will be treated for all-employee share plans in line with the plan rules of the relevant share plan. Good leaver is defined under the plan rules, and relates to individuals who leave as a result of ill health, injury or disability, death, redundancy, transfer of employer or employing business out of Group, retirement, and any other reason that the Committee decides. A bad leaver is any leaver not defined as a good leaver.

Illustration of the application of the Remuneration Policy

The tables and charts below provide estimates of the potential total future remuneration for each executive director based on the remuneration opportunity expected to be granted in 2026/27. Potential outcomes for each executive director, based on three different performance scenarios, are shown.



Below threshold	On-target	Maximum
Only the fixed pay elements (base salary, benefits and pension) of the package are received.	Fixed pay elements plus target Annual Bonus are received and target PSP vest.	Fixed pay elements plus maximum Annual Bonus are received and full vesting under the PSP.
Minimum performance targets for the Annual Bonus and PSP are not achieved, therefore no payments are made, and awards will lapse.	Annual Bonus on-target performance is achieved, 50% of the bonus paying out (100% of salary for CEO, 95% of salary for CFO).	Annual Bonus maximum performance achieved, resulting in a bonus of 200% and 190% of salary for the CEO and CFO respectively.
	PSP vesting at 50% of maximum (137.5% of salary for CEO, 130% of salary for CFO).	Full vesting under the PSP (275% of salary for CEO, 260% of salary for CFO).

Notes

Base salary: reflects the salary effective from 1 April 2026.

Benefits: estimate based upon benefits received during 2025/26 as recorded in the single total figure of remuneration table.

Pension: shown as a percentage of salary in line with Policy.

Fixed remuneration: comprises base salary, benefits and pension.

Short-term variable compensation comprises the Annual Bonus including the deferred element. Long-term variable compensation comprises the Performance Share Plan (PSP).

The Committee has also calculated the implied maximum remuneration scenario with the overlay of 50% share price increase on any vested PSP awards. This would equate to a total value of £7.053k for Thierry Garnier's package and £4.608k for Bhavesh Mistry's package.

Directors' remuneration report continued

Annual Report on Remuneration

This section of the report outlines how the Committee implemented the Directors' Remuneration Policy (the Policy) in the financial year. This report, together with the Annual Statement from the Chair of the Remuneration Committee, will be put to shareholders for approval at the 2026 AGM. Shareholder approval in respect of the Annual Report on Remuneration is on an advisory basis only.

The Remuneration Committee

The Committee has delegated authority from the Board over the company's remuneration framework and Policy. The role of the Committee is set out in the terms of reference, which is reviewed annually and is available on our website. The Chair of the Committee reports on the Committee's activities at each subsequent Board meeting.

Key activities of the Remuneration Committee during the year

The significant matters considered by the Committee during the year are set out below:

Areas of Committee focus	Items discussed
Salary review and remuneration decisions	<p>Reviewed and approved the salary and fee proposals in respect of the executive directors, Group Executive and Chair of the Board.</p> <p>Reviewed and approved remuneration arrangements of the executive directors and Group Executive.</p>
Annual Bonus	<p>Assessed performance against the 2024/25 strategic measures and approved the 2024/25 Annual Bonus outturn and final level of payment for the members of the Group Executive and executive directors.</p> <p>Approved target ranges for the 2025/26 Annual Bonus.</p> <p>Assessed performance against the 2025/26 Annual Bonus measures and reviewed the year-end forecast.</p> <p>Agreed the framework for the 2026/27 Annual Bonus.</p>
Performance Share Plan	<p>Determined the vesting outcome of the 2022 PSP awards.</p> <p>Approved the target ranges for the 2025 PSP and the subsequent grant of awards.</p> <p>Assessed performance to date of the 2023, 2024 and 2025 PSP awards which will vest in 2026, 2027 and 2028 respectively.</p> <p>Approved the measures and framework for the 2026 PSP.</p>
Governance and other areas of focus	<p>Kept under review the company's approach to wider workforce remuneration. This includes the embedding of a high performance culture at the company.</p> <p>Monitored developments in corporate governance and market practice in respect of executive remuneration.</p> <p>Reviewed the output of the annual evaluation of the Committee.</p> <p>Reviewed and recommended the 2024/25 Directors' remuneration report to the Board for approval.</p> <p>Received updates on Kingfisher's gender pay gap reporting and preparedness for the EU Pay Transparency Directive.</p> <p>Reviewed the advisers to the Remuneration Committee and approved a new adviser commencing in 2026/27.</p>

Advisers to the Committee

During the financial year ended 31 January 2026, PricewaterhouseCoopers LLP (PwC) provided services to the Committee. During the year, the Committee undertook a review of its advisers and after considering proposals from a number of relevant firms, agreed to appoint Ellason LLP which will be effective during 2026/27.

Both PwC and Ellason LLP are a member of, and adhere to, the Code of Conduct for Remuneration Consultants (which can be found at www.remunerationconsultantsgroup.com). The Committee is satisfied that the PwC and Ellason teams, who provide or will provide remuneration advice to the Committee, do not have connections with the Group or individual directors that may impair their objectivity and independence.

The executive remuneration advice received by the Committee from PwC was considered, and it was determined that the advice provided was objective and independent.

PwC also provides Kingfisher with reward advice for below-Board staff, tax, accounting and legal advice during the year. For services provided to the Committee, the fees paid to PwC were £121,325. These fees were incurred through a retainer, and on a time and expenses basis.

Voting at the 2025 Annual General Meeting (AGM)

The following table shows the results of the advisory vote on the Annual Report on Remuneration and the binding vote on the Remuneration Policy at the 2025 AGM.

Resolution	Votes for (and % of votes cast)	Votes against (and % of votes cast)	Proportion of shares voted	Shares on which votes were withheld
Annual Report on Remuneration (2025 AGM)	1,537,294,447 (99.54%)	7,118,273 (0.46%)	87.46%	1,351,942
Directors' Remuneration Policy (2025 AGM)	1,528,169,549 (99.19%)	12,420,785 (0.81%)	87.25%	5,174,328

Single total figure of remuneration for the executive directors (audited information)

The table below sets out the remuneration of each of the executive directors for the financial year ended 31 January 2026 and the comparative figures for the financial year ended 31 January 2025. The Committee did not exercise any discretion in determining the incentive outcomes for the year being reported on. In addition, no malus or clawback provisions were applied in the year.

Name		Base salary £'000	Taxable benefits £'000	Annual Bonus £'000	Performance Share Plan £'000 ¹²	Buyout awards £'000 ³	Pension £'000	Total Fixed pay £'000	Total Variable pay £'000	Total pay £'000
Thierry Garnier	2025/26	933.1	95.8	1,377.9	1,413.2	–	116.6	1,145.5	2,791.1	3,936.6
	2024/25	911.9	49.9	804.9	431.6	–	114.0	1,075.8	1,236.5	2,312.3
Bhavesh Mistry	2025/26	645.0	29.9	904.8	734.3	–	80.6	755.5	1,639.1	2,394.6
	2024/25	35.1	1.7	29.4	–	2,009.5	4.4	41.2	2,038.9	2,080.1
Total	2025/26	1,578.1	125.7	2,282.7	2,147.5	–	197.2	1,901.0	4,430.2	6,331.2
	2024/25	947.0	51.6	834.3	431.6	2,009.5	118.4	1,117.0	3,275.4	4,392.4

- The value of the 2022 Performance Share Plan award included in 2024/25 for Thierry Garnier has been updated using the share price at the date of vesting (24 June 2025) of 275.9p and includes values of dividend equivalents accrued from the date of grant to the date of vesting. The difference between the share price at the date of grant of the 2022 Performance Share Plan shares (of 243.3p) and the share price on vest is 32.6p which means £51.0k is attributable to share price growth. No discretion has been exercised as a result of the share price change.
- 42.6% of the 2023 Performance Share Plan award for Thierry Garnier and Bhavesh Mistry will vest on 20 April 2026. The awards in the table above have been valued based on the average share price during the three-month period to 31 January 2026 of 311.6p. Values include dividends accrued since the date of grant. The difference between the share price at the date of grant of the 2023 KPSP shares (of 257.2p for Thierry and 267.1p for Bhavesh) and the three-month average share price (of 311.6p) is 54.4p for Thierry and 44.5p for Bhavesh, which means £246.7k and £104.9k is attributable to share price growth. No discretion has been exercised as a result of the share price change.
- Bhavesh Mistry received a number of buyout awards to compensate for those forfeited at his previous employer. The elements of the buyout not subject to further Kingfisher performance conditions are included in the total shown in the table above. The values for buyout awards have been restated using actual final amounts awarded. The movement in the buyout award values reflect changes in previous employer's share price between the three-day average share price to 31 January 2025 (used for the estimate in last year's Directors' Remuneration Report) and the respective award grant dates, as well as the final outcomes of awards at previous employer as disclosed in the British Land 2024/25 annual report. The final values for all share-based elements are disclosed on page 94. For the 2024/25 annual bonus, the estimate in last year's Directors' Remuneration Report assumed a 50% of maximum totalling £284,063 with £189,375 assumed to be paid in cash, the actual performance outcome was 80.84% of maximum and the total payout was £458,999, two thirds of which was paid in cash, and one third in shares.

Notes to the single total figure of remuneration table

Base salary (audited information)

A 2% salary increase was awarded to Thierry Garnier for the 2025/26 financial year which was in line with the increase awarded to the wider UK workforce based in head offices.

Name	As at 1 April 2025 £'000	As at 1 April 2024 £'000	% increase
Thierry Garnier	936.2	917.8	2%
Bhavesh Mistry	645.0	645.0 ¹	N/A

- Bhavesh Mistry's base salary is shown at the date of appointment (13 January 2025).

Taxable benefits (audited information)

The benefits provided to executive directors for 2025/26 and 2024/25 included car benefit (or cash allowance), private medical insurance, life assurance, tax support.

Name	Car benefit ¹ £'000	Medical £'000	Life assurance £'000	Other support ² £'000	Total 2025/26 £'000	Total 2024/25 £'000
Thierry Garnier	25.0	11.8	7.4	51.6	95.8	49.9
Bhavesh Mistry	25.0	1.8	3.2	0.0	30.0	1.7

- All directors opt for a cash allowance.
- This benefit relates to tax return assistance provided to the CEO during the year and is considered reasonable and appropriate by the Committee.

Directors' remuneration report continued

Annual Bonus (audited information)

The purpose of the Annual Bonus is to focus executives on the achievement of measures that are critical to the Kingfisher strategy.

The 2025/26 Annual Bonus for the executive directors was based on the following measures:

- 40% Adjusted pre-tax profit
- 40% Like-for-like (LFL) sales growth
- 20% Individual measures

The following table sets out the targets that were set in respect of the two financial measures, the corresponding achievement against those targets during the year ending 31 January 2026, and the applicable outturn.

Financial Measures (80%)

Measure	Targets			Achievement	Outturn
	Threshold (10% of max)	Target (50% of max)	Stretch (100% of max)		
Adjusted pre-tax profit (40%)	£468m	£520m	£572m	100%	
LFL sales growth (40%)	(1.4)%	1.6%	4.6%	1.1%	43.33%

Adjusted pre-tax profit is £553.4m (on a constant currency basis), which on a formulaic basis results in a 82.2% level of payout.

During the year, the company determined that accelerating the implementation of next-generation technology was in the best interests of the business. This decision impacted profit, due to the write-down of legacy systems, which was not anticipated when the adjusted pre-tax profit targets were set at the start of the financial year. Therefore, in light of the strong underlying profit growth delivered, the Committee adjusted the profit outcome by 17.8ppts which better reflects the quality of the underlying year on year profit growth and other broader market factors. This impacted the overall bonus outturn by 7ppts.

For consistency, this adjustment will be applied to all colleagues with an adjusted pre-tax profit measure.

The following table sets out achievement of the objectives set for the executive directors under the individual measures element of their bonus, the corresponding achievement against these for 2025/26 and resulting outturn.

Individual Measures (20%)

Thierry Garnier

Objectives	Achievements	Resulting Outturn
Focus on Trade/Pro	<ul style="list-style-type: none"> - FY 25/26 trade penetration of 18.0% (excluding Screwfix) - Trade sales growth of 23% (excluding Screwfix) - Now have 279 trade sales partners in role vs. 105 in FY 24/25 - Have a trade loyalty proposition across all geographies with an increase in total membership of +18% 	82.5%
Focus on France	<ul style="list-style-type: none"> - Market share gains in both French banners - Overall improvement in retail profit by +1.0% - Delivery of savings under a number of cost-efficiency and transformation initiatives 	

Bhavesh Mistry

Objectives	Achievements	Resulting Outturn
Focus on Cost and Working Capital Reduction	<ul style="list-style-type: none"> - Delivery of Group savings under a number of cost-efficiency and transformation initiatives - Improvement of trade working capital by +3 days versus last year - Establishment of a Group working capital steering committee 	82.5%
Focus on France	<ul style="list-style-type: none"> - Market share gains in both French banners - Overall improvement in retail profit by +1.0% - Delivery of savings under a number of cost-efficiency and transformation initiatives 	

As well as the achievement vs. objectives, the Committee also reviewed the overall achievement in these areas taking into account the external environment. It concluded that the outturn of 82.5% of maximum for this element was appropriate for both executive directors.

This means that the total outturn under the 2025/26 Annual Bonus for executive directors is 73.83% of maximum for both Thierry Garnier and Bhavesh Mistry. The final payout equates to 147.66% of earned salary for Thierry Garnier and 140.28% of earned salary for Bhavesh Mistry, which are £1,377.9k and £904.8k respectively.

As the bonus outturn has exceeded 100% of salary for the executive directors, both will have a proportion of their bonus deferred into shares for three years. The Remuneration Policy allows for the level of deferral to be scaled down if an executive director has suitably met their shareholding requirement. Thierry Garnier has met his shareholding requirement and the Committee have concluded it was appropriate to scale down his bonus deferral by 50% for FY 25/26 so that only 50% of any bonus earned over 100% of salary is deferred into shares for three years. This means that £222.4k of Thierry Garnier's 2025/26 bonus will be deferred into shares. Bhavesh Mistry has not yet met his shareholding requirement. This means he will defer all of his bonus earned over 100% of salary into shares for three years. This equates to £259.8k.

These share awards will be made at the next grant date (expected to be late April 2026).

Performance Share Plan (audited information)

The Kingfisher Performance Share Plan was approved by shareholders at the 2022 AGM, with the 2023 PSP award granted on 20 April 2023 to Thierry Garnier. As disclosed in last year's Directors' Remuneration Report, Bhavesh Mistry was granted an award under this plan to replace the 2023 LTIP award forfeited at his previous employer, aligning with the existing measures/targets and vesting date. This award was granted on 24 April 2025. The performance period for the 2023 PSP grant ended on 31 January 2026.

The 2023 PSP award is dependent on 2025/26 EPS, 2025/26 ROCE, Relative TSR and ESG performance. The targets, performance and resulting formulaic outturn is detailed in the following tables:

Target	2025/26 EPS (25% weighting)	2025/26 ROCE (25% weighting)	TSR Percentile vs. relative TSR peer group (25% weighting)
Threshold (25% vesting)	29.7p	9.70%	50th
Stretch (100% vesting)	37.7p	11.95%	75th
Outturn	21.7p*	8.2%	72.4th
Formulaic outturn (% of maximum)	0.0%	0.0%	92.2%

* The EPS used to assess the 2023 PSP differs from the rest of the annual report due to removal of impact of any share buyback programmes which were unknown and thus not factored in when the targets were set.

ESG (25% weighting, equally split between the measures)

Target	Climate Change (reduction in Scope 1 and 2 emissions)	Forest Positive (% of wood and paper responsibly sourced as a % of SKUs purchased)	Gender Diversity (% of women in senior leadership)
Threshold (25% vesting)	45.0%	98.0%	31%
Target (50% vesting)	46.0%	99.0%	34%
Stretch (100% vesting)	47.0%	99.5%	36%
Outturn	68.7%	99.4%	33.3%
Formulaic outturn (% of maximum)	100%	90.0%	44.2%

The Committee reviewed the impact of the sale of Kingfisher's operations in Romania in the formulaic outturns. It concluded that the formulaic outturns for Climate Change and Forest Positive remain representative. For Gender Diversity, the outturn was adjusted to include Kingfisher's operations in Romania as the above target ranges were set to include Kingfisher's operations in Romania which is reflected elsewhere in the Annual Report.

For the EPS, ROCE and Relative TSR measures, there is straight line vesting between Threshold and Stretch. For the ESG measures, there is straight-line vesting between Threshold and Target and Target and Stretch.

TSR was measured against the combined group of the constituents of the FTSE 350 Retailers, FTSE 350 Drug and Grocery Stores as well as the STOXX 600 Drug and Grocery Stores as at 1 February 2023.

The total formulaic outturn (% of maximum) was therefore 42.6%. The 2023 PSP will vest on 20 April 2026, following which Thierry Garnier and Bhavesh Mistry will receive 453,538 and 235,668 shares respectively. The Committee believes this outturn is appropriate and is reflective of performance over the performance period. The PSP values in the single figure table therefore reflect these number of shares, using Kingfisher's share price of 311.6p which is the average share price during the three-month period to 31 January 2026.

Directors' remuneration report continued

The number and value of shares vested for Thierry Garnier and Bhavesh Mistry are therefore as follows:

Name	Number of shares vested ¹	Number of dividend equivalents ²	Value of shares vested £'000 ³
Thierry Garnier	396,526	57,012	1,413.2
Bhavesh Mistry	226,123	9,545	734.3

- The number of shares shown represents the proportion of the 2023 PSP which is expected to vest on 20 April 2026.
- Based on dividend equivalent shares accrued to date of publication of the report.
- Calculated using the three-month average share price to 31 January 2026 of 311.6p. The difference between the share price at the date of grant of the 2023 KPSP shares (of 257.2p and 267.1p for Thierry Garnier and Bhavesh Mistry respectively) and the three-month average share price is 54.4p and 44.5p respectively, which means for Thierry Garnier and Bhavesh Mistry £246.7k and £104.9k is attributable to share price growth respectively. No discretion has been exercised as a result of the share price change.

The vested awards are subject to a two-year holding period.

Pensions (audited information)

Executive directors based in the UK are eligible to join the UK defined contribution pension plan (the DC Scheme). No executive director has a prospective right to a defined benefit pension.

The company operates a policy for all employees to limit the combined employer and member pension contributions during a tax year to the annual allowance, with the excess employer contribution being directed into a taxable monthly cash allowance. In addition, employees may opt out of the scheme completely. The executive directors have opted to receive a cash allowance of 12.5% of salary in lieu of pension employer contribution. This is aligned to the offering to the wider UK workforce as detailed in the Remuneration Policy on page 76.

A summary of the arrangements for the executive directors is set out below.

Name	National employer contribution rate into defined contribution pension scheme for which the individual is eligible	Member of the UK DC Scheme	Cash allowance in lieu of employer contributions into DC Scheme	Cash allowance rate as % of salary
Thierry Garnier	14%	No	Yes, in full	12.5%
Bhavesh Mistry	14%	No	Yes, in full	12.5%

Pension benefits paid during the year

Name	Employer contributions into DC Scheme £'000	Cash alternative £'000	Total 2025/26 £'000	Total pension benefit as a % of base salary
Thierry Garnier	n/a	116.6	116.6	12.5%
Bhavesh Mistry	n/a	80.6	80.6	12.5%

Payments to past directors (audited information)

Bernard Bot

Bernard Bot retired as CFO and as a director of the company on 13 January 2025. Bernard remained with the company in a below Board role to support an orderly transition until the end of February 2025.

As disclosed last year, Bernard continued to receive his base salary, pension and benefits on the same terms as his CFO package up to 28 February 2025, when his employment ceased. As agreed by the Committee, Bernard was eligible for a 2025/26 Annual Bonus in respect of the time he would serve as an employee between 1 February and 28 February 2025, measured against a mixture of financial and individual performance measures. The assessed outcome was 73.83% of maximum, and the full value of £75.8k will be paid in cash.

The 2022 KPSP award vested on 24 June 2025. An estimated value of £241.6k was disclosed in the single figure table for Bernard in the 2024/25 Directors' Remuneration Report. The actual value at the date of vesting of £257.9k. The vested awards are subject to a two-year holding period. Malus and clawback provisions continue to apply.

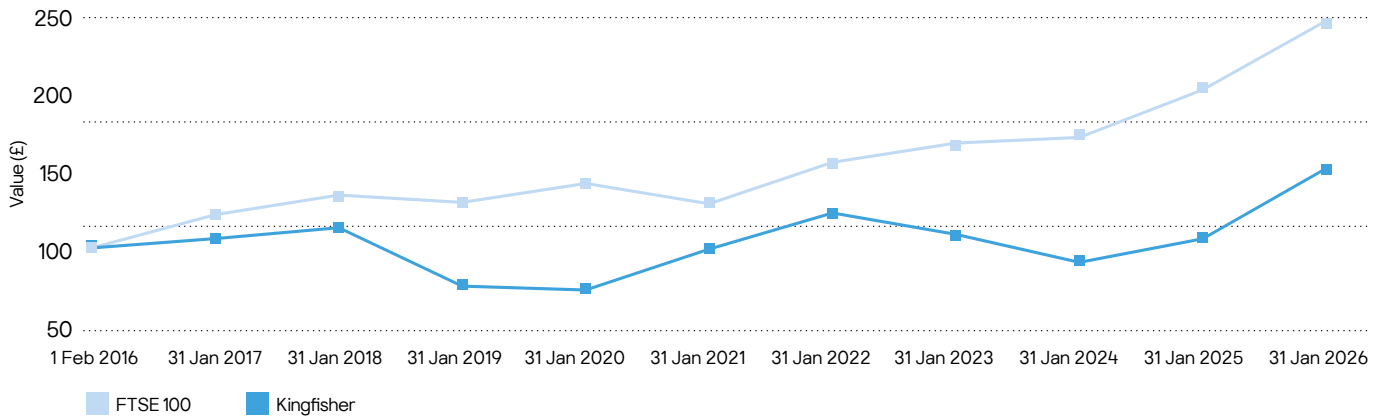
His 2023 PSP award will vest in 20 April 2026, with the performance period having ended on 31 January 2026. As detailed on page 87, the outturn for this award was 42.6% of maximum. The actual value at vesting for Bernard will be provided in next year's annual report.

Payments for loss of office (audited information)

There were no payments made for loss of office to past directors.

Performance graph

The graph below shows Kingfisher's total shareholder return for the 10 years to 31 January 2026, which assumes that £100 was invested in Kingfisher on 1 February 2016. The company chose the FTSE 100 Index as an appropriate comparator for this graph, as Kingfisher has been a constituent of that index for the majority of the period.



Directors' remuneration report continued

CEO's remuneration over the last 10 years

The table below sets out the total remuneration of the holder of the office of CEO for the period from 1 February 2016 to 31 January 2026.

Year	CEO	Bonus % of maximum awarded ¹	Value of bonus awarded £'000	Alignment Share grant as a % of salary ²	Alignment Share % of maximum vesting ²	Value of shares vested £'000	LTIP/DVI/PSP grant level as a % of salary ³	LTIP/DVI/PSP % of maximum vesting	Value of vested shares £'000	CEO's single figure £'000
2016/17	Véronique Laury	90.0	537.0	20 ⁴	100	151.1	200	24.5	100.1	1,715.1
2017/18	Véronique Laury	87.0	534.2	20 ⁴	100	156.9	200	0.0	0.0	1,582.6
2018/19	Véronique Laury	82.0	522.0	50 ⁵	62.5	323.8	n/a	n/a	n/a	1,761.3
2019/20	Véronique Laury/ Thierry Garnier ⁶	0	0	20 ⁵ /n/a ⁷	25.0/n/a	136.2/n/a	n/a	n/a	n/a	1,178.7
2020/21	Thierry Garnier	79.8	510.7	n/a ⁷	n/a	n/a	n/a	n/a	n/a	1,656.2
2021/22	Thierry Garnier	97.5	634.4	80 ⁸	100	816.1	n/a	n/a	n/a	2,408.9
2022/23	Thierry Garnier	15.9	265.2	80 ⁸	100	706.2	n/a	n/a	n/a	1,964.4
2023/24	Thierry Garnier	20.8	364.9	80 ⁸	100	511.8	840 ⁹	39.8	3,982.3	5,907.2
2024/25	Thierry Garnier	44.1	804.9	n/a	n/a	n/a	275	14.6	431.6 ¹⁰	2,312.2
2025/26	Thierry Garnier	73.8	1,377.9	n/a	n/a	n/a	275	42.6	1,413.2	3,936.6

1. The maximum bonus opportunity from 2016/17 to 2021/22 was 80% of salary. The maximum bonus opportunity from 2022/23 onwards is 200% of salary.
2. Element of reward introduced under the Remuneration Policy approved by shareholders at the 2016 AGM.
3. The LTIP and PSP grants show the award level at the point of grant, three years prior to the date the vesting percentage was determined. The DVI grant shows the award level at the point of grant, five years prior to the date the vesting percentage was determined.
4. This represents 25% of the total Alignment Share award (equivalent to 80% of salary) granted in 2016 and 2017 respectively. This portion vested upon grant. The remaining 75% of this award (equivalent to 60% of salary) may vest three years after the date of grant, subject to performance against the underpin measures set out in the corresponding remuneration report.
5. This represents 25% of the total Alignment Share award (equivalent to 80% of salary) granted in 2018 or 2019 (that vested upon grant) and 75% of the total Alignment Share award granted in 2016 (that partially vested in June 2019) and in 2017 (which lapsed in full) for Véronique Laury and which were subject to performance against the underpin measures set out in the corresponding remuneration report.
6. Véronique Laury stepped down as CEO on 24 September 2019, at which point Thierry Garnier took over the position. Véronique Laury's remuneration in the table is from the start of the financial year up until 24 September 2019, and Thierry Garnier's is from 25 September 2019 to the end of the financial year. The single total figure in the table above shows the combined total remuneration for both Véronique Laury and Thierry Garnier.
7. 100% of the Alignment Share award granted to Thierry Garnier (equivalent to 80% of salary) in 2019 and 2020 is subject to performance against the underpin measures set out in the corresponding remuneration report.
8. The figures for 2021/22, 2022/23 and 2023/24 represent 100% of the 2019, 2020 or 2021 Alignment Share Award granted to Thierry Garnier vesting based on performance against the underpins as detailed in the corresponding Remuneration report.
9. The figure for 2023/24 represents 100% of the main DVI Award and Recruitment Award (760% and 80% respectively) granted to Thierry Garnier vesting based on performance against the measures as detailed in the 2023/24 Remuneration report.
10. This represents the final vesting value of the 2022 PSP award. The values have been updated using the share price at date of vesting (24 June 2025) of 275.9p and includes values of dividend equivalents accrued from date of grant to vesting.

Change in the remuneration of the directors

The table below shows how the percentage change in each director's (including the non-executive directors') salary, fees, taxable benefits and bonus between 2021/22 and 2025/26 compared with the average percentage change of each of those components for all full-time equivalent employees based in Kingfisher plc (as required by regulations). In line with prior years, the percentage change for each director has also been compared to the UK employee workforce (the UK entities, including B&Q, Screwfix and Screwfix Spares). The UK employee workforce is deemed to be a suitable comparator group as the executive directors are based in the UK (albeit with global roles and responsibilities) and pay changes across Kingfisher vary widely depending on local market conditions.

	Base salary/fees ¹					Taxable benefits					Bonus				
	2025/26	2024/25	2023/24	2022/23	2021/22	2025/26	2024/25	2023/24	2022/23	2021/22	2025/26	2024/25	2023/24	2022/23	2021/22
Executive directors															
Thierry Garnier	2.3%	4.2%	4.7%	2.8%	8.9%	92.2%	(21.2)%	21.6%	20.1%/1.2% ²	(85.8%)/(10.9%) ²	71.2%	120.6%	37.6%	(58.2)%	24.2%
Bhavesh Mistry ³	0.0%	n/a	n/a	n/a	n/a	(4.3)%	n/a	n/a	n/a	n/a	67.3%	n/a	n/a	n/a	n/a
Non-executive directors															
Claudia Arney ⁴	50.4%	297.2%	3.1%	0.0%	12.8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jeff Carr	1.9%	2.9%	2.8%	11.6% ⁵	12.8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sophie Gasperment ⁶	1.9%	7.5%	9.8%	0.0%	47.5%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bill Lennie ⁷	1.9%	2.9%	3.5%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lucinda Riches ⁸	20.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ian McLeod ⁹	2.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Former non-executive directors															
Catherine Bradley ¹⁰	1.9%	2.9%	2.5%	23.2% ⁵	47.3%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rakhi Goss-Custard ¹⁰	5.7%	9.3%	2.8%	45.2% ⁵	13.3%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
All Kingfisher plc employees	12.7%	3.7%	8.2%	7.4%	(2.6)%	25.4%	(0.5)%	4.6%	27.4%	(31.8%) ¹¹	72.3%	(12.0)%	58.6%	(60.8)%	70.1%
All UK employees ¹²	9.4%	6.0%	5.7%	11.0%	7.1%	15.4%	3.2%	4.1%	12.5%	(6.3)%	41.8%	0.0%	98.1%	(55.6)%	3.4%

- Percentages reflect cuts in salary and fees made between April 2020 and July 2020 for executive directors and between April 2020 and September 2020 for non-executive directors.
- First figure includes relocation paid during 2022/23, 2021/22 and 2020/21, the second excludes it.
- Joined on 13 January 2025. The percentage change for 2025/26 is calculated using full time equivalent salary, taxable benefits and bonus for 2024/25.
- Became Chair and stepped down as Remuneration Committee Chair on 20 June 2024. These changes in role are reflected in the percentage changes between 2023/24 and 2024/25, and between 2024/25 and 2025/26.
- The percentage change between 2021/22 and 2022/23 for the non-executive directors reflect that members of the Audit, Remuneration and Responsible Business Committees receive a fee of £10,000 from 1 February 2022.
- Started to receive a fee of £20,000 for Chair of Responsible Business Committee from 1 February 2021. Became a member of the Remuneration Committee in June 2023.
- Joined on 1 May 2022. The percentage change for 2023/24 is calculated using full time equivalent fees for 2022/23.
- Joined on 1 January 2025. The percentage change for 2025/26 is calculated using full time equivalent fees for 2024/25. Became the Senior Independent Director and Remuneration Committee Chair on 22 June 2025.
- Joined on 20 January 2025. The percentage change for 2025/26 is calculated using full time equivalent fees for 2024/25.
- Stepped down from the Board at the AGM on 22 June 2025. Percentage for 2025/26 has been calculated using full time basis.
- The % change in the taxable benefits for employee population is related to the impact Covid-19 had on expenses and benefits claimed during the year.
- Includes all UK employees including those in B&Q, Screwfix and Screwfix Spares.

Directors' remuneration report continued

Relative importance of spend on pay

The table below shows the relative importance of spend on employee remuneration when compared with distributions to shareholders.

	2025/26 £m	2024/25 £m	Percentage change
Overall expenditure on pay	2,213	2,125	4.1%
Share buybacks undertaken during the year ¹	256	225	13.8%
Total dividends paid in the year	218	228	(4.4)%

1. During the year, the Group purchased 88 million of the company's own shares for cancellation at a cost of £256 million as part of its capital returns programme.

Pay ratio analysis

Year	Method	25 th percentile pay ratio	Median pay ratio	75 th percentile pay ratio
2025/26	Option B (i.e. 25 th percentile, median and 75 th percentile individual identified from our April 2025 gender pay gap analysis)	151:1	138:1	132:1
2024/25	Option B ¹	99:1	93:1	83:1
2023/24	Option B	258:1	247:1	221:1
2022/23	Option B	93:1	86:1	80:1
2021/22	Option B	127:1	116:1	113:1
2020/21	Option B	95:1	93:1	71:1
2019/20	Option B	71:1	64:1	56:1
2018/19	Option B	106:1	97:1	81:1

1. Ratios for 2024/25 have been restated using actual share price at vesting of 2022 PSP awards of 275.9p.

We have used Option B in the legislation to leverage the analysis completed as part of our UK gender pay gap reporting exercise. We have determined our 25th percentile, median and 75th percentile individual using data from the respective 5 April snapshots. While gender pay gap legislation and CEO pay ratio legislation employ different calculations, the three identified UK employees receive similar remuneration structures, and therefore we are confident that they also represent broadly the same respective percentiles when calculated using the single figure of total remuneration methodology required in the CEO pay ratio calculation. Where relevant, each colleague's pay and benefits were calculated on a full-time equivalent basis, and no further adjustments were made. The values for total remuneration for the 25th percentile, median and 75th percentile were £26.1k, £28.5k and £29.9k respectively, comprising salary and employer contribution to pension. The salaries for these employees were £24.8k, £27.2k and £28.4k respectively.

The majority of the Group's workforce are store based. Given this workforce profile, the pay and benefits data used to calculate the CEO pay ratio are from colleagues who are store based. These colleagues' reward structure comprises primarily fixed components while the CEO's total remuneration is strongly linked to performance with a significant variable component. The year-on-year change at median can be attributed to the outturns of variable pay elements of the CEO in any given year, including most recently in respect of the outcomes in the annual bonus and PSP awards. The remuneration structures for our colleagues are aligned to the market and to our remuneration principles. It is, therefore, the Committee's view that the ratios remain consistent with pay and progression policies for UK employees.

Executive directors' shareholdings and share interests (audited information)

Executive directors are required to build a significant shareholding in the company. Unvested awards subject to performance conditions are not included when assessing holding requirements. Vested awards are included when assessing holdings but are adjusted to take into account the tax liability arising on exercise.

The table below sets out the beneficial interests of the executive directors (or any connected persons) in the ordinary shares of the company and a summary of the outstanding share awards as at 31 January 2026. Calculations are based on a share price of 337.5p per share (being the closing price of a Kingfisher share on 31 January 2026).

Name	Shares held		Awards over nil-cost options				
	31 Jan 26	31 Jan 25	Vested but not exercised ¹	Unvested and subject to continued employment	Unvested and subject to performance conditions and continued employment ²	Shareholding requirement (% of base salary) ³	Shareholding as of 31 Jan 26 (% of base salary) ⁴
Thierry Garnier ⁵	503,738	487,357	1,060,627	–	3,166,193	350%	384.3%
Bhavesh Mistry ⁵	–	–	308,416	–	1,688,141	270%	85.5%

- Nil-cost options and awards that have vested but have yet to be exercised are considered to count towards the shareholding requirement, other than any such shares that correspond to the estimated income tax and national insurance contributions that would arise on their exercise (estimated at 47% of the award). For Thierry Garnier these awards include the awards which vested in 2022, 2023, 2024 and 2025. For Bhavesh Mistry, it includes awards which vested in 2025 upon or shortly after grant.
- These awards include nil-cost options to Thierry Garnier and Bhavesh Mistry in respect of the 2023, 2024 and 2025 Performance Share Plan awards.
- Shareholding requirement as of 31 January 2026.
- Between 1 February 2026 and the date of this report, there were no changes in the beneficial interests of the executive directors' shareholdings.
- As potential beneficiaries of the Kingfisher Employee Benefit Trust (the Trust), Thierry Garnier and Bhavesh Mistry are deemed to have an interest in the company's ordinary shares held by the Trust. The Trust held 13,014,304 ordinary shares at 31 January 2026.

Share awards made during the financial year (audited information)

Options and awards over shares were made during the year ended 31 January 2026 under the Kingfisher Performance Share Plan rules (KPSP) in respect of both the 2025 Performance Share Plan (PSP) award and buyout awards relating to awards forfeited by Bhavesh Mistry at his previous employer.

1. 2025 Performance Share Award

Name	Date of grant ¹	Number of shares	Face value of award ² £'000	End of performance period ³	Final exercise date ⁴
Thierry Garner	24 Apr 25	953,997	2,548	31 Jan 28	24 Mar 35
Bhavesh Mistry	24 Apr 25	621,417	1,660	31 Jan 28	24 Mar 35

- Vesting date of 24 April 2028.
- The number of shares, at the time of grant, was based on 275% and 260% of base salary for the CEO and CFO respectively and the three-day average closing share price preceding the date of grant. The awards were made under the KPSP and the value above is based on the closing share price as at the date of grant, of 267.1p per share, for 24 April 2025.
- The shares will vest subject to performance against the performance conditions over the period to the end of the 2027/28 financial year.
- The awards are structured as nil-cost options and have an exercise period of seven years less one month.

The performance conditions attached to the 2025 Performance Share Award are as follows:

Target	2027/28 EPS (25% weighting)	Cumulative FCF (25% weighting)	TSR percentile vs. relative TSR peer group (25% weighting)
Threshold (25% vesting)	23.0p	£1,135m	50 th
Stretch (100% vesting)	30.8p	£1,535m	75 th

Target	Climate change (reduction in Scope 1 and 2 emissions)	Sustainable Home Products (% of total Group sales)	ESG (25% weighting) Gender diversity (% of women in senior leadership)
Threshold (25% vesting)	57.0%	53.0%	31.0%
Target (50% vesting)	62.0%	58.0%	34.0%
Stretch (100% vesting)	66.0%	61.0%	37.0%

Directors' remuneration report continued

For the EPS, ROCE and Relative TSR measures, there will be straight-line vesting between Threshold and Stretch. For the ESG measures, there will be straight-line vesting between Threshold and Target, and Target and Stretch.

TSR will be measured against the combined group of the constituents of the FTSE 350 Retailers and FTSE 350 Drug and Grocery Stores, as well as the STOXX 600 Drug and Grocery Stores as at 1 February 2025.

Any vested awards will be subject to a two-year holding period.

2. Buyout awards for Bhavesh Mistry

As disclosed in last year's Directors' Remuneration Report on page 108, Bhavesh Mistry received a series of buyout awards during 2025/26. The tables below detail the awards made.

Performance based awards

Award	Date of grant	Date of vest	Number of shares	Face value of award ¹ £'000	End of performance period	Final exercise date ²
2023 PSP (to compensate for 2023 LTIP)	24 Apr 25	20 Apr 26	530,806	1,418	31 Jan 26	20 Mar 33
2024 PSP (to compensate for 2024 LTIP)	24 Apr 25	25 Apr 27	467,545	1,249	31 Jan 27	25 Mar 34

- The number of shares, at the time of grant, was based on the number of shares forfeited from British Land and the three-day average closing share price preceding the date of grant for both British Land shares and Kingfisher shares. The awards were made under the KPSP and the value above is based on the closing Kingfisher share price as at the date of grant of 267.1p per share, for 24 April 2025.
- The awards are structured as nil-cost options.

The performance conditions and final vesting outcomes can be found on pages 87 and 88 of this report for the 2023 PSP. The performance conditions for the 2024 PSP can be found on pages 105 and 106 in the 2023/24 Annual Report. Any vested awards will be subject to a two-year holding period.

Other Buyout Awards

Award	Date of grant	Date of vest	Holding date	Number of shares	Face value of award ¹ £'000	Final exercise date ²
Annual Bonus – 2023/24 shares	24 Apr 25	24 Apr 25	28 Jun 27	77,924	208	13 Dec 34
2021 previous employer buyout	24 Apr 25	26 May 25	26 May 27	13,370	36	13 Dec 34
Annual Bonus – 2024/25 shares	23 Oct 25	23 Oct 25	27 Jun 28	50,478	157	23 Sep 35
2022 LTIP	23 Oct 25	23 Oct 25	21 Jul 27	160,131	498	23 Sep 35

- The awards were made under the KPSP and the value above is based on the closing share price as at the date of grant of 267.1p and 311.1p per share, for 24 April and 23 October 2025 respectively.
- The awards are structured as nil-cost options.

2026 Performance Share Plan Award

In line with the approved Remuneration Policy, the Committee intends to grant Thierry Garnier and Bhavesh Mistry a PSP award with a maximum opportunity of 275% and 260% of base salary respectively at the next grant date (expected to be late April 2026). These grants will be in line with the Remuneration Policy.

The measures for the 2026 grant will be consistent with those adopted for the 2025 award. However, the population used to assess gender diversity has been revised. The population has been expanded to include senior managers who would be part of the talent pipeline for the senior leadership population. This is in addition to the senior leadership and the population is collectively known as senior management group. This new population ensures a focus on building internal talent pipelines for our senior colleagues, assessing and driving its gender diversity.

The measures and targets attached to the vesting of the 2026 award are as follows:

Target	2028/29 EPS (25% weighting)	Cumulative FCF (25% weighting)	TSR Percentile vs. relative TSR peer group (25% weighting)
Threshold (25% vesting)	26.0p	£1,190m	50 th
Stretch (100% vesting)	36.0p	£1,610m	75 th

Target	Climate change (reduction in Scope 1 and 2 emissions)	Sustainable Home Products (% of total Group sales)	ESG (25% weighting) Gender diversity (% of women in senior management group)
Threshold (25% vesting)	61.0%	55.0%	36.5%
Target (50% vesting)	64.0%	58.0%	37.0%
Stretch (100% vesting)	67.0%	61.0%	37.5%

For the EPS, FCF and Relative TSR measures, there will be straight-line vesting between Threshold and Stretch. For the ESG measures, there will be straight-line vesting between Threshold and Target and Target and Stretch. These measures have been chosen for the PSP as EPS, FCF and ESG are aligned to the strategy, while Relative TSR ensures that payouts for participants are aligned to long-term value creation for shareholders. ESG in particular was chosen to reflect the importance of our Responsible Business agenda and to recognise our long-term goals and commitments. The chosen ESG measures are all core elements of our agenda.

All three ESG measures will be weighted equally within the ESG basket of measures.

One of the key reference points for setting the EPS and FCF targets is the Group's internal three-year plan. The Committee also reviewed the target ranges taking into account external consensus, and concluded that the ranges for EPS and FCF appropriately balance being achievable yet stretching. EPS will be based on 'pence' in line with prior years. Cumulative FCF is a sum of the FCF in 2026/27, 2027/28 and 2028/29.

For ESG measures, targets have been set using our long-term public commitments and internal targets as well as 2025/26 outturns.

- For climate change (reduction in Scope 1 and 2 carbon emissions from a 2017/18 baseline), the target took into account our significant progress to date and anticipated progress, as well as future SBTi targets aligned with our net zero commitments.
- Improving the percentage of women in senior roles remains an important and ongoing area of focus which is detailed further on page 16.
- The SHP range has been developed taking into account current and anticipated progress and our targets.

The Relative TSR measure remains unchanged. Kingfisher's TSR will be measured against the combined group of the constituents of the FTSE 350 Retailers, FTSE 350 Drug and Grocery Stores and the STOXX 600 Drug and Grocery Stores as at 1 February 2026.

Any vested awards will be subject to a further two-year holding period.

Scheme interests exercised during the financial year (audited information)

No awards were exercised by executive directors during the year.

Dilution limits

The terms of the company's current share plans set limits on the number of newly issued shares that may be issued to satisfy awards. In accordance with guidance from the Investment Association at the time of drafting, these limits restrict overall dilution under all plans to under 10% of the issued share capital over a 10-year period, with a further limitation of 5% in any 10-year period on executive plans.

Only those awards granted under the Kingfisher Sharesave plan are satisfied by newly issued shares.

Any awards that are satisfied by market-purchased shares are excluded from these calculations, including all awards made under the Kingfisher Alignment Share and Transformation Incentive Plan (KASTIP), Kingfisher Performance Share Plan (KPSP) and Kingfisher Share Award Plan (KSAP).

No treasury shares were held or utilised in the year ended 31 January 2026.

Directors' remuneration report continued

Single total figure of remuneration for the non-executive directors (audited information)

Fees payable to non-executive directors

The table below sets out the remuneration of each non-executive director during the financial year ended 31 January 2026 and the comparative figures for the year ended 31 January 2025. During the year, no payments were made to non-executive directors for expenses other than those incurred in the ordinary course of their appointments.

Name	Additional responsibilities	Committee membership ¹	Fees 2025/26 £'000	Fees 2024/25 £'000	Total 2025/26 £'000	Total 2024/25 £'000
Claudia Arney ²	Chair, Nomination Committee Chair	N	531.7	353.5	531.7	353.5
Jeff Carr	Audit Committee Chair	A, R, N	103.9	101.9	103.9	101.9
Sophie Gasperment	Responsible Business Committee Chair	R, N, RB	103.9	101.9	103.9	101.9
Bill Lennie		A, N	82.9	81.3	82.9	81.3
Lucinda Riches ³	Remuneration Committee Chair, Senior Independent Director	A, R, N, RB	123.0	8.5	123.0	8.5
Ian McLeod		N	72.4	2.6	72.4	2.6
Former directors						
Rakhi Goss-Custard ⁴	Former Remuneration Committee Chair		45.4	108.2	45.4	108.2
Catherine Bradley ⁵	Former Senior Independent Director		45.4	112.2	45.4	112.2
Total			1,108.6	870.1	1,108.6	870.1

- Indicates which directors served on each committee on 31 January 2026: Audit Committee = A; Nomination Committee = N; Remuneration Committee = R; Responsible Business Committee = RB.
- Claudia Arney became Chair at the AGM in June 2024.
- Lucinda Riches became Remuneration Committee Chair and Senior Independent Director at the AGM in June 2025.
- Rakhi Goss-Custard stepped down from the Board and her role as Remuneration Committee Chair at the AGM in June 2025.
- Catherine Bradley stepped down from the Board and her role as Senior Independent Director at the AGM in June 2025.

Notes to the single total figure of remuneration for the non-executive directors (audited information)

Fees

Fees paid to the Chair and non-executive directors for 2025/26 and 2024/25 are shown below. No benefits are provided except for a store discount card of up to 20%.

	Fees £'000		% increase ²
	As at 1 February 2025	As at 1 February 2024	
Chair ¹	531.7	521.3	2%
Non-executive director fee	72.4	71.0	2%
Senior Independent Director	21.0	20.6	2%
Audit Committee Chair	21.0	20.6	2%
Remuneration Committee Chair	21.0	20.6	2%
Responsible Business Committee Chair	21.0	20.6	2%
Audit Committee member	10.5	10.3	2%
Remuneration Committee member	10.5	10.3	2%
Responsible Business Committee member	10.5	10.3	2%

- The Committee reviewed the fee for the company Chair in 2025 and agreed to increase the fee by 2%. Claudia Arney was appointed to the role from 20 June 2024, receiving a fee of £496,500, and a contribution of up to £24,830 for administrative support.
- The Board reviewed the non-executive fees in 2025 and agreed to increase the fee by 2%.

Non-executive directors' shareholdings (audited information)

The table below sets out the current shareholdings of the non-executive directors (including beneficial interests and interests of persons closely associated) as at 31 January 2026. The company does not operate a share ownership policy for the non-executive directors but encourages non-executive directors to acquire shares on their own account.

	Number of shares held outright as at 31 January 2026 ¹	Number of shares held outright as at 31 January 2025
Claudia Arney	27,762	27,762
Jeff Carr	210,000	210,000
Sophie Gasperment	10,403	10,110
Bill Lennie	220,000	170,000
Lucinda Riches	15,000	0
Ian McLeod	0	0
Catherine Bradley	20,000	20,000
Rakhi Goss-Custard	6,124	6,124

¹The shareholdings set out above for Catherine Bradley and Rakhi Goss-Custard are as at 23 June 2025 when both stepped down as directors.

There have been no changes to the beneficial interests of the non-executive directors between 31 January 2026 and 23 March 2026.

Statement on the implementation of the Remuneration Policy for 2026/27

Implementation of the Policy for executive directors for the year ahead

Base salary	A 2.5% salary increase will be awarded to Thierry Garnier and Bhavesh Mistry effective from 1 April 2026. Their new salaries will therefore be £959,600 and £661,130 respectively. The salaries are in line with the Policy and the increase is in line with that offered to the wider UK head office workforce and lower than what is offered to store colleagues.
Benefits	Will be implemented in line with the Policy.
Pension	12.5% of salary cash allowance in lieu of pension contributions, which is in line with the offering to the wider UK workforce. This is in line with the Policy.
Annual Bonus	<p>Will be awarded in line with the Policy.</p> <p>The 2026/27 Annual Bonus will have a maximum opportunity of 200% of salary for the CEO and 190% of salary for the CFO and will be judged based on the achievement of financial and individual measures, as set out below:</p> <ul style="list-style-type: none"> - 40% LFL sales growth - 40% Adjusted pre-tax profit - 20% Individual measures <p>A holistic assessment of Group performance will also be taken into consideration.</p> <p>Any bonus earned over 100% of salary will be deferred into shares for three years subject to the shareholding requirement being met.</p> <p>In the opinion of the Committee, the details of the Annual Bonus measures and targets for 2026/27 are commercially sensitive as they closely align with annual business priorities and accordingly are not disclosed. These will be disclosed in the 2026/27 Annual Report and Accounts.</p>
Performance Share Plan	<p>Will be awarded in line with the Policy.</p> <p>The 2026 Performance Share Plan awards will be granted at the next available grant date. The CEO will be granted an award of the value of 275% of salary at date of grant with the CFO receiving a grant of 260% of salary. The performance conditions attached to the vesting of awards are as follows:</p> <ul style="list-style-type: none"> - 25% EPS - 25% Cumulative FCF - 25% Relative TSR - 25% ESG measures (Climate change, Sustainable Home Products, Gender diversity) <p>Details of the target ranges for the 2026 PSP are detailed on pages 94 and 95.</p> <p>Performance will be measured over three years, with awards vesting three years after the grant date. Any vested awards will be subject to an additional two-year holding period.</p>

Directors' remuneration report continued

Implementation of the Remuneration Policy for non-executive directors for the year ahead

	Fees £'000		% increase
	As at 1 February 2026	As at 1 February 2025	
Chair ¹	544.9	531.7	2.5%
Non-executive director fee	74.2	72.4	2.5%
Senior Independent Director fee	21.5	21.0	2.4%
Audit Committee Chair	21.5	21.0	2.4%
Remuneration Committee Chair	21.5	21.0	2.4%
Responsible Business Committee Chair	21.5	21.0	2.4%
Audit Committee member	10.7	10.5	1.9%
Remuneration Committee member	10.7	10.5	1.9%
Responsible Business Committee member	10.7	10.5	1.9%

1. Part of the Chair's fee relates to a contribution to the cost of her assistant per annum.

The Board reviewed the non-executive directors' fees in 2025/26 and agreed, effective 1 February 2026, that the base fee will increase by 2.5% to £74,200. It was also agreed that the Senior Independent Director, Committee Chair and member fees would increase to £21,500, £21,500 and £10,700 respectively.

Separately, in respect of the company Chair's fee, the Committee has agreed to award a 2.5% increase to the total current combined fee of £531,700 (comprising a core £506,400 fee plus up to £25,300 towards the cost of an assistant). This increases the combined fee to £544,900 (core fee of £519,000 plus up to £25,900 towards an assistant).

The increases for non-executive directors and Chair are in line with the increase being implemented for the wider UK head office workforce.

Service contracts/letters of appointment

	Date of service contract/letter of appointment	Expiry of current term
Claudia Arney	20 June 24	31 October 27
Bhavesh Mistry	13 January 25	12 months rolling
Jeff Carr	1 June 18	31 May 27
Thierry Garnier	25 September 19	12 months rolling
Sophie Gasperment	1 December 18	30 November 27
Bill Lennie	1 May 22	30 April 28
Lucinda Riches	1 January 25	31 December 27
Ian McLeod	20 January 25	19 January 28

Copies of the executive directors' service contracts and the non-executive directors' letters of appointment are held at the company's registered office address and are available to shareholders for inspection on request. Requests should be sent by email to shareholderenquiries@kingfisher.com.

The Remuneration Report has been approved by the Board of Directors and signed on its behalf by:

Lucinda Riches

Chair of the Remuneration Committee

23 March 2026

Directors' report

This report sets out the information the company and the Group are required to disclose in the Directors' report in compliance with the Companies Act 2006 (the Act), the Financial Conduct Authority's UK Listing Rules (UK Listing Rules or UKLR), the Disclosure Guidance and Transparency Rules (DTRs), and the UK Corporate Governance Code 2024 (the Code). This report should be read in conjunction with the Strategic report on pages 2 to 51 and the Corporate Governance report on pages 52 to 114. In accordance with Section 414C(11) of the Act, the company has decided to include certain matters in its Strategic report that would otherwise be required to be disclosed in this Directors' report. Together, the Strategic report, this Directors' report, and other sections of the Corporate Governance report incorporated by reference, when taken as a whole, form the Management report as required under DTR 4.1.5R.

The table below sets out the location of applicable disclosures incorporated into the Directors' report, by reference. The majority of the disclosures required under UKLR 6.6.1R are not applicable to the Group except for those referenced in the table below or included in the disclosure on page 101.

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Articles of Association (Articles)

The Articles of the company may be amended by special resolution of the shareholders. The Articles are available on the company's website.

Branches

The Kingfisher Group, through various subsidiaries, has established branches in a number of countries in which the business operates.

Directors

The Board and their biographical details are set out on pages 55 and 56. Details of the directors' interests in the shares of the company can be found in the Directors' remuneration report on pages 93 and 97. Directors are appointed and replaced in accordance with the Articles, the Act, and the Code. Under the Articles, all directors will retire from office at the next AGM where they will stand for election or re-election by shareholders.

Directors' indemnity arrangements

The directors who served on the Board during the year have been granted a qualifying third-party indemnity, under the Act, which remains in force. The Group also maintains Directors' and Officers' liability insurance in respect of its directors and officers, and the directors of the Group's subsidiary companies. Neither the company's indemnity nor insurance provide cover if an indemnified individual is proved to have acted fraudulently or dishonestly.

Directors' powers

Subject to provisions of the Act, the Articles, and to any directions given by special resolution, the business of the company shall be managed by the Board, which may exercise all the powers of the company.

Borrowing powers

The directors may exercise all the powers of the company to borrow money.

Issue of ordinary shares

The directors were authorised by shareholders at the 2025 AGM to allot shares, as permitted by the company's Articles. During the year, 4,995,089 shares were issued under the terms of the Sharesave Plan at prices between 159.0 pence and 275.0 pence per share.

This resolution was in line with guidance issued by the Investment Association and remains in force until the conclusion of the 2026 AGM, or if earlier, until close of business on 22 September 2026. The company will seek to renew this standard authority at the 2026 AGM.

Directors' report continued

Purchase of own shares

The Group's objectives in managing capital are to: invest in attractive growth opportunities; deliver sustainable dividend growth; provide capital returns to shareholders; and maintain financial resilience and an efficient balance sheet. If surplus capital remains after having achieved all these objectives, the Board will return surplus capital to shareholders primarily via share buyback programmes.

In March 2025, the company announced the return of £300m of surplus capital via a share buyback programme (the Programme). This Programme is carried out under the authority granted by shareholders for the company to purchase its own shares.

Shareholders approved a resolution at the 2025 AGM for the company to make purchases of its own shares up to a maximum of 10% of its issued share capital.

During the year, a total of 88,298,427 ordinary shares, with a nominal value of 15^{5/7} pence per share, were repurchased under the Programme at an average price of £2.89 per share, for a total consideration of £255m (excluding stamp duty). This represents 5.2% of the company's issued share capital at 31 January 2026.

The Programme completed on 5 March 2026. Between 1 February 2026 and 5 March 2026, 20,206,052 ordinary shares of 15^{5/7} pence per share were purchased, bringing the total shares purchased to 98,363,711 as at 5 March 2026, at an average price of £3.05 per share, and for a total consideration of £300 million (excluding stamp duty). The total shares purchased between 1 February 2026 and 5 March 2026 represent 1.2% of the company's issued share capital.

All shares purchased under this authority have been cancelled. This resolution is in line with guidance issued by the Investment Association and remains in force until the conclusion of the 2026 AGM, or if earlier, until close of business on 22 September 2026. The company will seek to renew this standard authority at the 2026 AGM.

Conflicts of interest

The company has robust procedures in place to identify, authorise and manage potential or actual conflicts of interest, and these procedures have operated effectively during the year. Where potential conflicts arise, they are reviewed, and if appropriate, approved by the Board. Processes for managing such conflicts are put in place to ensure no conflicted director is involved in any decision related to their conflict.

→ [Directors' other key appointments are set out in the directors' biographies on pages 55 and 56.](#)

Dividends

The interim dividend of 3.80p per ordinary share was paid on 14 November 2025. The Board is recommending a final dividend of 8.60p per ordinary share, making a total ordinary dividend for the year of 12.40p per ordinary share. The total final dividend for the year ended 31 January 2026, based on the issued share capital as at 31 January 2026, is expected to be c. £147 million. The final amount may vary depending on share movements between the balance sheet and payment date. Subject to the approval of shareholders at the 2026 AGM, the final dividend will be paid on 3 July 2026 to shareholders on the register on 29 May 2026.

The Kingfisher Employee Benefit Trust, Wealth Nominees Limited (the Trust), waived the following dividends payable by the company in respect of the ordinary shares it held. The Trustee has agreed to waive its rights to all dividends payable on the ordinary shares held in the Trust:

Dividend	Number of shares waived (% of holding)	Total value of dividends waived
Final 2024/25 (paid June 2025)	17,147,972 100%	£1,474,725.59
Interim 2025/26 (paid November 2025)	14,173,977 100%	£538,611.13
Total for year to 31 January 2026		£2,013,336.72

Major shareholdings

As at 31 January 2026, the company had been notified under Rule 5 of the DTRs of the following interests in voting rights in its shares. The information below was calculated at the date on which the relevant disclosures were made in accordance with the DTRs; however, the percentage of total voting rights held by each may have changed since the company was notified.

	% of total voting rights
Silchester International Investors LLP	10.97
BlackRock, Inc.	7.67
T. Rowe Price Associates, Inc.	4.95
Norges Bank	3.54

The following notifications were received after 31 January 2026 up to 23 March 2026:

	% of total voting rights
Silchester International Investors LLP	9.97

Political donations

The company made no political donations during the year (2024/25: £nil) and does not intend to make any political donations in the future.

As is our policy and practice, the company will continue to seek shareholder approval annually to enable us to make donations or incur expenditure in relation to political parties, other political organisations, or independent election candidates. This authority is sought on a precautionary basis to avoid any unintentional breach of the relevant provisions set out in the Act.

Research and development

The company undertakes research and development activities to develop its digital capability. In addition, the company undertakes product development activities using learnings gained by understanding our customers' challenges living and working at home and engaging with home improvement projects.

→ [More information is available on pages 2 to 51 of the Strategic Report.](#)

Share capital

The share capital of the company comprises ordinary shares of 15^{5/7} pence per share. All the company's issued shares are fully paid up and each share carries the right to one vote at general meetings of the company. The issued share capital of the company, together with movements in the company's issued share capital during the year, are shown in note 29 to the consolidated financial statements. The Articles contain provisions governing the ownership and transfer of shares.

The holders of ordinary shares are entitled to receive the company's Annual Report and Accounts, to attend and ask questions at general meetings, to appoint proxies and to exercise voting rights. There are no restrictions on the transfer of ordinary shares or on the exercise of voting rights attached to them, except (i) where the company has exercised its right to suspend voting rights or to prohibit their transfer following the omission of their holder or any person interested in them to provide the company with information requested by it in accordance with Part 22 of the Act, or (ii) where their holder is precluded from transferring or otherwise dealing with the shares or exercising voting rights by the UK Listing Rules, the City Code on Takeovers and Mergers, or applicable Government sanctions. No person has any special rights of control over the company's share capital and all issued shares are fully paid.

The company has a Sponsored Level 1 American Depositary Receipt programme in the United States.

Significant agreements – change of control

There are a number of agreements that take effect, alter or terminate upon a change of control of the company following a takeover bid. These are deemed to be significant in terms of their potential impact on the business of Kingfisher as a whole.

These are:

- The £650 million revolving credit facility dated 28 May 2021, as amended and restated on 31 May 2024, between the company, National Westminster Bank plc (as the facility agent) and the banks named therein as lenders, which provides that, subject to certain exceptions, in the event of a change of control of the company, a lender will not be obliged to fund a utilisation request and may notify the agent that they wish to cancel their commitment resulting in the commitment of that lender being cancelled and all outstanding loans, together with accrued interest, becoming immediately due and payable to that lender.
- The £50 million loan facility dated 23 December 2022 between the company and National Westminster Bank plc, as amended and restated on 18 June 2025, which contains a provision such that in the event of a change of control, the bank will not be obliged to fund a utilisation request and may cancel its commitment whereupon all outstanding loans together with accrued interest will become immediately due and payable.
- The £50 million loan facility dated 16 January 2023 between the company and Caixabank, S.A., United Kingdom Branch, as amended and restated on 28 July 2025, which contains a provision such that in the event of a change of control, the bank will not be obliged to fund a utilisation request and may cancel its commitment whereupon all outstanding loans together with accrued interest will become immediately due and payable.

There are no agreements in place with any director or officer that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the company's share incentive schemes may cause options and awards granted under such schemes to vest on a takeover.

Information required by UKLR 6.2.23R

In its Q3 Trading Update to 31 October 2025, the company provided the following guidance for the financial year ending 31 January 2026:

- Adjusted Profit Before Tax of c. £540m to £570m (previously c. £480m to £540m); and
- Free Cash Flow guidance of c. £480m to £520m.

For the purpose of UKLR 6.2.23R, the company confirms that 2025/26 Adjusted Profit Before Tax was £560 million and Free Cash Flow was £512 million, both in line with previously announced guidance.

Disclosure of information to auditor

Each person who is a director at the date of approval of this report confirms that:

- So far as he or she is aware, there is no relevant audit information of which the company's auditor is unaware.
- Each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Act.

Directors' report approval

The Directors' report was approved by a duly authorised committee of the Board of Directors on 23 March 2026 and signed on its behalf by

Sapna Dutta

General Counsel & Company Secretary

23 March 2026

Statement of directors' responsibilities

Responsibility for preparing the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 (the 'Act'). The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The directors have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 'Reduced Disclosure Framework'. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing the Group financial statements in accordance with IAS 1, 'Presentation of financial statements', the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.
- Make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Act. They are responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation, regulation and practice in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation, regulation and practice in other jurisdictions.

Responsibility statement

The directors confirm that to the best of their knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company and the undertakings included in the consolidation taken as a whole.
- The Strategic Report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.
- The Annual Report and Accounts, taken as a whole, are fair, balanced, and understandable, and provide the information necessary for shareholders to assess the company's position, performance, business model and strategy.

Approval of the statement of directors' responsibilities

The statement of directors' responsibilities was approved by a duly authorised committee of the Board of Directors on 23 March 2026 and signed on its behalf by

Sapna Dutta

General Counsel & Company Secretary

23 March 2026

Our response to the Task Force on Climate-related Financial Disclosures

Governance

Board-level oversight of climate-related risks and opportunities [TCFD Governance (a)]

The governance of climate-related risks and opportunities is integrated into our overarching Kingfisher governance framework. A visual representation of our governance framework is provided in the corporate governance statement on page 53.

Our **Board of Directors** is our highest governing body and assesses the management of principal risks and opportunities, including climate change, and reviews our Responsible Business key performance indicators (KPIs) and our external climate change targets on a quarterly basis. The Board reviews our Responsible Business long-term plan twice a year, which includes updates on our net zero delivery plans. The Board also reviews and approves our annual Responsible Business Report which includes detail on our progress to date for climate-related metrics and targets.

Our **CEO** is accountable for overseeing the delivery of our energy and climate change commitments across the Group, with climate-related responsibilities sitting within various Board and management committees as follows:

- Our **Group Executive** is responsible for identifying, assessing and managing the principal risks, including climate change, and for reviewing and recommending to the Board on an ongoing basis key climate-related commitments and transition plans proposed by management. This includes our Scope 1, 2 and 3 net zero commitments and investment plans. The Group Executive also receives a net zero reporting dashboard three times a year which contains updates on net zero delivery milestones and KPIs.
- Our **Responsible Business Committee** is a committee of the Board and provides collective support and advice to the Group Executive and Board on all matters relating to responsible business practices (including climate change). The Responsible Business Committee met three times in 2025/26 and its report is on page 67.
- Our **Group Climate Committee**, chaired by our Chief Executive Officer, meets three times a year to monitor the company's approach to setting and meeting its climate commitments and assessing climate-related risks and opportunities. It has oversight of the company's approach to developing and delivering its net zero roadmap and related supporting targets. It provides an update to the Group Executive and Responsible Business Committee on key decisions and actions. In 2025, this included reviewing the delivery plans for our Scope 1, 2 and 3 2030 targets detailed on page 114 and reviewing external factors that influence plan delivery such as logistics technology innovations and renewable energy markets.
- Our **Group Investment Committee**, chaired by our Chief Financial Officer, is directly accountable for all capital and revenue expenditure above the threshold reserved for approval at the banner or Group Function level. Energy-related capital investments, which are fully aligned with our Scope 1 and 2 emissions reduction targets, are included in the Committee's remit if investment needed exceeds the required threshold levels for review.

- Our **Audit Committee** is a committee of the Board and reviews updates on Kingfisher's compliance with changing sustainability-related mandatory reporting requirements, including our TCFD disclosures. Internal audit undertakes audits of the ESG landscape as part of its annual plan.

Additionally, **banner boards** oversee their responsible business strategies and climate programmes. They are responsible for implementing the energy-related capital investments approved by the Group Investment Committee, for delivering progress against our Scope 1, 2 and 3 emissions reduction targets, and for approving the commercial considerations behind net zero transition plan delivery. In FY 25/26, banners continued to report on their net zero roadmap development (across all Scopes) and annual progress on target delivery through the net zero dashboard which is reported to the Group Climate Committee and Group Executive.

Information on how our Board engages with stakeholders, including in relation to climate change, is included in our stakeholder engagement section on pages 19 to 22.

Management's role in assessing and managing climate-related risks and opportunities [TCFD Governance (b)]

The day-to-day assessment and management of climate-related risks and opportunities is conducted through several senior management positions and operational teams. Climate-related decisions and actions from the Board and Committees noted above are cascaded to these teams where relevant:

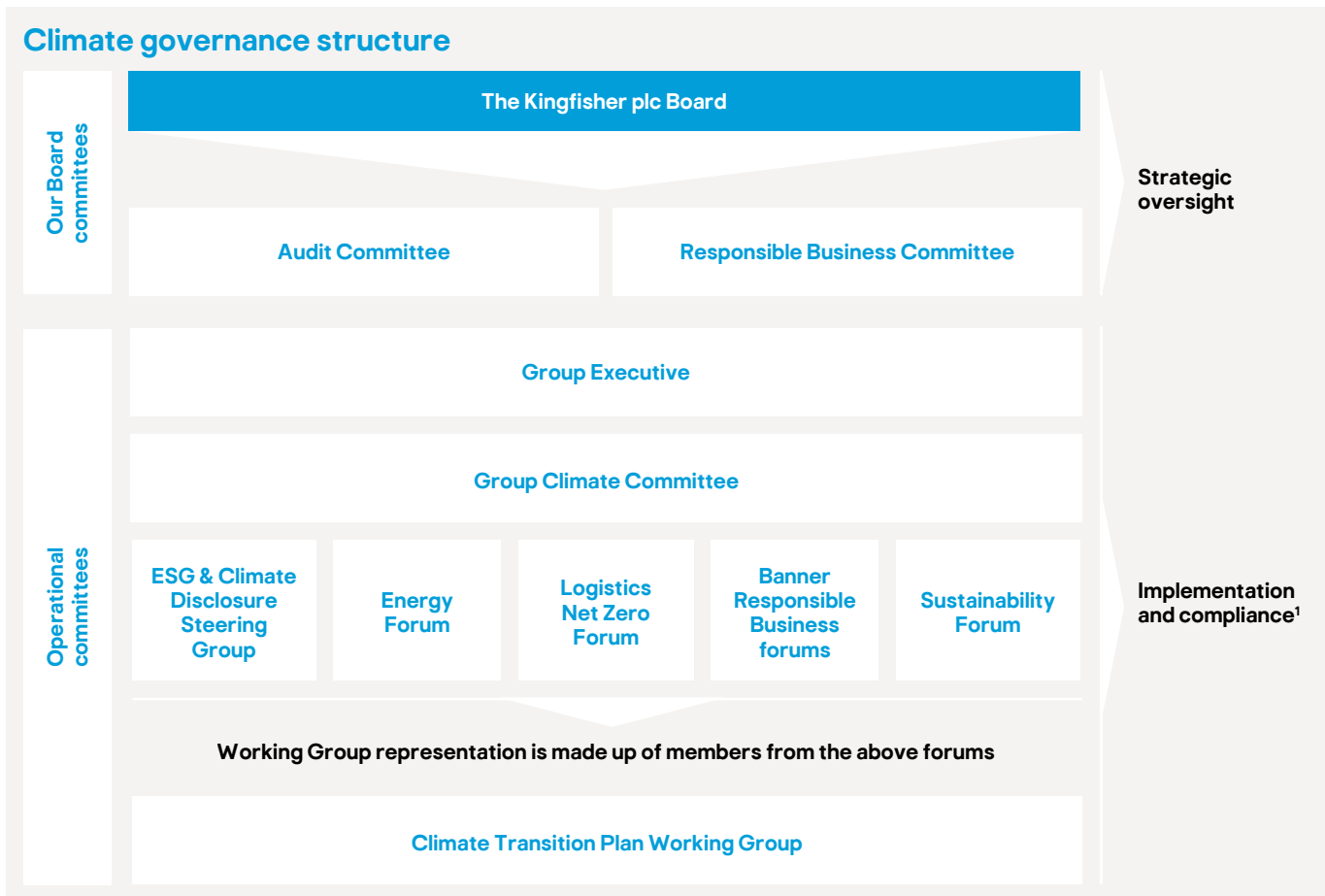
- Our **Responsible Business** team, led by our Director of Responsible Business, is accountable for developing the Group-wide climate change strategy, climate-related risk and opportunity identification and assessment, and for external and internal reporting and communication on climate-related matters to the Board and Board committees. The Responsible Business team agrees the agendas for the Responsible Business Committee and Group Climate Committee with the respective committee chairs, prioritising updates or decisions on key areas of Kingfisher's climate strategy as necessary. This ensures that management communicates to relevant governing bodies on an ongoing basis.
- Within the **Group Offer & Sourcing function**, a Sustainability team is responsible for driving our Scope 3 roadmap and Sustainable Home Products (SHPs) strategy, ensuring our product sustainability requirements are embedded into our own exclusive brand (OEB) and non-OEB product ranges, and collaborating with OEB suppliers to reduce their own emissions. The sustainability team reports its progress on actions, including progress on Scope 3 emissions reduction planning and supplier engagement, to the Group Climate Committee. It also runs a regular **Sustainability Forum** with banner sustainability directors and representatives to help co-ordinate sustainability activity across the Group, including Scope 3 product-related emissions reductions.

Our response to the Task Force on Climate-related Financial Disclosures continued

- Each **banner** is responsible for delivering Scope 1, 2 and 3 emissions reductions in line with Group-wide Scope 1, 2 and 3 science-based targets, and reporting on progress. Banners have their own Responsible Business committees and forums with relevant director representatives (from banner teams and partnering Group Functions such as Responsible Business) that are used to update and grant approval where required on banner climate transition plans.
- The **ESG and Climate Disclosure Steering Group** is chaired by our Director of Responsible Business. It meets a minimum of four times a year and includes participation from different Group Function directors and representatives (including Finance, Legal, Internal Audit and Risk, Responsible Business, and the banners). The Steering Group provides guidance on transition planning and reporting and helps to ensure that these activities are fully integrated into Kingfisher's strategic and financial planning processes. The Steering Group also inputs on relevant updates taken to the Group Climate Committee.
- The **Corporate Reporting Oversight Group** meets at least twice annually and monitors compliance with Kingfisher's mandatory corporate reporting obligations and the regulatory landscape for upcoming changes or amendments to these obligations, which include but are not limited to the Group's climate-related compliance and disclosure requirements.
- The **Climate Transition Plan Working Group** meets on a fortnightly basis and brings together the climate leads from our banners and relevant Group Functions (such as finance, property, logistics and risk). The objective of the working group is to act as a central point of co-ordination for the development of Kingfisher's climate transition plan, ensuring consistency in transition plan development and risk management across all our banners.
- The **Logistics Net Zero Forum** is chaired by a Group Logistics Sponsor through quarterly meetings with banner logistics directors or sustainability representatives to share best practices and industry benchmarking, discuss new technologies, connect with external sustainability experts, and share banner logistics carbon reduction activities, challenges and successes.
- The **Energy Forum** is chaired by the Group Head of Energy and meets quarterly with banner energy and property managers to share best practice across banners, review net zero Scope 1 and 2 activity plans and report on progress against targets.

Enhancing our governance of climate-related risks and opportunities

We are committed to building climate-related capabilities across the Group and continue to monitor where further knowledge and expertise on climate change-related matters is required across the Group. We have reviewed competencies at the Board level using a detailed skills matrix which is subject to regular review (see page 57 for more details) and conclude that the Board consists of members who bring the necessary climate-related expertise. Our Group Climate Committee is chaired by our CEO who is updated regularly on climate-related activities across the Group in addition to external factors such as climate technology updates and trends (see page 103). Our CEO was President of the European DIY Retail Association/the Global Home Improvement Network (EDRA/GHIN) until the end of 2025 and has been engaged in launching the Global Retail Scope 3 Taskforce (called Make it Zero), founded in 2023 by EDRA/GHIN to drive collaboration and innovation across the industry in reducing Scope 3 emissions.



1. Kingfisher employs a number of mechanisms to monitor and prepare for compliance with its mandatory corporate reporting obligations, including climate-related compliance and wider disclosure requirements (note that only climate-focused groups are shown in the governance structure above).

Strategy

Our strategy for identifying climate-related risks and opportunities is informed by our risk management process (see Risk management on page 43, of which our use of climate-related scenario modelling and analysis is a key component). Where material, we consider climate-related risks and opportunities within our strategy development and financial planning. As part of our commitment to responsible business practices, all our retail banners have their own net zero roadmaps and associated cost estimates in place and are required to integrate climate transition plan costs into the annual long-term financial planning process. Climate change and its associated targets (see Metrics and targets section see page 112) is an integral part of our Responsible Business strategy which in turn is a pillar of our commercial strategy.

Our scenario modelling approach is consistent with last year, ensuring alignment with our internal risk management processes and financial reporting. Percentage impact on revenue (based on impact to sales or costs from climate risks and opportunities) has been used as the materiality metric for risk assessment. We also continue to assess net risk, where appropriate to do so, to reflect mitigating actions included within our climate transition plan programme and supporting our science-based targets.

Our response to the Task Force on Climate-related Financial Disclosures continued

Our climate-related risks and opportunities [TCFD Strategy (a, b)]

We have defined risk time horizons of near term (0–3 years), medium term (3–9 years), and long term (10+ years). This reflects the long-term nature of climate-related risks. These time horizons apply solely to our TCFD disclosures and should not be interpreted or relied upon for any other commercial, strategic or financial purposes. We currently model risks to 2040 through our climate-related scenario modelling, as described below.

The timelines considered and rationale for selecting them have been provided in the table below.

Time horizon	Description	Rationale for selection
Near term	0–3 years (2025 – 2028)	Our near-term risk horizons consider the chance of events creating risk exposure over the next three years which is consistent with the Group's strategic planning period and the period over which the principal risks are considered.
Medium term	3–9 years (2028 – 2034)	This time horizon was selected to capture emerging transition risks and opportunities, such as carbon taxes and emerging regulations in the geographies we operate in.
Long term	10+ years (2035 onwards)	Our long-term horizon is influenced by our strategies and targets related to climate change such as our net zero targets (net zero by 2040 for Scope 1 and 2 and net zero by 2050 for Scope 3). As many climate-related physical and transition risks are likely to materialise over a longer term than usual business planning-related risks, selecting this time horizon enables us to consider and discuss the potential climate risks and opportunities relevant for us (and capture the range of uncertainties related to such risks in the long term), while also aligning with relevant long-term global standards and targets. This also covers the long-term investment needed for our climate transition planning.

To guide our disclosure of climate-related risks and opportunities, we define materiality based on risk severity levels according to the results of our scenario analysis (see Table 1 on pages 108 to 111).

Additional impacts of climate-related risks and opportunities on our strategy and financial planning [TCFD Strategy (b)]

Leading the industry in responsible business and energy efficiency is a key component of our 'Powered by Kingfisher' strategy, and we work to integrate responsible business, including climate change-related impacts, into all aspects of our business.

Our 'Powered by Kingfisher' strategy sets out four priority areas for responsible business where we can maximise our positive impact on the lives of our customers, colleagues, communities, and the planet (see page 24). Climate change sits within our 'planet' pillar and is closely linked to our 'customer' pillar which aims to help millions of customers have a greener, healthier home through increasing sales of our Sustainable Home Products (SHP).

Our climate transition plan is built to deliver our science-based emissions reduction targets which include achieving net zero Scope 1 and 2 emissions by FY 40/41, and net zero for our Scope 3 emissions by FY 50/51 (see Metrics and targets section page 112 for more details and how we are performing against targets). We have also set ambitious targets for our Sustainable Home Products (SHP) that help create greener, healthier homes, and have now reached 58.2% of Group sales.

We consider the implications of climate-related risks in our financial planning processes. This includes reviews of climate capital allocation budgets such as costs to deliver on zero-carbon energy and logistics decarbonisation trials and programmes being reviewed by our banners as part of our annual strategic planning process. Climate-related targets are also built into our executive remuneration approach (see Metrics and targets section for details on page 112).

We have a £650m three-year revolving credit facility with a group of our relationship banks. The facility expires in May 2028 and includes targets linked to sustainability metrics, including our Scope 1 and 2 targets, and Sustainable Home Products (SHP) sales targets, which would enable us to access lower borrowing rates.

Please refer to the Governance section (page 103) on how we work to build and maintain our strategic resilience to climate change through effective governance processes.

Our approach to climate scenario analysis [TCFD Strategy (a, c)]

We continue to expand our capabilities and understanding of climate-related risks and opportunities that impact or can potentially impact our business. We do this through a scenario modelling and analysis process, which has been an important tool to assess the Group's strategic and financial resilience to a range of alternative climate futures.

Our scenario modelling capabilities allow us to better understand the exposure of our business to various climate-related risks¹ and impacts across the value chain. This enables us to identify appropriate mitigation measures and regularly review and assess the resilience of our business and strategy against these risks and overall net-zero plans.

Our scenario modelling approach considers climate-related risks globally across our value chain. We assessed operational risks to our value chain at a country geographic level, aligned to our key markets. We determined that some regions were more exposed to physical phenomena from heatwaves and flooding, and certain regions were more exposed to transition risks due to having more stringent public policies covering carbon emissions.

1. Risks can be associated with the physical impacts of climate change (i.e. extreme weather events or long-term shifts in precipitation and temperatures), or with the transition to a lower-carbon global economy (e.g. policy and legal actions, technology change, market responses, and reputational considerations).

We continue to monitor these risks on an ongoing basis to identify any further mitigation actions required in the future. Table 1 on pages 108 to 111 outlines the key modelling assumptions and where net risk¹ has been applied to calculate risks and opportunities. A variety of sources were used to conduct the climate scenario analysis, including Network for Greening the Financial System (NGFS) V5.0, International Energy Agency (IEA) World Energy Outlook 2024, World Bank 2024 Carbon Pricing Dashboard, and Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report (AR6) – Model Intercomparison Project Phase 6 (CMIP6) dataset. We assessed the shortlist of

material risks and opportunities against the following scenarios over short-, medium-, and long-term time horizons, as defined above.

While not designed to provide precise forecasts, the chosen scenarios deliver scientific projections of possible future macroeconomic and environmental states by analysing key global trends and data inputs, such as regulatory impacts and consumer behaviour. Consistent with last year, for FY 25/26, we modelled three climate-warming scenario pathways as explained below.

Climate-warming scenario pathways

Global temperature increase*	Scenario description
1.5°C	Paris Ambition: The net-zero scenario aims to limit global warming to 1.5°C by 2100 through stringent, immediate climate policies and innovations, achieving net zero CO ₂ emissions by 2050. Linked to RCP1.9-2.6 and SSP1-1.9-2.6, it involves significant early transition risks but minimises physical risks. This urgent global policy response aligns with the Paris Agreement's ambition, leading to rapid changes in energy generation, consumer behaviours, and technological innovation. While physical risk increases are limited, transition risks remain high.
2.5°C	Stated Policy: This scenario follows historical social, economic, and technological trends, with the world taking action to limit emission growth but failing to cut emissions in the short term, thus missing the Paris goals. It is linked to SSP2-4.5 and would result in approximately 2.5°C or greater warming by 2050, mitigated by carbon sequestration and storage (CSS). This scenario involves several physical risks and transition risks after 2030. It reflects the implementation of stated climate policies and commitments without further action, leading to medium levels of physical and transition risks in the short term, with increasing physical risks over time. This is considered an intermediate scenario according to the IPCC Sixth Assessment (AR6) report.
>4°C	No further policy action: This scenario assumes that only currently implemented policies are maintained, with no further global action on climate change. Emissions continue to grow, leading to 2.5°C of warming by 2050 and over 4°C by 2100, causing irreversible changes. Linked to SSP5-8.5, it involves minimal early transition risks but results in severe and globally disruptive physical risks. Physical risks increase significantly over time, while transition risks remain low.

* Average global surface temperature increase above pre-industrial levels by 2100.

We have used a revenue or cost percentage to quantify the impact of risks and opportunities in our scenario modelling approach, which aligns with our risk management framework. Consistent with last year, we have modelled the impacts of the eight most material risks and opportunities for our business over three, five and 10 plus year periods. The risks considered in our scenario analysis are modelled independently, reflecting the complexity and uncertainty associated with measuring the interconnectivity of risks.

The impacts have been rated as 'limited', 'minor', 'moderate', 'major' or 'severe' to reflect the relative financial materiality of each risk under each scenario. The impact thresholds are aligned with the risk management thresholds in our risk management framework. For the purposes of modelling, we have not applied any pass-through assumptions (e.g. passing risk-based costs onto the customer via mark-ups).

The results of our analysis are reported to our ESG & Climate Disclosure Steering Group and members of the Group Climate Committee, to ensure cross-functional and Executive-level decision making on the management of climate-related risks

and opportunities. Further information around the governance on climate-related risks and opportunities has been provided in the TCFD Governance section on page 103.

Scenario analysis results [TCFD Strategy (c)]

The financial impacts identified in Table 1 (see page 108) reflect the estimated impact from climate change across our defined time horizons. This allows comparison of different risks, whether physical or transition, within a standard framework. A qualitative strategic response and mitigation actions implemented across the business for each risk and opportunity have been included in the scenario results below. These measures are intended to build the operational, regulatory, and supply chain resilience of our business to climate change impacts. Changes in the modelling results between this year and last year can largely be attributed to updates to external input data, and any further changes to the methodology or assumptions that have materially affected the models are stated in the 'Climate related risk/ opportunity modelled' column of Table 1. Note that for all risks and opportunities, the Brico Dépôt Romania business has been removed from modelling data for FY 2025/26 following its sale in May 2025.

1. Net risk reflects the delivery of mitigation actions included within our climate transition plan programme and supporting our science-based targets.

Our response to the Task Force on Climate-related Financial Disclosures continued

Table 1: Results of scenario analysis

The table below outlines the key modelling assumptions used to calculate risks and opportunities. Net risk, which assumes we deliver our climate transition plan actions and targets, has been applied where relevant. This is indicated in the 'key modelling assumptions' column and is consistent with the approach used in 2024/25.

Key: potential materiality impact on Kingfisher based on revenue or cost as a percentage of total revenue.

Type of risk/opportunity	Limited	Minor	Moderate	Major	Severe
Impact on revenue	<2.5% of revenue	2.5%-5.0% of revenue	5.0%-7.5% of revenue	7.5%-10.0% of revenue	>10% of revenue
Impact on cost	<0.25% of revenue	0.25%-0.50% of revenue	0.50%-0.75% of revenue	0.75%-1.0% of revenue	>1.0% of revenue

Note: For the time horizons in Table 1, 3 years = near term, 5 years = medium term, 10 years = long term, as described in the timeline descriptions on page 106.

Climate-related risk/opportunity modelled	Key modelling assumptions	Impact on sales/cost (see key above for materiality impact)			
		1.5°C	2.5°C	>4°C	
1. Transition risk: Liability risk Increased costs of compliance with a growth in climate-related regulations and frameworks.	i. Reviewed as a net risk with costs calculated based on assumed compliance with climate related regulation. ii. Kingfisher long-term projected growth rates used as a proxy to extrapolate current legal spend out to 2040. iii. Carbon price growth rate used as a proxy to extrapolate ESG compliance-related legal spend out to 2040 as this is viewed as the most mature regulation-based climate metric. iv. Rate of decarbonisation measured using the rate at which UK/EU emissions intensity reduces used as a proxy to extrapolate out responsible business spend out to 2040. This was utilised as a proxy as it is expected that the market and Kingfisher will need to spend more in order to align with and contribute to the decarbonisation in these economies.	3-year impact	Limited	No impact	No impact
		5-year impact	Limited	Limited	Limited
		10-year impact	Limited	Limited	Limited
Implications for resilience and strategic response/mitigation actions					
Results vs 2024/25 Key modelling assumptions and impact of sales/costs are similar to last year.	Potential financial implications: <ul style="list-style-type: none"> - Increased costs of compliance with a growth in climate-related regulations and frameworks. This calculation assumes Kingfisher will be compliant with regulations and would not incur any penalties or financial losses arising from non-compliance. 				
	Strategic response/mitigation actions: <ul style="list-style-type: none"> - We will continue to monitor the regulatory landscape and ensure that new legislative requirements are identified and flagged with sufficient time to plan compliance-related work, which will enable effective management of the required mitigation actions within our business. - Through the ESG and Climate Change Disclosure Steering Group, we have strong governance and robust planning processes in place to meet regulatory requirements in a timely manner. 				

Climate-related risk/opportunity modelled	Key modelling assumptions	Impact on sales/cost (see key above for materiality impact)			
		1.5°C	2.5°C	>4°C	
<p>2. Transition risk: Carbon pricing Increased cost of carbon driven by policies/regulations.</p> <p>Results vs 2024/25 Key modelling assumptions and impact of sales/costs are similar to last year.</p>	<p>i. Reviewed as a net risk with costs calculated based on assumed carbon reduction in line with Kingfisher's climate transition plan.</p> <p>ii. Assume the 2024/25 emissions mix and markets remains static over the reporting period.</p> <p>iii. Scope 1, 2 and 3 emissions are assumed to decrease in line with Kingfisher's climate transition plan targets.</p> <p>iv. Model focuses on the compliance carbon market i.e. carbon taxes and emissions trading systems (ETS), including geographical coverage. Carbon Border Adjustment Mechanism (CBAM)¹ impact is also included.</p> <p>v. Scope 1, 2 and upstream Scope 3 category 1 have been considered. For these emissions, the industry carbon price by operating country has been applied.</p> <p>vi. Scope 3 downstream emissions (which relate largely to customer product use) have not been included due to incomplete data to assess carbon pricing on this emission type and the impact this would have on customer purchasing.</p>	3-year impact	Minor	Minor	Limited
		5-year impact	Moderate	Moderate	Limited
		10-year impact	Moderate	Moderate	Limited
		Implications for resilience and strategic response/mitigation actions			
		Potential financial implications:			
		<ul style="list-style-type: none"> - Increased costs of raw materials as suppliers may potentially pass through carbon costs of raw materials-related emissions (upstream Scope 3 emissions) to the buyer. - Potential increased operational costs (Scope 1 and 2) due to carbon costs of direct emissions. 			
<p>3. Transition risk: Reputation risk Decreased revenue if consumers move to competitors they perceive to be more sustainable.</p> <p>Results vs 2024/25 Key modelling assumptions and impact of sales/costs are similar to last year.</p>	<p>i. Reviewed as a gross risk based on Kingfisher not implementing climate transition plans or meeting climate-related targets which then shifts customer perception to perceive competitor retailers to be more sustainable.</p> <p>ii. % of climate conscious customers who purchase products from more environmentally sustainable companies. The climate conscious customers' demand is determined by emissions intensity between Kingfisher's banners and their peers.</p>	3-year impact	Limited	Limited	Limited
		5-year impact	Limited	Limited	Limited
		10-year impact	Limited	Limited	Limited
		Implications for resilience and strategic response/mitigation actions			
		Potential financial implications:			
		<ul style="list-style-type: none"> - Reduced revenue if consumers switch to competitors, perceiving our business as less sustainable than our peers. - Risk will tend to be higher in the net zero scenario if peers are decarbonising at a faster rate than Kingfisher, as customers may boycott more carbon intensive businesses. - On a gross risk basis, reputation risk is anticipated to have limited impact on Kingfisher. With successful implementation of our transition plan and attainment of our emissions targets, we would anticipate an opportunity. 			
Strategic response/mitigation actions:					
<ul style="list-style-type: none"> - A key pillar of our Responsible Business strategy is our commitment to reducing our emissions in line with the UN's goal to limit global warming to 1.5 degrees (see Metrics and targets below). - We actively manage our climate transition plan and are continuing to disclose our progress against plan (including through voluntary disclosure such as CDP). - We will continue to enhance communication of energy and water saving products to customers via sustainability customer communications underpinned by our green star programme. 					

1. The Carbon Border Adjustment Mechanism (CBAM) is an EU regulation impacting the import of high carbon products into the European Union.

Our response to the Task Force on Climate-related Financial Disclosures continued

Climate-related risk / opportunity modelled	Key modelling assumptions	Impact on sales/cost (see key above for materiality impact)			
		15°C	2.5°C	>4°C	
4. Physical risk: Key facility disruption risk Increased cost due to frequency and intensity of extreme weather events, which may cause damage to facilities. Results vs 2024/25 Key modelling assumptions and impact of sales/costs are similar to last year.	i. Reviewed as a gross risk as any local adaption measures such as flood protection across our estate have not been accounted for (this is something we will look to review next year). ii. Kingfisher-owned and leased stores and distribution centres are included in the analysis, other facilities such as offices are excluded. iii. Assumes that damage to facilities and operational disruption will be covered by insurance. iv. Insurance premiums are expected to increase over time, in line with the financial damage forecasted without insurance coverage.	3-year impact	Limited	Limited	Limited
		5-year impact	Limited	Limited	Limited
		10-year impact	Limited	Limited	Limited
		Implications for resilience and strategic response/mitigation actions Potential financial implications: - The most material impact is expected due to fluvial flooding at high-risk stores across banners where higher risks are expected to be reflected through higher insurance premiums. Strategic response/mitigation actions: - We maintain robust continuity planning and insurance programmes. - We incorporate climate change factors into the planning and design of new stores, refurbishment projects and preventative maintenance programmes. We run preventative maintenance programmes for stores and facilities previously impacted by extreme weather events.			
5. Physical risk: Raw material supply risk: Timber supply chain Increased costs due to changes in the global climate which impact the availability of raw materials, such as wood and paper. Results vs 2024/25 Key modelling assumptions and impact of sales/costs are similar to last year.	i. Reviewed as a gross risk where the impact of wildfire in a given region has been used to directly correlate to an increase in raw material price. ii. The scope of raw materials covers 60+ species of wood, increasing the scope of last year's report which was limited to three species. iii. The baseline price of timber increases with the fraction of the forest area that is exposed to wildfires, i.e. there is a direct correlation between wildfire exposure and timber price.	3-year impact	Limited	Limited	Limited
		5-year impact	Limited	Limited	Limited
		10-year impact	Limited	Limited	Limited
		Implications for resilience and strategic response/mitigation actions Potential financial implications: - Changes in the global climate leading to wildfires will likely impact the availability of high-quality supplies of certain wood species. This may affect wood and paper prices and increase costs for Kingfisher. Strategic response/mitigation actions: - We will continually review key suppliers by category to establish capacity and volumes and assess the impact of an interruption in supply. Our supplier strategy includes guidance on when to use more than one supplier to increase resilience. Risk is monitored via meetings with banners which cover updates on wood and paper related regulations and compliance.			
6. Physical risk: seasonal products Decreased revenue due to fluctuations in seasonal weather patterns, which affect the demand for seasonal products. Results vs 2024/25 Key modelling assumptions and impact of sales/costs are similar to last year.	i. Reviewed as a gross risk as climate transition plans are not directly related to seasonal products. ii. Quantify the footfall and the impact of seasonal products revenue loss due to increased precipitation during the summer and warmer winter weather. iii. Seasonal products are categorised by Kingfisher's product category framework.	3-year impact	Limited	Limited	Limited
		5-year impact	Limited	Limited	Limited
		10-year impact	Limited	Limited	Limited
		Implications for resilience and strategic response/mitigation actions Potential financial implications: - Revenue loss increases over time, with the highest impact occurring in the 'No Further Policy Action' scenario (>4°C), however the risk across all of these remains 'limited.' Strategic response/mitigation actions: - Focusing on driving online sales through marketing can combat reduced footfall. - Review adapting seasonal product ranges to reflect changing climate patterns and to support customers improving the climate resilience of their homes.			

Climate-related risk / opportunity modelled	Key modelling assumptions	Impact on sales/cost (see key above for materiality impact)			
		1.5°C	2.5°C	>4°C	
7. Transition opportunity/risk: Resource efficiency Decreased/increased cost due to moving away from carbon intensive sources. Results vs 2024/25 Savings have decreased vs last year due to higher forecasted electricity costs per kwh compared to prior year estimations resulting in a higher overall energy cost forecast.	i. Reviewed as a net opportunity where reduction in gas consumption aligns with Kingfisher's net zero delivery plan across banners.	Limited	Limited	Limited	
	ii. The energy costs for Kingfisher in the year 2024 are projected forwards using factors that predict how much energy prices will increase by due to various climate-related scenarios.	Limited	Limited	Limited	
	iii. Carbon tax has not been included in calculations as this is included in carbon policy risk.	Limited	Limited	Limited	
	Implications for resilience and strategic response/mitigation actions				
Potential financial implications: <ul style="list-style-type: none"> - Increased costs linked to higher electricity costs compared to gas per kwh in some markets could result in a higher overall energy costs. - Cost savings associated with moving away from and reducing the volume of more expensive and carbon-intensive sources of energy (e.g. lowering emissions intensity within operations, moving to more energy efficient buildings, and heating electrification). 					
Strategic response/mitigation actions: <ul style="list-style-type: none"> - Continued transition to renewable energy sources and work on implementing energy efficiency measures within stores and distribution centres. - Considering more on-site energy generation where feasible. 					
8. Transition opportunity: Consumer preference Increased revenue due to consumers' purchasing behaviours shifting towards more sustainable products.	i. Reviewed as a net opportunity based on the continued sale of SHP and Green-Star rated products.	Limited	Limited	Limited	
	ii. Assumes the 2024/25 product mix and markets remain static and Kingfisher growth rate was used to grow the sales. Scope of review included Green Star-rated products and products scoring A+ and A in our Sustainable Home Product (SHP) guidelines as these products have the highest sustainability criteria and are potentially more likely to have customer focus.	Limited	Limited	Limited	
	iii. Modelling assumes different consumer uptake in sustainable products based on product type (e.g. energy saving or water saving).	Limited	Limited	Limited	
	iv. The model assumes there is a potential opportunity for the growth of sustainable products to offset the lost sales of less sustainable products.	Limited	Limited	Limited	
Implications for resilience and strategic response/mitigation actions					
Potential financial implications: <ul style="list-style-type: none"> - Consumers' purchasing behaviours are shifting towards more sustainable products, which creates a risk of decreased sales for products on the SHP watch list. Conversely, there is an opportunity for increased sales of Green Star products and other sustainable products (categorised as SHP A and A+). 					
Strategic response/mitigation actions: <ul style="list-style-type: none"> - We have established a headline target to achieve 60% of Group sales from SHP products by the end of FY 25/26 (and 70% from our SHP OEB products and services) – see page 46 for our progress against these targets. Our Green Star products help to make greener, healthier homes more affordable and can support the delivery of national net zero targets. We are also taking action to reduce the embodied carbon in our product ranges, in line with our Scope 3 carbon targets. - Continue to expand our energy saving product ranges across our banners to support customers in reducing household energy costs and emissions (e.g. schemes such as the B&Q Energy Saving Service in the UK (launched in 2022), and the Clean Air Programme in Castorama Poland (launched in 2023) which aims to improve thermal insulation and reduce energy consumption and sources of air pollution in houses aged 10 years or more. - Enhance communications of energy and water saving initiatives/performance of our products to customers. 					

Our scenario analysis results remain broadly consistent with last year and do not identify any significant impacts on our business model over the three-year time horizon assessed, and therefore no changes in strategy are required beyond those already being implemented to decarbonise our business in line with limiting global temperature increases to 1.5°C. The risk associated with policy (carbon pricing) has a greater impact on costs (through suppliers passing on carbon costs linked to materials, and taxes on direct emissions) compared to other risks and this is the only risk which sees 'moderate' risk level over five and 10 year time horizons. This increase in carbon pricing risk is due to the costs of carbon driven by policy and regulation increasing under 1.5°C and 2.5°C warming scenarios. We will continue to expand our use of scenario analysis to test our resilience to climate-related risk, and to inform our strategic and financial planning, in line with the TCFD recommendations. Based on our assessment, we believe that our current strategy is resilient to the impacts of climate change, however we are continuing to monitor this over the medium and long term and will take appropriate actions.

The alignment of the scenarios discussed above, and the assumptions and sensitivities identified in Table 1 with our financial statements, is described on page 144.

Our response to the Task Force on Climate-related Financial Disclosures continued

Risk management

The process and steps we follow to identify, assess and manage climate-related risks are integrated into Kingfisher's overall risk management framework to ensure consistency of approach. We also recognise that climate change presents opportunities for us to create value for our stakeholders and differentiate ourselves in the market. Further disclosure relating to our consideration of any climate-related opportunities is included in the strategy section on page 105.

Processes for identifying and assessing climate-related risks [TCFD Risk Management (a, c)]

To identify our risks and opportunities, we conduct climate scenario modelling testing on an annual basis. This enables us to identify any new or emerging risks that we need to include within our risk management process. All climate-related risks are assessed annually and included in our Group Responsible Business risk register managed by the Responsible Business team.

We also use the annual scenario modelling exercise to assess our risks. The risks modelled through the scenario analysis are incorporated into our Group Responsible Business risk register and assessed according to their likelihood of occurrence and their potential financial, legal, business continuity and/or reputational impacts. Using five different impact levels, and five different likelihoods, enables us to plot each risk on a 5 x 5 matrix. The location of a risk on this matrix determines the risk severity level. This is similar to the process followed for other Group business risks and enables us to prioritise climate-related risks. It also helps us determine their relative strategic significance when compared to the other Responsible Business risks and Group risks.

The risk process at Kingfisher uses a three-year outlook, however recognising the long-term nature of climate-related risk, we have developed a climate-specific risk matrix within the Responsible Business risk register which reviews risk on near-term (0-3 years), medium-term (3-9 years) and long-term (>10 years) time horizons. Our Group-level climate-related risks, including existing and emerging regulatory requirements related to climate change, are identified and assessed as part of our annual review of our Group Responsible Business risk register.

Scrutiny on the validity and reliability of our response to climate-related risks continues to increase each year. This means that we need to constantly focus on ensuring that our approach and efforts to reduce our greenhouse gas emissions in line with climate science are robust and stand up to changing external expectations. Climate change continued to be a principal risk in FY 25/26. A full description of our principal risks, setting out their link to Kingfisher's strategic priorities and how these risks are assessed, can be found on pages 43 to 48. Our analysis does not currently identify any significant impacts on our activities over our three-year planning horizon. However, if we fail to monitor, understand and act upon the opportunities and risks of climate change, this could impact our long-term profitability.

Kingfisher's processes for managing climate-related risks [TCFD Risk Management (b, c)]

To manage and monitor our risks, we review every risk across all severity levels ('limited', 'minor', 'moderate', 'major' or 'severe'), including existing and emerging regulatory requirements related to climate change (e.g. carbon pricing risk within our scenario analysis), within the Group Responsible Business climate risk register, and develop mitigation management plans as required. This approach reflects the inherent uncertainty in how climate-related risks and opportunities may impact our business in the future. Our approach to managing each identified climate-related risk and opportunity (as identified from our scenario modelling process) is included in Table 1 on pages 108 to 111. Our climate risks and opportunities linked to scenario analysis are also reviewed annually by our ESG and Climate Disclosure Steering Group.

As climate change is considered a principal risk, we have procedures in place and follow a similar process as for other business principal risks. The Group Climate Committee monitors and assesses the company's approach to assessing climate-related risks and opportunities and the Group Executive and Board review the nature, likelihood and impact of the Group principal risks annually along with any changes since the previous review. This includes reviewing the mitigating actions to ensure that these risks are proactively managed.

Within the business, each banner and Group Function is responsible for implementing appropriate actions and having controls and procedures in place to manage and monitor their identified risks and to verify that the controls operate effectively. For example, climate-related risks in relation to raw materials for our OEB products in the supply chain are managed by our Offer & Sourcing team responsible for buying goods for resale.

Metrics and targets

We continually review our climate change metrics and targets to ensure that we are providing the information the business and our stakeholders need to effectively monitor our performance against our climate-related commitments, and our progress in building resilience against different climate-related risks identified.

Metrics for assessing climate-related risks and opportunities [TCFD Metrics and targets (a, b)]

We have identified and established specific metrics, as indicated in Table 2 (see page 113), to assess and monitor the most significant risks and opportunities arising from climate change.

Detailed performance data for these metrics and progress achieved against the targets, along with historical data for comparative purposes, has been provided under Streamlined Energy and Carbon Reporting on pages 28 to 30.

Table 2: Kingfisher metrics and targets for identified climate-related impacts [TCFD Metrics and targets (a, c)]

Climate risk identified	Target	Metrics	Methodology, any key estimates/assumptions or changes from previous year ¹
Transition risks			
Liability	- N/A	- Increased costs.	- Reviews increased costs of compliance with a growth in climate-related regulations and frameworks. Methodology outlined on page 108. - We remain committed to disclosing against our climate-related targets and building on our disclosure for net zero transition planning.
Carbon-pricing	- Deliver our science-based targets for FY 25/26 to reduce Scope 1 and 2 emissions by 37.8% in absolute terms (from a FY 16/17 baseline). - Reduce Scope 3 emissions by 40% per £m of turnover (from a FY 17/18 baseline) ¹ . - Deliver on our new near-term science-based targets for FY 30/31 to reduce absolute Scope 1 and 2 emissions by 70.2% and Scope 3 emissions by 46% (from a FY 17/18 baseline).	- GHG emissions – Scope 1, 2 and 3.	- Absolute, market-based. Scope 1 and 2 GHG emissions in the calendar year for Kingfisher Group. Follows the GHG protocol. Limited Assurance on Scope 1 and 2 emissions by a third-party. - Scope 3 includes emissions from purchased goods, upstream distribution and our customers' use and consumption of products sold by us. This follows GHG protocol. Further details on www.kingfisher.com/datamethodology . Note downstream customer emissions were not modelled in the scenario analysis due to incomplete data to assess carbon pricing on this emission type (see page 109). Limited Assurance on Scope 3 emissions (categories 1.1, 1.1.1 and 1.1.2) by a third-party.
Reputational	- N/A	- Reduced revenue.	- We also monitor performance on climate change through external disclosure benchmarks, including CDP Climate Change Initiative. In 2025 our CDP disclosure score was A (2024: A-).
Physical risks			
Key facility disruption	- N/A	- Increased costs.	- Methodology outlined on page 110.
Raw material supply	- 100% responsibly sourced wood and paper for our products and catalogues by FY 25/26.	- Quantity of responsibly sourced wood and paper products (number and percentage of SKUs purchased).	- Details on our methodology for calculating these targets (responsibly sourced wood and paper) can be found in our Responsible Business Data Collection Methodology (www.kingfisher.com/datamethodology).
Seasonal weather	- N/A	- Reduced revenue.	- Methodology outlined on page 110.
Opportunities			
Consumer preference	- 60% of Group sales to be from our Sustainable Home Products (SHP) that help create greener, healthier homes, including 70% of sales for our Own Exclusive Brand (OEB) products by FY 25/26.	- % of total Group sales from SHP. - % of total Group sales from OEB products.	- Details on our methodology for calculating these targets (sales from our Sustainable Home Products) can be found in our Responsible Business Data Collection Methodology (www.kingfisher.com/datamethodology).
Resource efficiency (also a risk in some scenarios - see page 111)	- Deliver our science-based targets for FY 25/26 to reduce Scope 1 and 2 emissions by 37.8% in absolute terms (from a FY16/17 baseline). - Deliver on our new near-term science-based targets for FY 30/31 to reduce absolute Scope 1 and 2 emissions by 70.2% and Scope 3 emissions by 46% (from a FY 17/18 baseline).	- GHG emissions – Scope 1 and 2.	- Absolute, market-based. Scope 1 and 2 GHG emissions in the calendar year for Kingfisher Group. Follows the GHG protocol. Limited assurance on Scope 1 and 2 emissions verified by a third-party.

1. Our current science-based targets run to FY 25/26. We have set new interim 2030 targets (see page 114)

Our metrics have been developed with consideration to the cross-industry, climate-related metric categories described in the TCFD implementation guidance table A2.1. We will continue to review this guidance. We currently only calculate the TCFD-recommended metrics most relevant to our business and the climate-related risks and opportunities identified in Table 1 on pages 108 to 111. We do not currently use an internal carbon price, but this continues to be an area that we review annually.

Our response to the Task Force on Climate-related Financial Disclosures continued

In addition to the metrics for the climate-related risks indicated above, we are also aware of the climate-related implications associated with aspects such as energy, water and waste, and have put corresponding metrics in place for managing and monitoring our performance in these areas. Further information on these topics and our performance in FY 24/25, as well as comparative data for previous years, has been provided as part of the Responsible Business Performance Data Appendix at www.kingfisher.com/dataappendix.

Executive remuneration [TCFD Metrics and targets (a)]

Our latest Remuneration Policy applicable for the executive directors (as approved at the 2025 AGM), includes the Kingfisher Performance Share Plan which is also used for our senior leadership population (approximately 320 roles). The performance conditions currently attached to awards made under this plan include a basket of three ESG measures, aligned to our Responsible Business agenda. One of these measures is 'Climate Change', specifically 'reductions in Scope 1 and Scope 2 carbon emissions'. The target range attached to awards has been developed taking into account our science-based targets detailed below. Currently, the basket of ESG measures accounts for vesting of up to 25% of awards made under the plan, with each ESG measure weighted equally within the basket. For more detail see pages 76 to 83.

Targets for managing climate-related risks and opportunities [TCFD Metrics and targets (c)]

We use several climate-related targets for managing climate-related risks and opportunities, identified below in Table 3.

Our targets have been developed with consideration to the cross-industry, climate-related metric categories described in the TCFD implementation guidance table A2.1. The targets described below have been established as they are most relevant to our business and the management of our material climate-related risks and opportunities.

Additional information, including performance summary and progress against our targets, will be disclosed in our Responsible Business Performance Data Appendix for FY 25/26.

Table 3: Progress on climate-related targets

Target	Performance	Variance in current year vs. target
Reach net zero emissions for our operations (Scope 1 and 2) by the end of FY 40/41	Performance: On track We have reduced absolute Scope 1 and 2 emissions by 68.7% since 2016/17. We are currently exceeding our FY 25/26 target and are on track to reduce emissions by 90% by FY 40/41.	30.9 ppts higher performance for Scope 1 and 2 compared to interim target.
Reduce Scope 1 and 2 market-based emissions by 37.8% in absolute terms by FY 25/26, compared to FY 16/17 (science-based targets).	Performance: Achieved We have reduced absolute Scope 1 and 2 emissions by 68.7% since FY 16/17.	30.9 ppts higher performance for Scope 1 and 2 compared to target.
Reduce Scope 3 emissions by 40% per £million turnover by FY 25/26, compared to FY 17/18.	Performance: Achieved We have reduced our Scope 3 emissions intensity from the supply chain and customer use of products by 45.9% since FY 17/18.	5.9 ppts greater intensity reduction than interim target.
100% responsibly sourced wood and paper for our products and catalogues by FY 25/26.	Performance: Partially achieved 99.4% of wood and paper in our products was responsibly sourced (FY 24/25: 97.9%) and 100% of catalogue paper. ¹	Products: 0.6 ppts performance against target. Catalogues: target met.
60% of Group sales to be from our Sustainable Home Products by FY 25/26, including 70% of sales for Own Exclusive Brand (OEB) products.	Performance: Partially achieved 58.2% of our total Group sales came from SHP in FY 25/26 (FY 24/25: 53.4%). For our OEB ranges, we achieved 70.1% (FY 24/25: 63.3%).	Group: 1.8 ppts lower performance than target. OEB: 0.1 ppts higher performance than target.

1. 99.1% is responsibly sourced in line with the criteria outlined in our policy. The remaining 0.3% relates to products sourced from a small number of companies, which we have assessed based on alternative, externally validated criteria.

Our science-based emissions reduction targets

We are currently delivering on our near-term targets across Scope 1, 2 and 3 (for FY 25/26), which are aligned with the methodologies of the Science Based Target initiative (SBTi). We have also set new science-based near-term targets for 2030 and net zero targets which have been approved by the SBTi. These include:

- By 2030, Kingfisher aims to reduce absolute Scope 1 and 2 emissions by 70.2% (from a 2017/18 baseline), and absolute Scope 3 emissions by 46% (from a 2017/18 baseline).
- Kingfisher aims to reach net zero emissions across Scope 1 and 2 by 2040 and across Scope 3 by 2050.

Each of our targets has been developed in line with our operational control reporting boundary, meaning that we assess 100% of emissions from Kingfisher's banners where we have the full authority to introduce and implement operating policies. We continue to be on track to meet our emissions reduction targets, and our priority remains to maintain this progress to meet our new targets and long-term net zero transition. Our progress against these targets for FY 25/26, and whether we are on track with our expected performance, has been outlined in Table 3 above. Detailed information on the work that has been done this year to develop and deliver our climate transition plan will be published in our FY 25/26 Responsible Business Report. We do not currently use carbon offsets to claim progress against any of our emissions-reduction targets. In line with the SBTi's definition of net zero, once we have reduced emissions by at least 90%, we will neutralise the remaining emissions through the removal of carbon from the atmosphere following SBTi guidance on the use of carbon credits. We continue to closely monitor guidance on the use of carbon offsets.

Independent auditor's report to the Members of Kingfisher PLC

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Kingfisher plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2026 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company balance sheets;
- the consolidated cash flow statement; and
- the related notes 1 to 38 to the group financial statements and 1 to 13 to the parent company financial statements.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the group and parent company for the year are disclosed in note 8 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: <ul style="list-style-type: none"> – Impairment of store-based assets and goodwill (Castorama France); and – Accuracy and cut-off of supplier income.
Materiality	The materiality that we used for the group financial statements was £28 million which was determined on the basis of 5% of adjusted profit before tax.
Scoping	We focused our group audit scope on all significant trading entities and the group's head office and support functions. These accounted for 94% of the group's revenue, 96% of the group's profit before tax and 94% of the group's net assets.
Significant changes in our approach	Store-based asset and goodwill impairment: Our current year risk assessment procedures continue to identify the impairment of goodwill and store-based assets relating to the Castorama France banner as a key audit matter. This is primarily attributable to the ongoing challenges within the French home improvement retail market and the significant sensitivity of the impairment models to changes in assumptions, particularly concerning short-term cash flows and the discount rate. These assumptions are inherently subjective and require estimation by management. Conversely, for certain other banners, improvements in discount rates and a lower level of partially impaired stores have resulted in the store-based asset impairment models being less sensitive to changes in assumptions. Consequently, the impairment of storebased assets for such banners is no longer considered a key audit matter in the current year.

Independent auditor's report continued

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- assessing the group's financing facilities including the nature of facilities, repayment terms, financial and non-financial covenants and available undrawn committed facilities;
- assessing the key assumptions used in the group's forecasts by evaluating past performance, the group's strategic initiatives to grow revenues and reduce costs, external benchmarks and market analysis, and management's rationale for future assumptions;
- assessing the impact of reasonably possible downside scenarios linked to the group's identified principal risks on the group's funding position, including forecast financial covenants and their compliance over the going concern period;
- assessing under which circumstances the group would require additional funding and determining whether such a scenario was likely to occur;
- recalculating the amount of liquidity and covenant headroom in the forecasts;

- evaluating the integrity of the model used to prepare the forecasts, which includes testing of clerical accuracy of those forecasts;
- assessing the historical accuracy of forecasts prepared by management; and
- assessing whether the disclosures in relation to going concern are appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Impairment of store-based assets and goodwill (Castorama France)

Key audit matter description

Background and relevant account balances

At the end of the current year, the Group held property, plant and equipment which totalled £3,206 million (2024/25: £3,105 million) and right-of-use assets totalled £1,830 million (2024/25: £1,771 million) for which a subset relate to the Castorama France banner.

In the current year, the group recorded a net store-based asset impairment charge of £38 million (2024/25: net charge of £94 million) across store-level CGUs which was principally driven by impairment to store property and equipment assets in Castorama France. Of this total net charge, £80 million (2024/25: £118 million) represented an impairment charge and £42 million (2024/25: £24 million) related to reversals of previously recorded impairments principally driven by an increase in the fair value of freehold properties.

In addition, the group recorded an impairment charge of £73 million (2024/25: £84 million) against goodwill associated with the Castorama France CGU, leaving £67 million (2024/25: £138 million) of goodwill allocated to Castorama France, as disclosed in note 13 to the financial statements.

5.1. Impairment of store-based assets and goodwill (Castorama France) continued

Key audit matter description continued

Overview of key audit matter

In the prior year, the Group recorded total impairments of £131 million relating to store-based assets and allocated goodwill for the Castorama France banner. For Castorama France, the banner has continued to face difficult market conditions, which have impacted current year performance and have been considered by management in the preparation of the forecast cashflows used in the impairment assessment. Lower short-term cash flow forecasts for Castorama France, despite a reduction in the discount rate, resulted in a goodwill impairment charge of £73 million. This also served as a principal contributor to the group's net store-based asset impairment charge of £38 million.

IAS 36 requires the assets to be carried as the lower of the carrying amount or the recoverable amount. Recoverable amount is defined as the higher of an asset's fair value less costs of disposal and its value in use. Judgment and estimation are involved in assessing value-in-use, increasing the inherent risk of material misstatement in determining the recorded impairment charge (or net impairment charge for store-based assets). Cash flow forecasting is inherently judgemental, and we have determined that there is a significant risk in Castorama France associated with the cash flow forecast assumptions used in the impairment model.

The two key assumptions applied by management in determining the value in use of store-based assets and in respect of the group of cash generating units relating to the goodwill impairment assessment are:

- forecast short term cash flows, which include the sales assumptions and trading profit margins. This includes the expected improvement in market conditions and the ability to realise profit growth through internal strategic initiatives, which management have initiated in the current period; and
- the determination of country-specific discount rates.

Other assumptions assessed as part of our audit procedures relating to determining the recoverable amount include:

- long-term growth rates; and
- for store-based assets, the vacant possession value of freehold properties, for which management appoint third-party experts to undertake property valuations.

Further details are included within the Audit Committee Report on pages 68 to 72, key sources of estimation uncertainty disclosures in Note 3, and Notes 13, 15, 16 and 17 to the financial statements.

How the scope of our audit responded to the key audit matter

Our audit focused on whether storebased asset impairment charges and goodwill impairment in Castorama France have been appropriately determined in accordance with the requirements of IAS 36, *Impairment of Assets*. In doing so, we carried out the following procedures which apply to both the store-based assets and goodwill impairment tests unless otherwise stated:

- obtained an understanding of the relevant controls in respect of the impairment reviews, including review controls associated with the group's budgeting process and impairment models, and the determination of country-specific discount rates to be used in the models;
- assessed the mechanical accuracy of the impairment models;
- in addressing the risk associated with these cash flow forecasts, our audit procedures included challenging the key inputs into the value in use model. Specifically, we evaluated forecast sales growth and profit margins by assessing past performance and understanding the Group's strategic initiatives aimed at revenue growth and cost reduction;
- in challenging the external factors and market growth assumptions, we performed benchmarking against competitors in the French market, reviewed various market indices from external independent sources, and held discussions with an internal retail market expert in France;
- in assessing historical performance and conducting trend analysis, we utilised over 20 years of historical data to evaluate the banner's past performance within the context of the broader French market and macroeconomic data;
- assessed whether store-level assumptions applied were appropriate by evaluating recent store-level trading performance compared to prior years and the average trading results across the store estate;
- assessed management's approach to allocating the board approved three-year plan to individual stores;
- evaluated the discount rates with the involvement of internal valuation specialists to calculate independently-derived ranges;
- evaluated long-term growth rates applied by benchmarking against external economic forecasts;
- assessed the structure of the banner to evaluate the identification and allocation of central overheads into the respective impairment models;
- for freehold properties, agreed the vacant possession value of freehold property to third party valuation reports, evaluated the competence, capability and objectivity of management's appointed valuation experts and, with the involvement of our internal real estate specialists, assessed and challenged the inputs and valuation methodology applied; and
- assessed the appropriateness of the financial statements disclosures made

Key observations

We are satisfied that the net impairment charge recorded in the year and the carrying value of store-based assets and goodwill at the year-end associated with Castorama France, including related disclosures, are appropriate.

Independent auditor's report continued

5.2. Accuracy and cut-off of income from suppliers

Key audit matter description	<p>As outlined in Note 2(e), the Group receives income from suppliers, which is recognised as a deduction from the cost of sales. This income primarily consists of volume-related rebates related to the purchase of inventory under agreements that typically follow a calendar year. Additionally, supplier income includes other volume-related and non-volume-related rebates based on ad-hoc agreements that do not follow the calendar year, as well as amounts linked to funding promotional sales activities, advertising, and marketing contributions. Given its material impact, supplier income is a significant component of the Group's overall profitability and financial performance.</p> <p>The complexity of accounting for rebates arises from several factors, including the interpretation of contractual terms, as agreements often include tiered structures and variable incentive components. Furthermore, rebate calculations require transactional data related to inventory purchases or sales made by the Group to customers, increasing the risk of misstatement.</p> <p>Based on our risk assessment and aligned with the prior period, we have identified a potential fraud risk associated with the accuracy of vendor based rebates for a number of the Group's components where rebates of this type make up a significant proportion of the total rebate income. In addition, for one component, we have assessed the potential fraud risk to be associated with cut-off of other types of rebates, including those linked to ad-hoc agreements and promotional funding, due to the quantitative significance of these types of rebate income.</p> <p>Due to the significance of supplier income, its impact on overall profitability, and the potential for material misstatement, all of which are further heightened by current market challenges, we have identified the accuracy and cut-off of supplier income to be a key audit matter.</p>
How the scope of our audit responded to the key audit matter	<p>Our audit focused on addressing the risk that supplier income has not been appropriately and accurately recorded. In doing so, we carried out the following procedures:</p> <ul style="list-style-type: none"> - obtained an understanding of relevant controls over income from suppliers; - obtained direct confirmations, across the trading banners of the Group, from a sample of suppliers to corroborate the amounts recorded as supplier income; - made independent enquiries with members of the commercial finance teams across banners, to understand the rationale for any variances in confirmation responses; - where confirmations were not received, performed alternative audit procedures, including reviewing contractual agreements, understanding the terms, and independently recalculating the amounts recognised; - verified that, for a sample of suppliers, the debit notes received were subsequently paid by tracing them to a settlement invoice or to cash received; and - performed analytical procedures, including a review of supplier income recognised for key suppliers in the current year compared to prior years, to identify any unusual trends or variances. Additionally, we assessed the accuracy of rebates by comparing the current year rebate listings with prior-year records to identify any significant changes.
Key observations	<p>We are satisfied that supplier income was appropriately recognised during the period.</p>

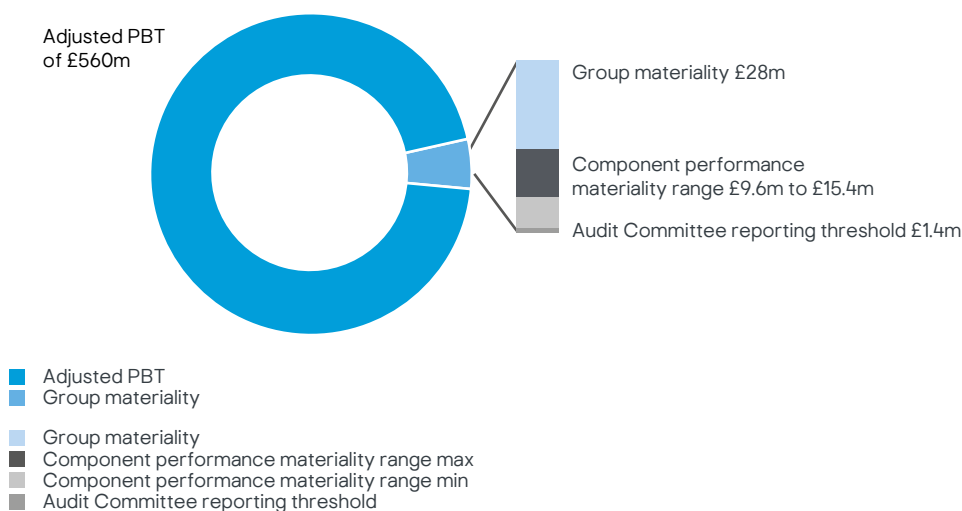
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£28 million (2024/25: £24 million)	£22 million (2024/25: £20 million)
Basis for determining materiality	5% of adjusted profit before tax (2024/25: c.5%). Adjusting items are defined in Note 2a with analysis included in Note 6.	0.5% of net assets (2024/25: 0.3% of net assets) which has been capped at 80% (2024/25: 83%) of group materiality.
Rationale for the benchmark applied	We have determined materiality on a consistent basis with 2024/25. Adjusted profit before tax was selected as the basis of materiality because this is the primary measure by which stakeholders and the market assess performance of the group. We excluded adjusting items when determining the basis for materiality because these items introduce significant volatility to the group's results. These are primarily the goodwill and store-based asset impairment charges principally relating to the Castorama France banner.	The company is non-trading and contains investments in all the trading components of the group.



Independent auditor's report continued

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% (2024/25: 70%) of group materiality	70% (2024/25: 70%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality for both group and the parent company, we considered the following factors: <ul style="list-style-type: none"> - our risk assessment, including our assessment of the group's overall control environment; and - the nature, volume and size of misstatements (corrected and uncorrected) in the previous audit, which have not been significant. 	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £1.4 million (2024/25: £1.2 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our approach to scoping the group audit was to understand the group and its environment, including groupwide controls, implementing a risk-based approach by developing an appropriate audit plan for each significant account balance and assess the risks of material misstatement at the group level. The group operates over 1,700 stores in seven countries across Europe. We have focused our group audit scope primarily on significant trading entities and Kingfisher PLC head office.

We have reviewed our audit scope in the current year with due consideration of the risk profile, control environment, the changes in the group structure and how much coverage we will obtain. As such, we performed audits of the entire financial information for B&Q UK, Screwfix UK, Castorama France, Brico Dépôt France, Castorama Poland and the parent company. Kingfisher Information Technology Services UK and property companies associated with the above trading companies were subject to specified audit procedures on one or more classes of transactions, account balances or disclosures associated with defined audit risks. For all other financial information not covered under the above, we performed analytical procedures at the group level. All financial reporting is managed by local finance functions with group oversight from the head office in London.

For the parent company component, we applied a component performance materiality equal to £15.4 million (2024/25: £14.3 million). For the other components, we used individual component performance materiality levels determined on the basis of their individual financial information, which ranged from £9.6 million to £14.4 million (2024/25: £8.4 million to £14.3 million). The components that were scoped in for audits of entire financial information or specified audit procedures represented 94% (2024/25: 93%) of the group's revenue, 96% (2024/25: 98%) of the group's profit before tax and 94% (2024/25: 88%) of the group's net assets.

7.2. Our consideration of the control environment

7.2.1. IT environment

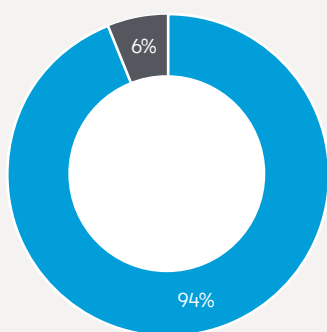
We identified the main finance systems (SAP, CODA, HFM) and certain other systems, including in-store transaction processing systems, as the key IT systems relevant to our audit. SAP and CODA are enterprise resource planning systems used for day-to-day financial management at the banner level. HFM is a financial reporting system used internally to facilitate the reporting of financial information between the local and group finance teams. IT systems are primarily managed from the centralised Kingfisher IT Services function and therefore, we involved a central IT audit team to evaluate the IT systems to support our audit.

We planned to rely on IT controls associated with SAP and CODA across certain components. We identified general IT controls relevant to the audit as well as specific IT controls that supported our controls reliance approach for certain business processes. Across the in-scope trading entities, IT controls were relied on to support audit work on the revenue, expenditure and inventory processes as detailed in Section 7.2.2.

In order to evaluate the operating effectiveness of IT controls, we performed walkthrough procedures to understand whether the purpose of the control was effectively designed to address the IT related risk and then performed testing of the control across the audit period, to determine whether the control had been consistently applied.

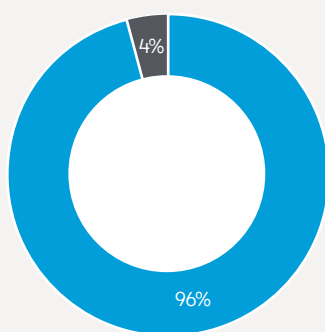
Our procedures enabled us to place reliance on IT controls, as planned, in the audit approach.

Revenue



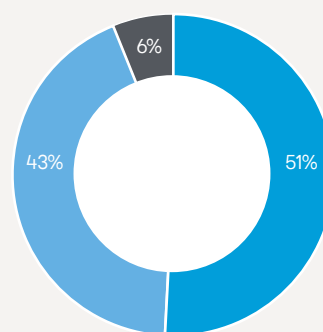
■ Audit of the entire financial information
■ Specified audit procedures
■ Review at group level

Profit before tax



■ Audit of the entire financial information
■ Specified audit procedures
■ Review at group level

Net assets



■ Audit of the entire financial information
■ Specified audit procedures
■ Review at group level

Independent auditor's report continued

7.2.2. Controls reliance

For all in-scope components, we obtained an understanding of the relevant controls over key business processes, including impairment of store-based assets, impairment of goodwill, income from suppliers, revenue, expenditure and inventory. Where components determined that reliance on controls was appropriate, procedures were designed and performed to test the operating effectiveness of those controls at the component level.

Our ability to adopt a controls reliance approach relied on the evaluation of the results of testing the relevant controls in these business processes throughout the year.

For other business processes, we either determined that a controls reliance approach was not feasible or elected not to adopt it after considering the components risk and control profile. This did not impact our ability to conclude on these areas at either the component or group level.

We understand the steps that the Group are taking in response to the updated UK Corporate Governance Code and the requirements of Provision 29 as set out in the Audit Committee Report on page 68.

7.2.3 Use of audit technology

We embed technology throughout our audit to improve quality and effectiveness, including in the areas of planning, project management, risks and controls assessment, substantive testing and reporting our findings to management and the Audit Committee.

Our data analytic tools allow us to scrutinise large transactional data sets for unusual trends, characteristics, outliers or transaction flows to support our identification of audit risks. We continue to expand the use of data analytics tools in our audit to enhance our ability to identify and assess risks. Specifically, we have implemented analytical tools in the current year focusing on the below key areas:

Store-Based Asset Impairment: Our enhanced analytics allowed us to analyse store-level performance data (e.g. sales trends and profitability) and market conditions, across the entire store portfolio. This enabled us to identify stores that may be at higher risk of impairment and focus our audit procedures in response. By incorporating factors such as local economic indicators and competitor analysis, we gained a comprehensive view of the potential for impairment, facilitating more targeted and efficient audit procedures.

Supplier Rebate Income: We further leveraged our data analytic tools to analyse the completeness and accuracy of supplier rebate income. Our procedures allowed us to assess the risk of unrecorded rebates or errors in rebate calculations, and therefore the completeness of such income. By comparing current year data with prior years and industry benchmarks, we evaluated the reasonableness of rebate income and identified potential areas requiring further investigation.

Revenue process analytic: We have continued to leverage process analytics to perform substantive procedures on revenue at each banner level by automatically matching key revenue data points across sales orders, invoices and shipping documents generated during the revenue process.

Revenue cash analytic: We deployed a cash-to-revenue matching test, which involved tracing 100% of independently obtained cash receipts and tender settlements from third-party sources to the Group's recorded revenue. In doing so, for the B&Q banner, we used open banking technology, which facilitated the automated transfer of financial data from third party banks to our audit software, which allowed us to directly match cash inflows to the company's accounting records.

7.3. Our consideration of climate-related risks

As part of our audit, we made enquiries of management to understand the process they have adopted to assess the potential impact of climate change on the financial statements. Climate change is included in the Group's principal risks (as set out on page 45). The group currently considers climate to have limited impact over its three-year planning horizon (as stated on page 45 and note 3 to the financial statements) but has assessed that, without effective mitigation and adaptation, climate change solutions could have longer-term negative consequences for the group's strategy and trading operations.

Our procedures have also included the following:

- assessing management's risk assessment associated with climate change;
- assessing whether the risks identified by the group are complete and consistent with our understanding of the group;
- evaluating whether the impact of climate has been appropriately considered in the group's cash flow forecasts used for the group's store-based asset impairment assessment, goodwill impairment assessment and going concern assessment;
- involving an Environmental, Social and Governance ("ESG") specialist to assist in evaluating whether appropriate disclosures have been made in the financial statements with reference to the Task Force on Climate-Related Financial Disclosures ("TCFD") requirements and climate related disclosures in the notes to the financial statements;
- evaluated the appropriateness of the climate related disclosures included in note 3 to the financial statements; and
- reading the disclosures in the strategic report on page 45 to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

7.4. Working with other auditors

We worked closely with the Deloitte component auditors to involve them in our planning procedures and also to maintain oversight throughout the audit process. We communicated our requirements of the component auditors regularly throughout the year and issued referral instructions formalising our requirements of the component teams. We held a group-wide team meeting to discuss the planned audit approach and the risks within each component.

A senior member of the group audit team maintained regular contact with the component audit teams and discussed significant audit matters arising from the performance of local audit procedures. Periodic meetings with group and component management were held throughout the year to build on the understanding of the significant audit matters within components to inform our group audit approach.

The main components of the group subject to audits of entire financial information are its retail businesses in the UK, France and Poland. As such, there was a high level of communication between these teams to ensure an appropriate level of group audit team involvement in the component audit work. Further, senior members of the group audit team (including the group engagement partner) completed in-person visits to the component audit teams and engaged with the component audit teams regarding matters affecting their audits, as well as engagement and dialogue with local management teams.

For each of these components, a senior member of the group audit team reviewed the component working papers, including key planning and reporting documents, the procedures performed to address group significant risks and the procedures performed to respond to other areas of focus and local significant risks, in order to satisfy ourselves that we had obtained sufficient appropriate audit evidence in response to the identified risks.

The lead audit partner and other senior members of the group audit team attended the audit close meeting of each component subject to an audit of the entire financial information. In performing the procedures detailed above, the group audit team reviewed, considered, and challenged the key matters relevant to our conclusion in relation to the group audit and assessed the impact on our group audit.

8. Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report continued

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, the directors and the audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's industry;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team including component audit teams and relevant internal specialists, including tax, valuations, financial instruments, pensions, ESG and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: the accuracy of supplier income. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, pensions legislation, and UK and overseas tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included UK General Data Protection Regulations and Energy and Carbon regulations.

11.2. Audit response to risks identified

As a result of performing the above, we identified the accuracy of supplier income as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee, and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and other tax authorities;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 51;
- the directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on pages 49 and 50;
- the directors' statement on fair, balanced and understandable set out on page 102;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 43 to 48;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 71 and 72; and
- the section describing the work of the audit committee set out on pages 68 to 72.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006, we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 5 October 2009 to audit the financial statements for the year ending 31 January 2010 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 17 years, covering the years ending 31 January 2010 to 31 January 2026.

15.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

Independent auditor's report continued

16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

David Griffin FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP
Statutory Auditor

London, United Kingdom

23 March 2026

Consolidated income statement

Year ended 31 January 2026

£ millions	Notes	2025/26			2024/25		
		Before adjusting items	Adjusting items (note 6)	Total	Before adjusting items	Adjusting items (note 6)	Total
Sales	4	12,945	–	12,945	12,784	–	12,784
Cost of sales		(8,015)	–	(8,015)	(8,021)	–	(8,021)
Gross profit		4,930	–	4,930	4,763	–	4,763
Selling and distribution expenses		(3,212)	(61)	(3,273)	(3,122)	(99)	(3,221)
Administrative expenses		(1,082)	(73)	(1,155)	(1,018)	(97)	(1,115)
Other income		24	2	26	20	–	20
Other expenses		–	(31)	(31)	–	(25)	(25)
Share of results from equity accounted investments	18	(9)	(19)	(28)	(15)	–	(15)
Operating profit	5	651	(182)	469	628	(221)	407
Finance costs		(124)	–	(124)	(132)	–	(132)
Finance income		33	–	33	32	–	32
Net finance costs	7	(91)	–	(91)	(100)	–	(100)
Profit before taxation	8	560	(182)	378	528	(221)	307
Income tax expense	10	(144)	11	(133)	(147)	25	(122)
Profit for the year		416	(171)	245	381	(196)	185
Earnings per share	11						
Basic				14.0p			10.1p
Diluted				13.8p			9.9p
Adjusted basic				23.8p			20.7p
Adjusted diluted				23.4p			20.4p

The proposed dividend for the year ended 31 January 2026, subject to approval by shareholders at the Annual General Meeting, is 12.40p per share, comprising an interim dividend of 3.80p in respect of the six months ended 31 July 2025, and a final dividend of 8.60p.

Consolidated statement of comprehensive income

Year ended 31 January 2026

£ millions	Notes	2025/26	2024/25
Profit for the year		245	185
Remeasurements of post-employment benefits	28	(7)	(11)
Inventory cash flow hedges – fair value (losses)/gains		(74)	22
Tax on items that will not be reclassified		21	28
Total items that will not be reclassified subsequently to profit or loss		(60)	39
Currency translation differences			
Subsidiaries		97	(25)
Equity accounted investments		(1)	6
Transferred to income statement	34	14	–
Inventory cash flow hedges – losses transferred to income statement		–	1
Total items that may be reclassified subsequently to profit or loss		110	(18)
Other comprehensive income for the year		50	21
Total comprehensive income for the year		295	206

Consolidated statement of changes in equity

Year ended 31 January 2026

							2025/26	
£ millions	Notes	Share capital (note 29)	Share premium	Own shares held	Retained earnings	Capital redemption reserve	Other reserves (note 30)	Total equity
At 1 February 2025		282	2,228	(34)	3,475	94	299	6,344
Profit for the year		-	-	-	245	-	-	245
Other comprehensive (expense)/income for the year		-	-	-	(4)	-	54	50
Total comprehensive income for the year		-	-	-	241	-	54	295
Inventory cash flow hedges – losses transferred to inventories		-	-	-	-	-	36	36
Share-based compensation	31	-	-	-	27	-	-	27
New shares issued under share schemes	29	1	-	-	8	-	-	9
Own shares issued under share schemes		-	-	21	(21)	-	-	-
Purchase of own shares for cancellation	29	(14)	-	-	(301)	14	-	(301)
Purchase of own shares for ESOP trust		-	-	(25)	-	-	-	(25)
Dividends	12	-	-	-	(218)	-	-	(218)
Tax on equity items		-	-	-	1	-	(10)	(9)
At 31 January 2026		269	2,228	(38)	3,212	108	379	6,158

							2024/25	
£ millions	Notes	Share capital (note 29)	Share premium	Own shares held	Retained earnings	Capital redemption reserve	Other reserves (note 30)	Total equity
At 1 February 2024		294	2,228	(31)	3,741	82	290	6,604
Profit for the year		-	-	-	185	-	-	185
Other comprehensive income/(expense) for the year		-	-	-	23	-	(2)	21
Total comprehensive income/(expense) for the year		-	-	-	208	-	(2)	206
Inventory cash flow hedges – losses transferred to inventories		-	-	-	-	-	15	15
Share-based compensation	31	-	-	-	20	-	-	20
New shares issued under share schemes	29	-	-	-	2	-	-	2
Own shares issued under share schemes		-	-	23	(23)	-	-	-
Purchase of own shares for cancellation	29	(12)	-	-	(251)	12	-	(251)
Purchase of own shares for ESOP trust		-	-	(26)	-	-	-	(26)
Dividends	12	-	-	-	(228)	-	-	(228)
Tax on equity items		-	-	-	6	-	(4)	2
At 31 January 2025		282	2,228	(34)	3,475	94	299	6,344

Consolidated balance sheet

At 31 January 2026

£ millions	Notes	2025/26	2024/25
Non-current assets			
Goodwill	13	2,239	2,312
Other intangible assets	14	261	312
Property, plant and equipment	15	3,206	3,105
Investment property	16	88	34
Right-of-use assets	17	1,830	1,771
Equity accounted investments	18	–	29
Post-employment benefits	28	181	202
Deferred tax assets	26	6	7
Derivative assets	24	–	2
Other receivables	20	13	11
		7,824	7,785
Current assets			
Inventories	19	2,768	2,719
Trade and other receivables	20	289	276
Derivative assets	24	1	22
Current tax assets		47	78
Other tax authority asset	36	–	69
Cash and cash equivalents	21	465	336
Assets held for sale		4	158
		3,574	3,658
Total assets		11,398	11,443
Current liabilities			
Trade and other payables	22	(2,524)	(2,355)
Borrowings	23	(3)	(108)
Lease liabilities	33	(351)	(345)
Derivative liabilities	24	(22)	(5)
Current tax liabilities		(13)	(6)
Provisions	27	(29)	(16)
Liabilities directly associated with assets held for sale		–	(92)
		(2,942)	(2,927)
Non-current liabilities			
Other payables	22	(2)	(2)
Borrowings	23	(100)	(1)
Lease liabilities	33	(1,887)	(1,866)
Derivative liabilities	24	(1)	–
Deferred tax liabilities	26	(207)	(193)
Provisions	27	(3)	(9)
Post-employment benefits	28	(98)	(101)
		(2,298)	(2,172)
Total liabilities		(5,240)	(5,099)
Net assets	5	6,158	6,344
Equity			
Share capital	29	269	282
Share premium		2,228	2,228
Own shares held in ESOP trust		(38)	(34)
Retained earnings		3,212	3,475
Capital redemption reserve		108	94
Other reserves	30	379	299
Total equity		6,158	6,344

The financial statements were approved and authorised by the Board of Directors on 23 March 2026 and signed on its behalf by:

Thierry Garnier
Chief Executive Officer

Bhavesh Mistry
Chief Financial Officer

Consolidated cash flow statement

Year ended 31 January 2026

£ millions	Notes	2025/26	2024/25
Operating activities			
Cash generated from operations	32	1,434	1,411
Income tax paid		(65)	(109)
Other tax authority receipt	36	64	-
Net cash flows from operating activities		1,433	1,302
Investing activities			
Purchase of property, plant and equipment and investment property		(303)	(241)
Purchase of intangible assets		(85)	(76)
Proceeds from disposals of property, plant and equipment and investment property		2	-
Proceeds from disposals of property assets held for sale		2	2
Joint venture capital contributions		-	(19)
Disposal of subsidiaries, net of cash disposed	34	33	(3)
Investments in short-term deposits		(227)	-
Maturity of short-term deposits		227	-
Interest received		31	23
Interest element of sublease rental receipts		-	1
Principal element of sublease rental receipts		2	2
Advance payments on right-of-use assets		(13)	(5)
Net cash flows used in investing activities		(331)	(316)
Financing activities			
Interest paid		(8)	(8)
Interest element of lease rental payments		(118)	(123)
Principal element of lease rental payments		(379)	(387)
Arrangement fees paid		(1)	(2)
New shares issued under share schemes		9	2
Purchase of own shares for cancellation		(256)	(225)
Purchase of own shares for ESOP trust		(25)	(26)
Ordinary dividends paid to equity shareholders of the Company	12	(218)	(228)
Net cash flows used in financing activities		(996)	(997)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts			
Cash and cash equivalents and bank overdrafts at beginning of year		336	353
Exchange differences		20	(6)
Cash and cash equivalents and bank overdrafts at end of year	33	462	336

Cash and cash equivalents and bank overdrafts at the end of the year include £nil of cash included within assets held for sale on the balance sheet (2024/25: £9m).

Notes to the consolidated financial statements

1 General information

Kingfisher plc ('the Company'), its subsidiaries and joint ventures (together 'the Group') supply home improvement products and services through a network of retail stores and other channels, located mainly in the United Kingdom and continental Europe. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 2 to 51.

The Company is incorporated in England and Wales, United Kingdom, and is listed on the London Stock Exchange. The address of its registered office is 1 Paddington Square, London, W2 1GG. A full list of related undertakings of the Company and their registered offices is given in note 12 of the Company's separate financial statements.

These consolidated financial statements have been approved for issue by the Board of Directors on 23 March 2026.

2 Material accounting policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the years presented.

a. Basis of preparation

The consolidated financial statements of the Group are made up to 31 January. The current financial year is the year ended 31 January 2026 ('the year' or '2025/26'). The comparative financial year is the year ended 31 January 2025 ('the prior year' or '2024/25'). The consolidated income statement and related notes represent results from continuing operations, there being no discontinued operations in the years presented.

The consolidated financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRS Standards) as issued by the IASB.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the use of valuations for certain financial instruments, share-based payments and post-employment benefits. A summary of the Group's material accounting policies is set out below.

The preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving critical accounting judgements and key estimation uncertainties, which are significant to the consolidated financial statements, are outlined in note 3.

Going concern

Based on the Group's liquidity position and cash flow projections, including a forward-looking remote downside scenario, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the date on which the financial statements are authorised for issue, and they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements for the year ended 31 January 2026.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on pages 2 to 51. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial review on pages 31 to 37. The principal risks and viability statement of the Group are set out on pages 43 to 50. In addition, note 25 includes the Group's financial risk management objectives and exposures to liquidity and other financial risks. The Directors have considered these areas alongside the principal risks and how they may impact the going concern assessment.

As of 31 January 2026, Kingfisher had access to £1,112m of liquidity, comprising cash and cash equivalents (net of bank overdrafts) of £462m and access to an undrawn Revolving Credit Facility (RCF) of £650m (which expires at the end of May 2028). The ratio of net debt to Adjusted EBITDA was 1.4 as of 31 January 2026.

The terms of the RCF require that the ratio of Group operating profit (excluding adjusting items) to net interest payable (excluding interest on lease liabilities) must be no less than 3:1 for the preceding 12 months as at the half- and full-year ends. As of 31 January 2026, Kingfisher was compliant with this requirement.

In forming their outlook on the future financial performance, the Directors considered the risk of higher business volatility and the potential negative impact of the general economic environment on household and trade spend.

The Directors' review also included consideration of a remote scenario that models the impact of a significant demand or supply shock preventing the Group from realising a large part of its sales over the period of a month, followed by subdued demand for the remainder of the year. The total loss of sales in this scenario is c.£1.8bn (13% over the impacted period). The scenario assumes the impact of lost sales is partially offset by a limited set of mitigating actions on variable and discretionary costs, capital expenditure and the suspension of capital returns to shareholders. Even under this remote scenario, which would require temporarily drawing on the RCF, the Group retains adequate headroom on its credit facilities.

Given current trading and expectations for the business, the Directors believe that this scenario reflects a remote outcome for the Group. Should a more extreme scenario occur than currently modelled by the Directors under this remote scenario, the Group would need to implement additional operational or financial measures.

Changes to accounting policies as a result of new standards issued and effective

The following new or amended accounting standards are in issue and effective for the current reporting period:

- Amendments to IAS 21 – Amendments for currencies lacking exchangeability

The above amended accounting standard did not have a material impact on the consolidated financial statements.

Standards issued but not yet effective

As of the date these financial statements were approved, the following new standards and amendments had been issued but were not yet effective and have therefore not been applied in these financial statements:

- Amendments to IFRS 9 and IFRS 7 – Amendments to classification and Measurement of Financial Instruments, and Contracts Referencing Nature-dependent Electricity (effective from 1 January 2026)
- Annual Improvements to IFRS Accounting Standards – Volume 11 (effective from 1 January 2026)
- IFRS 18 – Presentation and Disclosure in Financial Statements (effective from 1 January 2027)
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures (effective from 1 January 2027)

IFRS 18 – Presentation and Disclosure in Financial Statements, will replace IAS 1 and is effective for annual reporting periods beginning on or after 1 January 2027. The Group will apply the standard from its mandatory effective date and does not intend to adopt early. The adoption of IFRS 18 will primarily impact the presentation of the consolidated income statement and related disclosures, as well as disclosure of management-defined performance measures (MPMs) in a separate note to the accounts.

Based on the Group's current assessment, the most significant presentation changes are expected to include:

- Share of results from equity accounted investments being presented within the investing category, rather than within operating profit as currently presented;
- Rental income and expenses from investment properties will be presented within the investing category (currently presented within operating profit); and
- Net finance income or expenses, as well as foreign exchange differences, will be reallocated to the appropriate income statement category in line with the requirements of the new standard.

Certain Alternative Performance Measures (APMs) that meet the definition of management-defined performance measures (MPMs) under IFRS 18 will be disclosed in a single note to the accounts, including reconciliations to the most directly comparable IFRS subtotal.

IFRS 18 requires retrospective application. Accordingly, comparative information for the financial year ending 31 January 2027 will be restated in the Group's 2027/28 financial statements. The Group continues to assess the full impact of the new standard.

The other new standards and amendments are not expected to have a material impact on the consolidated financial statements.

Risks and uncertainties

The principal risks and uncertainties to which the Group is exposed are set out in the Strategic Report on pages 2 to 51.

Use of non-GAAP measures

In the reporting of financial information, the Group uses certain measures that are not required under IFRS – the generally accepted accounting principles ('GAAP') under which the Group reports. The Group believes that retail profit, adjusted pre-tax profit, adjusted effective tax rate, and adjusted earnings per share provide additional useful information on performance and trends to shareholders. These and other non-GAAP measures (also known as 'Alternative Performance Measures'), such as net debt, are used for internal performance analysis and incentive compensation arrangements for employees. The terms 'retail profit', 'adjusting items', 'adjusted', 'adjusted effective tax rate', 'net cash flow' and 'net debt' are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures.

Retail profit is defined as continuing profit before tax, before central costs, the Group's share of interest and tax from equity accounted investments, adjusting items and net finance costs. Central costs principally comprise the costs of the Group's head office before adjusting items. This is the Group's operating profit measure used to report the performance of the Group's retail businesses.

Adjusting items, which are presented separately within their relevant income statement category, include items which by virtue of their size and/or nature, do not reflect the Group's ongoing trading performance. Adjusting items may include, but are not limited to:

- non-trading items included in operating profit such as profits and losses on the disposal, closure, exit or impairment of subsidiaries, joint ventures, associates and investments which do not form part of the Group's ongoing trading activities;
- the costs of significant restructuring and incremental acquisition integration costs;
- profits and losses on the disposal/exit of properties¹, impairments of goodwill and significant impairments (or impairment reversals) of other non-current assets, which the Group identifies as adjusting due to volatility which can arise year-on-year based on future forecasts and assumptions;
- prior year tax items (including the impact of changes in tax rates on deferred tax), significant one-off tax settlements and provision charges/releases, and the tax effects of other adjusting items; and
- financing fair value remeasurements i.e. changes in the fair value of financing derivatives, excluding interest accruals, offset by fair value adjustments to the carrying amount of borrowings and other hedged items under fair value (or non-designated) hedge relationships. Financing derivatives are those that relate to hedged items of a financing nature.

The term 'adjusted' refers to the relevant measure being reported for continuing operations excluding adjusting items.

1. The Group does not routinely dispose of or exit properties (i.e. other than on expiry of a lease) and does not consider property disposals to form part of its trading operations as a result. This includes profits or losses on disposals of freehold properties, or lease gains or losses arising from the exit of leased properties before the lease expiry date.

Notes to the consolidated financial statements continued

2 Material accounting policies continued

The adjusted effective tax rate is calculated as continuing income tax expense excluding prior year tax items (including the impact of changes in tax rates on deferred tax), significant one-off tax settlements and provision charges/releases and the tax effects of other adjusting items, divided by continuing profit before taxation excluding adjusting items. Prior year tax items represent income statement tax relating to underlying items originally arising in prior years, including the impact of changes in tax rates on deferred tax. The exclusion of items relating to prior years, and those not in the ordinary course of business, helps provide an indication of the Group's ongoing rate of tax.

Net debt comprises lease liabilities, borrowings and financing derivatives (excluding accrued interest) less cash and cash equivalents and short-term deposits, including such balances classified as held for sale.

Refer to the Glossary for definitions of all of the Group's Alternative Performance Measures, including further information on why they are used and details of where reconciliations to statutory measures can be found where applicable.

b. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company, its subsidiaries, joint ventures and associates.

(i) Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries acquired are recorded under the acquisition method of accounting and their results included from the date of acquisition.

The results of subsidiaries which have been disposed are included up to the effective date of disposal.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interests in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of acquired subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Joint ventures and associates

Joint ventures are entities over which the Group has joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The equity method is used to account for the Group's investments in joint ventures.

Associates are entities over which the Group has the ability to exercise significant influence but not control or joint control, generally accompanied by a shareholding of between 20% and 50% of the voting rights. The equity method is used to account for the Group's investments in associates.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group's share of post-acquisition profits or losses is recognised in the income statement within operating profit, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses equals or exceeds its interest, including any other long-term receivables, the Group does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the joint venture or associate.

Unrealised gains on transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Equity accounted investments are reviewed for impairment where there is an indication of impairment.

The equity method of accounting is discontinued from the date an investment ceases to be a joint venture or associate, that is the date on which the Group ceases to have joint control or significant influence over the investee or on the date it is classified as held for sale.

In March 2022, the three-year cumulative inflation in Turkey exceeded 100% and as a result, hyperinflationary accounting under IAS 29 has been applied for reporting periods since that date in respect of the Group's joint venture in Turkey (Koçtaş).

The equity accounted results and financial position of Koçtaş are restated to the current purchasing power as at the year-end date, with hyperinflationary gains and losses in respect of monetary items being reported in operating profit. Equity adjustments in relation to application of IAS 29 are recorded within exchange differences on consolidation. Both the equity accounted investment and results are translated at the rate of exchange at the balance sheet date.

c. Foreign currencies

(i) Presentation and functional currencies

The consolidated financial statements are presented in Sterling, which is the Group's presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (i.e. its functional currency).

(ii) Transactions and balances

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transaction or, for practical reasons, at average monthly rates where exchange rates do not fluctuate significantly.

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange at the balance sheet date. Exchange differences on monetary items are recorded in the income statement. Exceptions to this are where the monetary items form part of the net investment in a foreign operation or are designated and effective net investment hedges. Such exchange differences are initially deferred in equity.

(iii) Group companies

The balance sheets of overseas subsidiaries are expressed in Sterling at the rates of exchange at the balance sheet date. Profits and losses of overseas subsidiaries are expressed in Sterling at average exchange rates for the period. Exchange differences arising on the retranslation of foreign operations, including joint ventures and associates, are recognised in a separate component of equity.

On consolidation, exchange differences arising from the retranslation of the net investment in foreign entities, and of borrowings, lease liabilities and other currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is sold, such exchange differences recorded since 1 February 2004 (being the date of transition to IFRS) are recognised in the income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rates of exchange at the balance sheet date. Goodwill arising prior to 1 February 2004 is denominated in Sterling, and not subsequently retranslated.

(iv) Principal rates of exchange against Sterling

	2025/26		2024/25	
	Average rate	Year end rate	Average rate	Year end rate
Euro	1.16	1.15	1.18	1.20
US Dollar	1.33	1.37	1.28	1.24
Polish Zloty	4.93	4.86	5.08	5.04
Romanian Leu	5.88	5.88	5.89	5.95
Turkish Lira ¹	59.58	59.58	44.38	44.38

1. The Turkish Lira average exchange rates represent the closing rates for the year, due to the application of hyperinflation accounting in Turkey.

d. Revenue recognition

Sales represent the supply of home improvement products and services, including commission from sales of third-party products through Kingfisher websites (i.e. marketplace arrangements) and income from franchise arrangements. Sales exclude transactions made between companies within the Group, Value Added Tax or other sales-related taxes and are net of returns, customer, trade and staff discounts.

Revenue is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue from in-store product sales is recognised when the customer takes possession of the products (i.e. on payment). Revenue from online 'click & collect' product sales is recognised on collection of the products. Where customers have a right to return purchased goods in exchange for a refund, a liability for returns is recognised based on historic trends and offset against revenue in the period in which the sale was made. An asset (with a corresponding adjustment to cost of sales) is also recognised for goods expected to be returned from customers. Where award credits such as vouchers or loyalty points are provided as part of the sales transaction, the amount allocated to the credits is deferred and recognised when the credits are redeemed and the Group fulfils its obligations to supply the awards. Liabilities for returns and award credits are measured using the expected value method.

Notes to the consolidated financial statements continued

2 Material accounting policies continued

Revenue from sales of delivered products is recognised on delivery. Supply of delivered products is judged to be one single performance obligation.

Service sales typically comprise kitchen and bathroom installations. Revenue from these installation services is recognised on completion of the relevant installation. Where consideration is received from customers before the installation service has been completed, this amount is recorded as deferred income within trade and other payables and is only recognised as revenue once the installation service has been completed.

Commission revenue is earned from the sale of third-party products through Kingfisher websites. This is referred to as a marketplace arrangement. The Group acts as an agent in such arrangements and recognises the net commission receivable within sales, generally when an order is placed.

The Group enters into franchise arrangements which entitle other parties to operate under Kingfisher brand names for the operation of stores. Under these arrangements, revenue is recognised from the sale of products to franchisees, in addition to franchise and royalty fee income. Revenue from the sale of products is recognised when the franchisee takes control of the products (i.e. on delivery to the franchisee). Franchise and royalty fee income is recognised as the franchisee's sales occur, at the rates specified in the franchise agreement, and once the Group has performed its obligations to the franchisee.

Sales from delivered products, installation services, marketplace and franchise arrangements represent only a small proportion of the Group's total sales as the majority relates to in-store and online 'click & collect' purchases of products.

Other income includes external rental income and gains on disposal of assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

e. Rebates

The majority of rebates received from suppliers comprise volume-related rebates on the purchase of inventories. Contractual volume-related rebates are accrued as units are purchased, based on the percentage rebate applicable to forecast total purchases over the rebate period, where receipt of rebates is probable and the amounts can be estimated reliably. The majority of volume-related rebate arrangements are coterminous with the calendar year; as a result, there is little uncertainty over volume rebate income at 31 January, with the majority finalised and requiring no estimation. Discretionary rebates are not anticipated and are recognised only when earned. Rebates relating to inventories purchased but still held at the balance sheet date are deducted from the carrying value of inventories, such that the cost of inventory is recorded net of applicable rebates. These rebates are credited to cost of sales in the income statement when the related goods are sold. Rebate arrangements may include the right to net settle against supplier payments; where this right exists, rebate receivables are offset against the associated payable balance on the balance sheet. Where this right does not exist, or where amounts have not yet been invoiced, rebates are recorded in trade and other receivables.

Other rebates, such as those related to advertising and marketing, including retail media income from suppliers, are credited to cost of sales in the income statement when the relevant conditions have been fulfilled and there is an agreement for the income in place.

f. Dividends

Interim dividends are recognised when they are paid to the Company's shareholders. Final dividends are recognised when they are approved by the Company's shareholders.

g. Intangible assets

(i) Goodwill

Goodwill represents the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognised. Such benefits include future synergies expected from the combination and intangible assets not meeting the criteria for separate recognition.

Goodwill is carried at cost less accumulated impairment losses. Profits or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is not amortised and is tested annually for impairment at the retail banner level, representing the lowest level at which it is monitored for internal management purposes. See note 2(k) for the accounting policy on impairment, including goodwill.

(ii) Other intangible assets

Other intangible assets principally comprise computer software. Where software is not an integral part of a related item of computer hardware, it is classified as an intangible asset. Costs that are directly associated with the acquisition or production of identifiable software products controlled by the Group, which are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Capitalised costs include those of software licences and development, including costs of employees, consultants and an appropriate portion of relevant overheads.

Costs related to the configuration and customisation in cloud computing arrangements, where they do not give the Group power to control the future economic benefits and to restrict access of others to those benefits, are not capitalised as they do not meet the definition of intangible assets under IAS 38; the Group does not control the computer software being configured or customised and the configuration or customisation activities do not create a resource controlled by the Group that is separate from the software. Such costs are expensed as incurred. Configuration and customisation in cloud computing arrangements are only capitalised where a separate asset is created and capitalisable under IAS 38.

Costs associated with identifying, sourcing, evaluating or maintaining computer software are recognised as an expense as incurred.

Software under development is held at cost less any provisions for impairment, with impairment reviews being performed annually, or when there is an indication of impairment.

Amortisation commences when the software assets are available for use and are over their estimated useful lives of 2 to 10 years. Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal.

h. Property, plant and equipment

(i) Cost

Property, plant and equipment held for use in the business are carried at cost less accumulated depreciation and any provisions for impairment.

Properties that were held at 1 February 2004 are carried at deemed cost, being the fair value of land and buildings as at the transition date to IFRS. All property acquired after 1 February 2004 is carried at cost less accumulated depreciation.

(ii) Depreciation

Depreciation is provided to reflect a straight-line reduction from cost to estimated residual value over the estimated useful life of the asset as follows:

Freehold land	– not depreciated
Freehold buildings	– over remaining useful life
Leasehold improvements	– over remaining lease period
Fixtures and fittings	– between 4 and 20 years
Computers and electronic equipment	– between 3 and 5 years

(iii) Disposals

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the income statement. Sales of land and buildings are accounted for when there is an unconditional exchange of contracts.

(iv) Subsequent costs

Subsequent costs are included in the related asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

See note 2(k) for the accounting policy on impairment, including property, plant and equipment.

Repairs and maintenance costs are charged to the income statement in the period in which they are incurred.

i. Leased assets

(i) Lessee accounting

The Group assesses whether a contract is or contains a lease at inception of the contract. Typically, lease contracts relate to properties such as stores and distribution centres, and equipment leases such as mechanical handling equipment and vehicles. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases for low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The liability is initially measured as the present value of the lease payments not yet paid at the commencement date, discounted at an appropriate discount rate. Where the implicit rate in the lease is not readily determinable, an incremental borrowing rate is calculated and applied. The calculation methodology is based upon applying a financing spread to a risk-free rate, with the resulting rate including the effect of the creditworthiness of the operating company in which the lease is contracted, as well as the underlying term, currency and start date of the lease agreement.

Lease payments used in the measurement of the lease liability principally comprise fixed lease payments (subject to indexation/rent reviews) less any incentives. The lease liability is subsequently measured using an effective interest method whereby the carrying amount of the lease liability is measured on an amortised cost basis, and the interest expense is allocated over the lease term. The lease term comprises the non-cancellable lease term, in addition to break or extension options when these additional periods are reasonably certain to arise at the commencement of a lease. Typically, it is not considered to be reasonably certain at the commencement of a lease that such extension options will be exercised or that break options will not be exercised, and these additional periods are only recognised after they have been approved.

The Group remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset whenever an event occurs that changes the term or payment profile of a lease, such as the renewal of an existing lease, the exercise of lease term options, market rent reviews and indexation. A lease liability which is denominated in a currency that is not the functional currency of the relevant Group entity (e.g. a euro-denominated lease in Castorama Poland) is translated into that entity's functional currency with foreign exchange gains and losses recorded in the income statement, unless the lease liability is designated as a net investment hedge with foreign exchange gains and losses recorded in other comprehensive income.

The right-of-use assets are initially measured at the amount equal to the lease liability, adjusted by any upfront lease payments or lease incentives and any initial direct costs incurred. Subsequently, the assets are measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated on a straight-line basis over the remaining lease term, which is deemed to be the useful life. See note 2(k) for the accounting policy on impairment, including right-of-use assets.

(ii) Lessor accounting

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Notes to the consolidated financial statements continued

2 Material accounting policies continued

Amounts due from lessees under finance leases are recognised as sublease receivables within trade and other receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

j. Investment property

Investment property is property held by the Group to earn rental income or for capital appreciation. Investment properties are carried at cost less depreciation and provision for impairment. Depreciation is provided on a consistent basis with that applied to property, plant and equipment.

k. Impairment

At each reporting date an assessment is performed as to whether there are any indicators that property, plant and equipment, right-of-use assets, and other intangible assets, including the Group's store-based assets, may be impaired or whether there is any indication that an impairment loss recognised in a previous period either no longer exists or has decreased. Goodwill is reviewed annually for impairment or earlier if there is an indication of impairment.

For store-based assets, should such indicators of impairment or impairment reversal exist, the assets' recoverable amounts are subsequently estimated. Each individual store is determined to be a cash generating unit. The recoverable amount is assessed by reference to the net present value of expected future pre-tax cash flows ('value-in-use') of the relevant cash generating unit or fair value less costs to sell if higher. A vacant possession valuation basis is used to approximate the fair value less costs to sell. Cash flows used for the purposes of determining value-in-use are based on the Group's most recent Board-approved plans. The Group has fully attributed to stores all e-commerce revenues (and related costs) relating to sales where stores are involved in the fulfilment of those sales. This includes online click-and-collect sales and online sales fulfilled by store-to-home delivery. Other e-commerce-related cash flows, including direct-to-home delivery and marketplace sales (where there is no store involvement) are not allocated to stores for impairment testing purposes.

The pre-tax discount rates are derived from the Group's weighted average cost of capital, taking into account the cost of equity and debt, to which specific market-related premium adjustments are made for each country. Cash flows beyond the period of the strategic plans are calculated using a long-term growth rate derived from external long-term inflation forecasts and which do not exceed the long-term average growth rate for the countries in which the Group's CGUs operate.

Where a store's recoverable amount is less than its carrying value, it is impaired down to its recoverable amount. Where a store has been previously impaired and its recoverable amount is higher than its carrying value, the previous impairment is reversed to an amount in which its carrying amount cannot exceed its recoverable amount, with reversals capped at the amount of previous accumulated impairments, adjusted for depreciation.

For the purposes of goodwill impairment testing, goodwill has been allocated to each retail banner group of CGUs, representing the lowest level at which goodwill is monitored for internal management purposes. The recoverable amount is assessed by reference to the present value of expected future cash flows ('value-in-use'). Cash flows used for the purposes of determining value-in-use are based on the Group's most recent Board-approved plans. The pre-tax discount rates are derived from the Group's weighted average cost of capital, taking into account the cost of equity and debt, to which specific market-related premium adjustments are made for each country. Long-term growth rates are derived from external long-term inflation forecasts for the territories in which the businesses operate. Where the recoverable amount is less than the net assets of the group of CGUs and related goodwill, an impairment loss is immediately recognised in the income statement. An impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets in the group of CGUs on a pro-rata basis, on the basis of the carrying amount of each asset in the group of CGUs. A goodwill impairment cannot be reversed.

Other intangibles are reviewed annually for impairment, or earlier where there is an indication of impairment.

l. Inventories

Inventories are carried at the lower of cost and net realisable value, on a weighted average cost basis.

Trade discounts and rebates received are deducted in determining the cost of purchase of inventories. Cost includes appropriate attributable overheads and direct expenditure incurred in the normal course of business in bringing goods to their present location and condition. Costs of inventories include the transfer from equity of any gains or losses on qualifying cash flow hedges relating to inventory purchases.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Provisions to net realisable value are made for slow-moving, display, damaged or obsolete items and other events or conditions resulting in expected selling prices being lower than cost. The carrying value of inventories reflects known and expected losses of product in the ordinary course of business.

m. Employee benefits

(i) Post-employment benefits

The Group operates various defined benefit and defined contribution pension schemes for its employees, some of which are required by local legislation. A defined benefit scheme is a pension scheme which defines an amount of pension benefit which an employee will receive on retirement. A defined contribution scheme is a pension scheme under which the Group usually pays fixed contributions into a separate entity. In all cases other than some of the legally required schemes, a separate fund is being accumulated to meet the accruing liabilities. The assets of each of these funds are either held under trusts or managed by insurance companies and are entirely separate from the Group's assets.

The asset or liability recognised in the balance sheet in respect of defined benefit pension schemes is the fair value of scheme assets less the present value of the defined benefit obligation at the balance sheet date. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds which are denominated in the currency in which the benefits will be paid and which have terms to maturity approximating to the terms of the related pension liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the statement of comprehensive income as they arise.

For defined contribution schemes, the Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

(ii) Share-based compensation

The Group operates several equity-settled, share-based compensation schemes. The fair value of the employee services received in exchange for the grant of options or deferred shares is recognised as an expense and is calculated using Black-Scholes and stochastic models. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options or deferred shares granted. The value of the charge is adjusted to reflect expected and actual levels of options vesting due to non-market vesting conditions.

iii) Employee Share Ownership Plan trust ('ESOP trust')

The ESOP trust is a separately administered discretionary trust. Liabilities of the ESOP trust are guaranteed by the Parent Company, and the assets of the ESOP trust mainly comprise shares in the Parent Company.

Own shares held by the ESOP trust are deducted from equity and the shares are held at historical cost until they are sold or issued to employees. The assets, liabilities, income and costs of the ESOP trust are included in both the Company's and the consolidated financial statements.

n. Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

The Group is subject to income taxes in numerous jurisdictions and there are many transactions for which the ultimate tax determination is uncertain during the ordinary course of business. For uncertain tax positions, on the basis that tax authorities have full knowledge of the relevant information, it is determined whether it is probable that, in aggregate, an outflow of economic resources will occur following investigation. The potential impact of the relevant tax authority's examination of the uncertain tax positions is measured to make the best estimate of the amount of the tax benefit that may be lost, for which liabilities are then recorded. Where the final outcome of these matters is different from the amounts which were initially recorded, such differences

will impact the income tax and deferred tax liabilities in the period in which such determination is made. These adjustments in respect of prior years are recorded in the income statement, or directly in equity, as appropriate. Receivables for amounts previously paid to tax authorities are recognised to the extent that it is considered probable that the Group will recover these amounts.

Taxable profit differs from profit before taxation as reported in the income statement because it excludes items of income or expense which are taxable or deductible in other years or which are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences or unused tax losses can be utilised. Deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill in a business combination. Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax are calculated using tax rates which have been enacted or substantively enacted by the balance sheet date and are expected to apply in the period when the liability is settled or the asset is realised.

Current and deferred tax are charged or credited to the income statement, except when they relate to items charged or credited to other comprehensive income or directly to equity, in which case the current or deferred tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset against each other when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax jurisdiction and when the Group intends to settle its current tax assets and liabilities on a net basis.

Operating levies, such as certain revenue, property and payroll-based taxes, are not treated as income tax and are included within operating profit. The timing of recognition of a liability to pay an operating levy is determined by the event identified under the relevant legislation that triggers the obligation to pay the levy.

Notes to the consolidated financial statements continued

2 Material accounting policies continued

o. Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

A provision is recorded if the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under it. The unavoidable costs reflect the net cost of exiting the contract.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate which reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Credits or charges arising from changes in the rate used to discount the provisions are recognised within net finance costs.

Contingent liabilities are possible obligations arising from past events whose existence will only be confirmed by future uncertain events that are not wholly within the Group's control, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be reliably measured. If the outflow of economic resources is not considered remote, contingent liabilities are disclosed but not recognised in the financial statements.

p. Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the Group has substantially transferred the risks and rewards of ownership. Financial liabilities (or a part of a financial liability) are derecognised when the obligation specified in the contract is discharged, cancelled, expires or is substantially modified.

Financial assets and liabilities are offset only when the Group has a currently enforceable legal right to set-off the respective recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, uncleared credit card receipts, deposits held on call with banks and other short-term highly liquid investments that are readily convertible to a known amount of cash, are subject to insignificant risk of changes in value and which have original maturities of three months or less. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For cash flow statement reporting purposes, the Group considers bank overdrafts as part of cash and cash equivalents because they are repayable on demand and form part of the Group's cash management.

(ii) Borrowings

Interest bearing borrowings are recorded at fair value (which is typically equivalent to the proceeds received) net of direct issue costs and subsequently measured at amortised cost. Where borrowings are in designated and effective fair value hedge relationships, adjustments are made to their carrying amounts to reflect the hedged risks. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are amortised to the income statement using the effective interest method.

(iii) Trade receivables

Trade receivables are initially recognised at their transaction price and are subsequently measured at amortised cost less any allowance for expected credit losses. To measure the expected credit losses, trade receivables are grouped based on the days past due. Trade receivables are written off when there is no reasonable expectation of recovery.

(iv) Trade payables

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost.

(v) Derivatives and hedge accounting

Derivatives are initially recorded at fair value on the date a derivative contract is entered into and are subsequently carried at fair value.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts, and the host contracts are not carried at fair value with unrealised gains or losses reported in the income statement.

Where hedge accounting is not applied, or to the extent to which it is not effective, changes in the fair value of derivatives are recognised in the income statement as they arise. Changes in the fair value of derivatives transacted as hedges of operating items and financing items are recognised in operating profit and net finance costs respectively.

The accounting treatment of derivatives and other financial instruments classified as hedges depends on their designation, which occurs at the start of the hedge relationship. The Group designates certain financial instruments as:

- a hedge of the fair value of an asset or liability or unrecognised firm commitment ('fair value hedge');
- a hedge of a highly probable forecast transaction or firm commitment if foreign currency risk is hedged ('cash flow hedge'); or
- a hedge of a net investment in a foreign operation ('net investment hedge').

Fair value hedges

For an effective hedge of an exposure to changes in fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged with the corresponding entry being recorded in the income statement. Gains or losses from remeasuring the corresponding hedging instrument are recognised in the same line of the income statement.

Cash flow hedges

Changes in the effective portion of the fair value of derivatives that are designated as hedges of future cash flows are recognised directly in other comprehensive income, with any ineffective portion being recognised immediately in the income statement where relevant. If the cash flow hedge of a firm commitment or forecast transaction results in the recognition of a non-financial asset or liability, then, at the time it is recognised, the associated gains or losses on the derivative that had previously been deferred in equity are included in the initial measurement of the non-financial asset or liability. For all other hedges, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects net profit or loss.

Net investment hedges

Where the Group hedges net investments in foreign operations through foreign currency borrowings or lease liabilities, the gains or losses on retranslation are recognised in other comprehensive income. If the Group uses derivatives as the hedging instrument, the effective portion of the hedge is recognised in other comprehensive income, with any ineffective portion being recognised immediately in the income statement. Gains and losses accumulated in equity are recycled through the income statement on disposal of the foreign operation.

In order to qualify for hedge accounting, the Group documents in advance the risk management objective and strategy for undertaking the hedge and the relationship between the item being hedged and the hedging instrument. The Group also documents and demonstrates an assessment of the relationship between the hedged item and the hedging instrument, which shows that the hedge will be highly effective on an ongoing basis and provides an analysis of the sources of hedge ineffectiveness. The effectiveness testing is performed at half year and year end or upon a significant change in circumstances affecting the hedge effectiveness requirements.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument is retained in equity until the highly probable forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss deferred in equity is transferred to the income statement.

q. Assets and liabilities held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. This excludes financial assets, deferred tax assets and assets arising from employee benefits, which are measured according to the relevant accounting policy.

Property, plant and equipment, right-of-use assets and intangible assets are not depreciated once classified as held for sale. The Group ceases to use the equity method of accounting from the date on which an interest in a joint venture or an interest in an associate becomes classified as held for sale.

r. Share repurchases

Shares purchased for cancellation are deducted from retained earnings. The Group uses irrevocable closed period buyback programmes. A liability to purchase shares is recognised at inception of the programme with any subsequent reduction in the obligation credited back to retained earnings at the end of the programme. Share capital is reduced and credited to the capital redemption reserve once shares are cancelled, maintaining non-distributable reserves.

s. Reserves

The following describes the nature and purpose of each reserve within equity:

(i) Share capital

The nominal value of proceeds received for shares issued.

(ii) Share premium

Proceeds received in excess of the nominal value of shares issued, net of any transaction costs.

(iii) Own shares held

Shares held by The Employee Share Ownership Plan Trust.

(iv) Capital redemption reserve

Amounts transferred from share capital on repurchase of issued shares which are subsequently cancelled.

(v) Other reserves, comprising:

- Translation reserve – Gains or losses arising on retranslating the net assets of overseas operations into the Group's presentation currency, including gains or losses on net investment hedges.
- Cash flow hedge reserve – Cumulative gains and losses on 'effective' hedging instruments.
- Other – Represents the premium on the issue of convertible loan stock in 1993 and the merger reserve relating to the acquisition of Darty in 1993.

(vi) Retained earnings

All other net gains and losses and transactions with owners that are not recognised elsewhere.

Notes to the consolidated financial statements continued

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of consolidated financial statements under IFRS requires the Group to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The significant judgements applied in the preparation of the financial statements, along with estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are discussed below.

Key sources of estimation uncertainty

Inventories

The carrying amount of inventories recognised on the balance sheet, which are carried at the lower of cost and net realisable value, are subject to estimates around rates of provision applied to certain inventory items. The level of provisions recorded are subject to estimation uncertainty in determining the eventual sales price of goods to customers in the future, as well as assessing which items may be slow-moving or obsolete. This is impacted by factors such as stock turn, range or delisted status, shrinkage, damage, obsolescence and range review activity.

Range reviews and resulting clearance activity add additional complexity to assessing the level of inventory that may become obsolete and the expected net realisable value of inventory which will be sold.

The carrying amount of inventories subject to estimation uncertainty is £2,768m (2024/25: £2,719m). A 1% increase in the provision as a percentage of gross inventory (before provisions and a deduction for rebates) which, based on management's judgement, represents a reasonably possible change, would result in a £30m decrease in the carrying amount of inventories (2024/25: £30m).

The quantity, age and condition of inventories is regularly measured and assessed as part of range reviews and inventory counts undertaken throughout the year and across the Group.

Impairment of store-based assets and Castorama France goodwill

Impairment of store-based assets

The Group applies procedures to ensure that its assets are carried at no more than their recoverable amount. These procedures, by their nature, require estimates and assumptions to be made. The most significant are set out below.

Store assets are reviewed for impairment if events or changes in circumstances indicate that their carrying amount may not be recoverable, or where there is any indication that an impairment loss recognised in a previous period either no longer exists or has decreased. When a review for impairment is conducted, the recoverable amount of an asset or a cash generating unit (CGU) is determined as the higher of fair value less costs to sell and value-in-use.

The determination of value-in-use for store assets requires the estimation of future cash flows expected to arise from the continuing operation of the store and the determination of suitable discount and long-term growth rates in order to calculate the present value of the forecast cash flows. Judgement is also required around the nature and level of overheads that are necessarily incurred to generate cash inflows in the context of allocation to individual store cash generating units. Note that the estimation of future cash flows and determination of suitable discount rates requires a greater level of judgement than the determination of long-term growth rates.

Sales projections take into consideration both external factors such as market expectations, and internal factors such as trading plans. They assume sales increases that are higher than recent experience and driven by an improved and differentiated offer alongside trade and digital expansion, and market growth expectations based on internal and external forecasts. Assumed margin percentage improvements reflect increased sales of the Group's own exclusive brands (OEB) as well as lower cost of sales from leveraging our key vendors. Higher assumed operating profit percentages reflect operational leverage from increased sales as well as cost savings through operational efficiencies, including more efficient organisation and leveraging of goods not for resale (GNFR) spend. Actual outcomes could vary significantly from these estimates and sensitivity analyses are undertaken to assess the impact of projected benefits not being realised. The pre-tax discount rates applied to the cash flow forecasts are derived from the post-tax weighted average cost of capital for each of the territories in which the Group operates. The assumptions used in the calculation of the weighted average cost of capital are based on observable external market data.

Cash flows beyond the period of the strategic plans are calculated using a long-term growth rate based on inflation expectations which does not exceed the long-term average growth rates for the countries in which the Group's stores operate.

As a result of this review, the Group has recorded net store asset impairment charges of £38m (2024/25: £94m) as adjusting items, reflecting store-level performance and revised future financial projections, principally in France and the UK.

The carrying amount of store-based assets subject to this estimation uncertainty is £4,385m (2024/25: £4,278m). The recoverable amount of impaired store-based assets for which an impairment loss has been recognised or reversed, including how the recoverable amount is supported, is as follows:

£ millions	2025/26	2024/25
Value-in-use	538	444
Fair value less costs to sell	196	205
	734	649

The following changes in assumptions which, based on the Group's previous experience and management's judgement represent reasonably possible changes, would lead to the following impacts on the net impairment charge:

Assumption	Change in assumption	Impact on net impairment charge
Operating cash flows	– Decrease by 10%	– Increase by £43m
	– Increase by 10%	– Decrease by £31m
Post-tax discount rate	– Increase by 1%	– Increase by £33m
	– Decrease by 1%	– Decrease by £31m

Further information relating to store assets is provided in notes 15, 16 and 17.

Impairment of Castorama France goodwill

Goodwill is reviewed for impairment annually or earlier if there is an indication of impairment. When a review for goodwill impairment is performed, the recoverable amount of the CGU to which goodwill is allocated is determined based on its value-in-use. Where the recoverable amount is less than the net assets of the CGU and related goodwill, an impairment of goodwill is recorded.

For the goodwill allocated to the Castorama France group of CGUs, the Group recorded a partial impairment charge of £84m in the prior year, and disclosed that the carrying amount of the remaining £140m is highly sensitive to changes in assumptions.

In the current year, the Group has recorded an impairment charge of £73m, driven by revised financial projections which reflect a subdued French DIY market in 2025/26. The remaining Castorama France goodwill balance of £67m continues to be highly sensitive to changes in assumptions, and reasonably possible changes could result in further material impairment charges.

The determination of value-in-use for the Castorama France group of CGUs requires the estimation of future cash flows expected to arise from the continuing operation of the Castorama France retail banner and the determination of suitable discount and long-term growth rates. These estimations are subject to a high degree of uncertainty, in line with those for the store-based asset impairment review. The relevant cash flows for the Castorama France group of CGUs are derived from the same cash flow projections used as part of the store-based asset impairment review, in addition to the same discount and long-term growth rates. In line with the value-in-use methodology used for store-based asset impairment reviews, cash flows beyond the period of the strategic plans are calculated using the long-term growth rate.

The Group has reviewed a sensitivity analysis and has determined that a 5% decrease in operating cash flows, or a 0.5% increase in the post-tax discount rate, would lead to an impairment of the remaining £67m goodwill carrying amount. These changes in assumptions are within the Group's reasonably possible changes considered by management (see impairment of store-based assets above) and could be influenced by a deterioration in external market conditions against forecasted assumptions or the Group's ability to realise internal strategic initiatives.

Further information relating to goodwill is provided in note 13.

Post-employment benefits

The present value of the defined benefit obligations recognised on the balance sheet is dependent on a number of market rates and assumptions including interest rates of high-quality corporate bonds, inflation and mortality rates. The net interest expense or income is dependent on the interest rates of high-quality corporate bonds and the net deficit or surplus position. The market rates and assumptions are based on the conditions at the time and changes in these can lead to significant movements in the estimated obligations.

Due to the significance of the UK defined benefit obligation, the carrying value of which is £1,679m (2024/25: £1,711m), reasonably possible changes in financial and demographic assumptions (i.e. discount rates, price inflation/rate of pension increases and mortality assumptions) could result in a material adjustment to the financial statements. During the year, changes in financial and demographic assumptions have resulted in a decrease in the UK defined benefit obligation of £56m (2024/25: £120m). To help the reader understand the impact of changes in the key market rates and assumptions, a sensitivity analysis is provided in note 28.

Critical accounting judgements

Adjusting items

The Group separately reports adjusting items in order to calculate adjusted results, as it believes these adjusted measures provide additional useful information on continuing performance and trends to shareholders.

Judgement is required in determining whether an item should be classified as an adjusting item or included within adjusted results.

The Group's definition of adjusting items is outlined in note 2 (a). During the year the Group has recorded, before taxation, a charge for adjusting items of £182m (2024/25: £221m). Total adjusting items after taxation were a charge of £171m (2024/25: £196m charge). Refer to note 6 for further information on adjusting items.

Notes to the consolidated financial statements continued

3 Critical accounting judgements and key sources of estimation uncertainty continued

Consideration of climate-related matters

The Group has considered the inclusion of climate change as a 'principal risk' and the potential impacts of climate change in preparing these financial statements. The rationale for this being included as a principal risk is included in the Risks section (pages 43 to 48). Climate scenario analysis has been performed and is set out in the TCFD disclosures on pages 28 to 30. The financial impact of these scenarios, once mitigating actions and opportunities are taken into account over the respective time horizons, is expected to be less than the results of the Group's impairment sensitivity analysis on operating cash flows (see below).

The potential impacts of climate change on the financial statements have been considered in the following areas:

- Carrying value and remaining useful economic life of property, plant and equipment;
- Carrying value of inventories and valuations of other assets and of provisions;
- Viability statement assessment of the Group over the next three years; and
- Cash flow forecasts used for the purposes of impairment assessments of store-based assets and goodwill.

To support our net-zero ambitions, the Group continues to invest in more sustainable fixed assets. The Group has not recognised any impairments or significant levels of accelerated depreciation to existing fixed assets in the year resulting from such actual and planned investments (i.e. due to a reduction in recoverable amounts or expected remaining life). Current assets including trade receivables and inventories at the balance sheet date are expected to be realised within a relatively short timeframe, and therefore no climate-related risks have been identified for these balances, whilst the Group is not currently aware of adverse exposures from climate change requiring provisions to be recognised.

The Group's internal three-year financial plans act as the basis for the Viability Statement financial modelling and for impairment reviews of non-current assets including goodwill. They include consideration of climate-related risks and opportunities expected within this internal financial planning time horizon. Within this modelling, cash flow sensitivities are performed, for which the most severe scenario in the Viability Statement estimates the impact of a demand or supply shock preventing the Group from realising a large part of its sales during the peak trading period. The shock, as described in the Viability Statement on pages 49 to 50, would go far beyond the expected short-term impact from a remote climate-driven extreme weather event, such as severe flooding and the resulting damage, to one of the Group's distribution centres or network.

The financial modelling of climate change scenarios, as performed and described in the TCFD disclosure identified no risks that resulted in an adverse impact on the Group's discounted cash flows above 10%, which is the sensitivity performed for store asset and goodwill impairment purposes. Climate change risks are therefore not judged to be key drivers in determining the outcome of the impairment exercise or the Viability Statement.

As a result, the Group has concluded that climate change risk does not represent a critical accounting judgement or key source of estimation uncertainty for the current year financial statements. This classification will be reassessed in future reporting periods as we continue to review the impacts, risks and opportunities presented by climate change and the Group's commitments to address the challenges presented.

4 Sales

£ millions	2025/26	2024/25
B&Q	3,971	3,820
Screwfix	2,755	2,636
Total UK & Ireland	6,726	6,456
Castorama	2,000	2,014
Brico Dépôt	1,866	1,869
Total France	3,866	3,883
Poland	1,843	1,788
Iberia	425	384
Romania ¹	60	257
Screwfix France & Other ²	25	16
Other International	510	657
Total Group	12,945	12,784

The majority of the sales in each segment are derived from in-store and online sales of products.

1. On 2 May 2025 the Group completed the divestment of its 100% equity interest in Brico Dépôt Romania.
2. 'Screwfix France & Other' consists of the consolidated results of Screwfix France, results from franchise and wholesale agreements and, in the prior year, NeedHelp (the Group completed the divestment of its c.80% equity interest in NeedHelp on 18 July 2024).

5 Segmental analysis

Income statement

£ millions	2025/26				
	UK & Ireland	France	Poland	Other International	Total
Sales	6,726	3,866	1,843	510	12,945
Retail profit/(loss)	575	97	87	(25)	734
Central costs					(80)
Share of interest and tax of equity accounted investments					(3)
Adjusting items					(182)
Operating profit					469
Net finance costs					(91)
Profit before taxation					378

£ millions	2024/25				
	UK & Ireland	France	Poland	Other International	Total
Sales	6,456	3,883	1,788	657	12,784
Retail profit/(loss)	558	95	90	(47)	696
Central costs					(62)
Share of interest and tax of equity accounted investments					(6)
Adjusting items					(221)
Operating profit					407
Net finance costs					(100)
Profit before taxation					307

Notes to the consolidated financial statements continued

5 Segmental analysis continued

Balance sheet

	2025/26				
£ millions	UK & Ireland	France	Poland	Other International	Total
Segment net assets	2,833	1,698	1,156	186	5,873
Central liabilities					(76)
Goodwill					2,239
Net debt					(1,878)
Net assets					6,158

	2024/25				
£ millions	UK & Ireland	France	Poland	Other International	Total
Segment net assets	2,833	1,660	1,168	319	5,980
Central assets					67
Goodwill					2,312
Net debt					(2,015)
Net assets					6,344

Other segmental information

	2025/26					
£ millions	UK & Ireland	France	Poland	Other International	Central	Total
Additions to property, plant and equipment, investment property, other intangible assets and right-of-use assets	493	165	86	17	3	764
Depreciation and amortisation	423	142	82	18	2	667
Impairment losses	29	124	5	3	–	161
Impairment reversals	(16)	(14)	(4)	(8)	–	(42)
Non-current assets ¹	4,452	1,926	1,040	191	15	7,624

	2024/25					
£ millions	UK & Ireland	France	Poland	Other International	Central	Total
Additions to property, plant and equipment, investment property, other intangible assets and right-of-use assets	321	157	69	21	1	569
Depreciation and amortisation	413	137	77	27	2	656
Impairment losses	38	157	5	22	–	222
Impairment reversals	(2)	(12)	(4)	(6)	–	(24)
Non-current assets ¹	4,362	1,968	999	216	18	7,563

1. Non-current assets comprise goodwill, other intangible assets, property, plant and equipment, investment property, right-of-use assets and equity accounted investments.

The Group's operating segments are based on the information reported internally to the Board of Directors and Group Executive, and are generally determined to be the retail banners operating in each geographical area (i.e. B&Q and Screwfix in the UK & Ireland; Castorama, Brico Dépôt and Screwfix in France; Castorama in Poland; Brico Dépôt in Iberia; Brico Dépôt in Romania and Koçtaş, the Group's joint venture in Turkey). NeedHelp, an online services marketplace, and the Group's franchising and wholesaling operation are also determined to be operating segments. On 18 July 2024, the Group completed the divestment of its c.80% equity interest in NeedHelp. On 2 May 2025, the Group completed the divestment of its 100% interest in Brico Dépôt Romania.

The reportable segments disclosed above are based on the geographical areas in which the Group operates. Within both the UK & Ireland and France reportable segments, operating segments determined at the retail banner level have been aggregated to form reportable segments (i.e. B&Q and Screwfix in the UK & Ireland, and Castorama and Brico Dépôt in France). Other operating segments, which do not individually meet the definition of a reportable segment, are combined and presented as 'Other International', consisting of Brico Dépôt Iberia, Brico Dépôt Romania, Screwfix France, Koçtaş, results from franchising and wholesaling operations, and in the prior year, NeedHelp. Screwfix France has not been aggregated as part of the France reportable segment due to its level of maturity relative to Castorama France and Brico Dépôt France.

Central costs principally comprise the costs of the Group's head office before adjusting items. Central assets and liabilities comprise unallocated head office and other central items, principally relating to central creditors and accruals (including insurance and payroll) and central tax assets.

6 Adjusting items

£ millions	2025/26	2024/25
Included within selling and distribution expenses		
Net store asset impairment losses	(38)	(94)
Operating model restructuring	(26)	(5)
Release of France restructuring provisions	3	–
	(61)	(99)
Included within administrative expenses		
Castorama France goodwill impairment	(73)	(84)
Castorama France head-office restructuring	–	(15)
UK guaranteed minimum pension credit	–	2
	(73)	(97)
Included within other income/(expenses)		
Loss on disposal of Brico Dépôt Romania	(31)	–
Profit on disposal of properties	2	–
Impairments of Romania assets and other exit costs	–	(22)
Loss on disposal of NeedHelp	–	(3)
	(29)	(25)
Included within share of post-tax results of equity accounted investments		
Joint venture (Koçtaş) asset impairments	(19)	–
Adjusting items before tax	(182)	(221)
Prior year and other adjusting tax items	11	25
Adjusting items	(171)	(196)

Net store asset impairment charges of £38m have been recognised in the year. Impairment charges of £80m have been recorded principally in France and the UK, partially offset by impairment reversals of £42m in France, the UK and Iberia, reflecting store-level performance and revised future financial projections.

Operating model restructuring costs of £26m have been incurred relating to store operating model programmes in the UK & Ireland and Poland. In the UK & Ireland, implementation of a new simplified retail leadership structure across all B&Q stores commenced during the year, following a successful year-long test of the proposed structure. Total operating model restructuring costs of £22m have been incurred relating to this programme. In Poland, restructuring costs of £4m have been incurred relating to store operating model simplification programmes. Both the UK & Ireland and Poland programmes are expected to be completed in 2026/27, at a total cost of c.£30m.

A £3m release of restructuring provisions was recognised in respect of legacy store closure programmes in France, following the settlement of costs at amounts below those initially estimated.

An impairment charge of £73m has been recorded relating to goodwill allocated to Castorama France, driven by revised financial projections which reflect a subdued French DIY market in 2025/26.

The disposal of the Brico Dépôt Romania business was completed in May 2025, resulting in a loss on disposal of £31m. See note 34 for further details.

A profit of £2m has been recorded on the exit of one property in France and one property in the UK.

A £19m charge was recognised in respect of the Group's joint venture, Koçtaş, reflecting the continued challenging trading environment and ongoing macro-economic uncertainty in Turkey.

Prior year and other adjusting tax items relate principally to current and deferred tax credits recorded in respect of the net store asset impairment losses and restructuring expenses noted above, movements in prior year provisions to reflect a reassessment of expected outcomes, agreed positions with tax authorities and items that have time-expired.

Notes to the consolidated financial statements continued

7 Net finance costs

£ millions	2025/26	2024/25
Bank overdrafts, bank loans and derivatives	–	(1)
Fixed term debt	(6)	(8)
Lease liabilities	(118)	(123)
Finance costs	(124)	(132)
Cash and cash equivalents and short-term deposits	22	22
Net interest income on defined benefit pension schemes	7	7
Finance lease income	–	1
Other interest income	4	2
Finance income	33	32
Net finance costs	(91)	(100)

8 Profit before taxation

The following items of expense/(income) have been charged/(credited) in arriving at profit before taxation:

£ millions	2025/26	2024/25
Amortisation of intangible assets ¹	131	125
Depreciation of property, plant and equipment, investment property and right-of-use assets	536	531
Impairment of goodwill	73	84
Impairment of intangible assets	8	6
Impairment of property, plant and equipment, right-of-use assets, investment property and assets held for sale	80	132
Reversal of impairment of property, plant and equipment, right-of-use assets and investment property	(42)	(24)
Write-down to recoverable amount of trade and other receivables	3	2

1. Of the amortisation of intangible assets charge, £3m (2024/25: £2m) and £128m (2024/25: £123m) are included in selling and distribution expenses and administrative expenses respectively.

Auditor's remuneration

£ millions	2025/26	2024/25
Fees payable for the audit of the Company and consolidated financial statements	1.2	1.1
Fees payable to the Company's auditor and their associates for other services to the Group: The audit of the Company's subsidiaries pursuant to legislation	2.3	2.2
Audit fees	3.5	3.3
Audit-related assurance services	0.2	0.2
Other assurance services	0.1	0.1
Non-audit fees	0.3	0.3
Auditor's remuneration	3.8	3.6

Details of the Group's policy on the use of auditors for non-audit services, the reasons why the auditor was used rather than another supplier and how the auditor's independence and objectivity were safeguarded are set out in the Audit Committee report on pages 68 to 72. Audit-related assurance services relate to the interim review. No services were provided pursuant to contingent fee arrangements.

9 Employees and Directors

£ millions	2025/26	2024/25
Wages and salaries	1,774	1,729
Social security costs	342	311
Post-employment benefits		
Defined contribution	60	55
Defined benefit – current service cost	10	10
Share-based compensation	27	20
Employee benefit expenses	2,213	2,125

Number thousands	2025/26	2024/25
Stores	64	66
Administration	7	8
Average number of persons employed	71	74

The average number of persons employed excludes those employed by the Group's joint ventures and associates.

Remuneration of directors

£ millions	2025/26	2024/25
Emoluments	5.3	4.3
Amounts received under incentive schemes ¹	–	4.7
	5.3	9.0

1. Excludes amounts relating to past directors.

Emoluments comprise fees paid to non-executive directors and, for executive directors, salary and benefits earned during the relevant financial year, plus cash bonuses awarded for the year.

Remuneration of key management personnel

£ millions	2025/26	2024/25
Short-term employee benefits	13.2	11.0
Post-employment benefits	0.6	0.5
Termination benefits	0.4	0.1
Share-based compensation	8.2	3.6
	22.4	15.2

The Group defines key management personnel as being those members of the Board of Directors and the Group Executive.

Further detail with respect to the Directors' remuneration is set out in the Directors' Remuneration Report on pages 73 to 98. There have been no other transactions with key management during the year (2024/25: £nil).

10 Income tax expense

£ millions	2025/26	2024/25
UK corporation tax		
Current tax on profits for the year	(78)	(79)
Adjustments in respect of prior years	12	4
	(66)	(75)
Overseas tax		
Current tax on profits for the year	(37)	(26)
Adjustments in respect of prior years	(6)	4
	(43)	(22)
Current tax	(109)	(97)
Deferred tax		
Current year	(16)	(13)
Adjustments in respect of prior years	(8)	(12)
Deferred tax	(24)	(25)
Income tax expense	(133)	(122)

Notes to the consolidated financial statements continued

10 Income tax expense continued

Factors affecting tax charge for the year

The tax charge for the year differs from the standard rate of corporation tax in the UK of 25% (2024/25: 25%). The differences are explained below:

£ millions	2025/26	2024/25
Profit before taxation	378	307
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2024/25: 25%)	(95)	(77)
Net expense not deductible for tax purposes	(34)	(32)
Temporary differences:		
Losses not recognised	(3)	(9)
Share of post-tax results of joint ventures	(2)	(4)
Foreign tax rate differences	3	4
Adjustments in respect of prior years	(2)	(4)
Income tax expense	(133)	(122)

The adjusted effective tax rate on profit before adjusting items is 26% (2024/25: 28%). The adjusted effective tax rate calculation is set out in the Financial Review on page 32.

The overall tax rate for the year is 35% (2024/25: 40%). This predominately reflects the blend of tax rates and profits in the Group's various jurisdictions, and the applicable tax treatment of adjusting items and losses made by companies which have not been recognised for deferred tax. This includes a charge in respect of prior year provisions, which reflect a reassessment of expected outcomes, agreed positions with tax authorities and items that have time-expired. Net expense not deductible for tax purposes does not include any significant values that have been netted off.

In addition to the amounts charged to the income statement, tax of £12m has been credited directly to equity (2024/25: £30m credit) of which £nil (2024/25: £1m charge) is included in current tax and a £12m credit (2024/25: £31m credit) is included in deferred tax. See note 26 for further details.

The Group is subject to the global minimum tax rules (Pillar Two). The legislation implementing Pillar Two in the UK was substantively enacted on 20 June 2023 and applies to the Group for financial years ending 31 January 2025 onwards.

The Group has assessed the impact of the rules and the estimated exposure to Pillar Two top-up taxes is negligible. The Group will continue to closely monitor developments in respect of the Pillar Two rules and assess any potential impact on future tax charges. The Group has applied the exception to IAS 12 in respect of recognising and disclosing information relating to deferred tax assets and liabilities arising in respect of Pillar Two.

Changes in tax rates

During the year the French government approved a temporary CIT surcharge. Taxable profits were subject to tax at the headline statutory rate of 25.0%, plus an additional liability at 41.2% of the average relevant CIT liabilities in respect of the periods 2024/25 and 2025/26. The Group has recorded a current tax expense in this respect of £1m (2024/25: £nil).

On 19 February 2026 the French government enacted legislation for the surcharge to be extended for a further year on the same basis as above, with the additional liability of 41.2% calculated with reference to the average relevant CIT liabilities in respect of the periods 2025/26 and 2026/27. The impact of the surcharge in 2026/27 on Kingfisher's French operations is estimated to be £3m.

There were no other significant changes to tax rates announced in the year relating to the overseas territories in which the Group operates.

11 Earnings per share

Pence	2025/26	2024/25
Basic earnings per share	14.0	10.1
Effect of dilutive share options per share	(0.2)	(0.2)
Diluted earnings per share	13.8	9.9
Basic earnings per share	14.0	10.1
Adjusting items before tax per share	10.5	12.0
Prior year and other adjusting tax items per share	(0.7)	(1.4)
Adjusted basic earnings per share	23.8	20.7
Diluted earnings per share	13.8	9.9
Adjusting items before tax per share	10.2	11.8
Prior year and other adjusting tax items per share	(0.6)	(1.3)
Adjusted diluted earnings per share	23.4	20.4

Basic earnings per share is calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of shares in issue during the year, including vested but contingently issuable shares and deferred shares but excluding those held in the Employee Share Ownership Plan trust ('ESOP trust') which for the purpose of this calculation are treated as cancelled.

For diluted earnings per share, the weighted average number of shares is adjusted to assume conversion of all dilutive potential ordinary shares. These represent share options granted in connection with employee share-based payment plans that are yet to vest.

The calculation of basic and diluted earnings per share is based on the profit for the year attributable to equity shareholders of the Company. A reconciliation of statutory earnings to adjusted earnings is set out below:

£ millions	2025/26	2024/25
Earnings	245	185
Adjusting items before tax	182	221
Prior year and other adjusting tax items	(11)	(25)
Adjusted earnings	416	381

The weighted average number of shares in issue during the year, excluding those held in the ESOP trust, is set out below:

Weighted average number of shares (millions)	2025/26	2024/25
Basic	1,748	1,838
Effect of dilutive potential ordinary shares	28	29
Diluted	1,776	1,867

12 Dividends

£ millions	2025/26	2024/25
Dividends paid to equity shareholders of the Company		
Ordinary interim dividend for the year ended 31 January 2026 of 3.80p per share (year ended 31 January 2025: 3.80p per share)	66	69
Ordinary final dividend for the year ended 31 January 2025 of 8.60p per share (year ended 31 January 2024: 8.60p per share)	152	159
	218	228

The proposed dividend for the year ended 31 January 2026, subject to approval by shareholders at the Annual General Meeting, is 12.40p per share, comprising an interim dividend of 3.80p in respect of the six months ended 31 July 2025 and a final dividend of 8.60p. The total final dividend for the year ended 31 January 2026 based on the issued share capital as at 31 January 2026 is expected to be c.£147m. The final amount may vary depending on share movements between the balance sheet and payment date.

Notes to the consolidated financial statements continued

13 Goodwill

£ millions

Cost	
At 1 February 2025	2,396
At 31 January 2026	2,396
Impairment	
At 1 February 2025	(84)
Charge for the year	(73)
At 31 January 2026	(157)
Net carrying amount	
At 31 January 2026	2,239

Cost	
At 1 February 2024	2,455
Disposals	(8)
Transfers to held for sale	(49)
Exchange differences	(2)
At 31 January 2025	2,396

Impairment	
At 1 February 2024	(57)
Charge for the year	(84)
Disposals	8
Transfers to held for sale	49
At 31 January 2025	(84)

Net carrying amount	
At 31 January 2025	2,312

An impairment charge of £73m has been recorded in the year as an adjusting item in relation to the goodwill allocated to the Castorama France group of CGUs. Refer to note 3.

Impairment tests for goodwill

Goodwill has been allocated for impairment testing purposes to groups of cash generating units (CGUs) as follows:

£ millions	B&Q UK & Ireland	Screwfix UK & Ireland	Castorama France	Brico Dépôt France	Poland	Total
At 31 January 2026						
Cost	1,036	760	224	295	81	2,396
Impairment	-	-	(157)	-	-	(157)
Net carrying amount	1,036	760	67	295	81	2,239

£ millions	B&Q UK & Ireland	Screwfix UK & Ireland	Castorama France	Brico Dépôt France	Poland	Total
At 31 January 2025						
Cost	1,036	760	225	296	81	2,398
Impairment	-	-	(84)	-	-	(84)
Exchange differences	-	-	(1)	(1)	-	(2)
Net carrying amount	1,036	760	140	295	81	2,312

The recoverable amounts of the groups of CGUs have been determined based on value-in-use calculations. The key assumptions used for value-in-use calculations are set out below.

Assumptions

The cash flow projections are based on approved strategic plans covering a three-year period. These are based on both past performance and expectations for future market development. The projections reflect the expected benefits from certain strategic initiatives, including an increased offer, an improved digital journey and improved operational efficiency. As required under IFRS, cash flows related to uncommitted future restructurings and enhancement capital expenditure are excluded from the projections for impairment testing purposes. For further details, refer to the Strategic Report on pages 31 to 37.

Key outcomes of the strategic plans are reflected in sales growth, and increases in margin and operating profit percentages. Sales projections take into consideration both external factors such as market expectations, and internal factors such as execution on our strategy. They assume sales increases in each CGU that are driven by an enlarged offer, an expansion of our trade business, improved digital capabilities (including marketplaces) and local trading initiatives, supported by structural changes in the growth of the home improvement market. Assumed gross margin percentages benefit from increased sales of the Group's higher margin own exclusive brands (OEB), vendor negotiations and operational leverage benefits from increased sales on logistics and distribution costs. Assumed operating profit percentages reflect better utilisation of fixed costs through higher sales densities and cost savings driven from operational efficiencies, including a more efficient organisation and leveraging our goods-not-for-resale spend.

Cash flows beyond the period of the strategic plans are calculated using a growth rate which does not exceed the long-term average growth rate for the countries in which the Group's CGUs operate.

The pre-tax discount rates are derived from the Group's weighted average cost of capital, taking into account the cost of equity and debt, to which specific market-related premium adjustments are made for each country in which the CGU operates.

The risk-adjusted nominal discount rates and long-term nominal growth rates used are as follows:

Annual % rate	2025/26			2024/25		
	UK	France	Poland	UK	France	Poland
Pre-tax discount rate	10.5	10.7	10.9	11.0	11.2	11.7
Post-tax discount rate	8.4	8.4	9.3	8.8	8.9	10.0
Long-term growth rate	2.0	1.9	2.5	2.0	1.8	2.5

The Board has reviewed a sensitivity analysis and does not consider that a reasonably possible change in the assumptions used in the value-in-use calculations would cause the carrying amounts of the B&Q UK & Ireland, Screwfix UK & Ireland, Brico Dépôt France and Castorama Poland groups of CGUs to exceed their recoverable amounts.

Refer to note 3, where impairment of Castorama France goodwill is disclosed as a 'Key source of estimation uncertainty', for the sensitivity analysis over the remaining goodwill balance allocated to the Castorama France group of CGUs.

Notes to the consolidated financial statements continued

14 Other intangible assets

£ millions	Other intangible assets
Cost	
At 1 February 2025	1,005
Additions	88
Disposals	(233)
Exchange differences	3
At 31 January 2026	863
Amortisation	
At 1 February 2025	(693)
Charge for the year	(131)
Impairment losses	(8)
Disposals	233
Exchange differences	(3)
At 31 January 2026	(602)
Net carrying amount	
At 31 January 2026	261
Cost	
At 1 February 2024	1,011
Additions	78
Disposals	(23)
Eliminations ¹	(54)
Transfers to held for sale	(5)
Exchange differences	(2)
At 31 January 2025	1,005
Amortisation	
At 1 February 2024	(643)
Charge for the year	(125)
Impairment losses	(6)
Disposals	23
Eliminations ¹	54
Transfers to held for sale	3
Exchange differences	1
At 31 January 2025	(693)
Net carrying amount	
At 31 January 2025	312

1. Eliminations consist of amounts in relation to nil net book value assets which were eliminated from the asset register following a verification project in the UK in the prior year.

Other intangible assets are principally comprised of computer software.

Additions in the current and prior year primarily related to the development of IT infrastructure for the benefit of the Group.

Other intangible assets cost include £530m (2024/25: £482m) of internally generated development costs with a £138m (2024/25: £171m) net carrying amount. None of the Group's other intangible assets have indefinite useful lives.

15 Property, plant and equipment

£ millions	Land and buildings	Fixtures, fittings, equipment and other assets	Total
Cost			
At 1 February 2025	2,753	2,925	5,678
Additions	64	239	303
Disposals	(2)	(116)	(118)
Transfers to investment properties	(47)	–	(47)
Transfers to assets held for sale	(3)	–	(3)
Exchange differences	75	47	122
At 31 January 2026	2,840	3,095	5,935
Depreciation			
At 1 February 2025	(641)	(1,932)	(2,573)
Charge for the year	(32)	(180)	(212)
Impairment losses	(24)	(22)	(46)
Impairment reversals	21	8	29
Disposals	1	114	115
Transfers to investment properties	10	–	10
Exchange differences	(18)	(34)	(52)
At 31 January 2026	(683)	(2,046)	(2,729)
Net carrying amount			
At 31 January 2026	2,157	1,049	3,206
Cost			
At 1 February 2024	2,761	3,637	6,398
Additions	32	206	238
Disposals	(11)	(52)	(63)
Eliminations and transfers ¹	70	(820)	(750)
Transfers to assets held for sale	(73)	(27)	(100)
Exchange differences	(26)	(19)	(45)
At 31 January 2025	2,753	2,925	5,678
Depreciation			
At 1 February 2024	(628)	(2,564)	(3,192)
Charge for the year	(29)	(177)	(206)
Impairment losses	(42)	(34)	(76)
Impairment reversals	14	2	16
Disposals	3	50	53
Eliminations and transfers ¹	(2)	752	750
Transfers to assets held for sale	36	24	60
Exchange differences	7	15	22
At 31 January 2025	(641)	(1,932)	(2,573)
Net carrying amount			
At 31 January 2025	2,112	993	3,105
Assets in the course of construction included above at net carrying amount			
At 31 January 2026	39	213	252
At 31 January 2025	35	160	195

1. Eliminations and transfers comprise amounts in relation to nil net book value assets which were eliminated from the asset register following a verification project in the UK, in addition to other transfers across asset categories in the prior year.

Fixtures, fittings, equipment and other assets includes fixtures and fittings with a net carrying value of £763m (2024/25: £769m), computers and electronic equipment with a net carrying value of £55m (2024/25: £46m) and motor cars and commercial vehicles with a net carrying value of £18m (2024/25: £18m).

Net impairment charges of £17m have been recorded in the year relating to store-based assets (2024/25: £60m). Current year impairment charges of £46m have been recorded principally in France and the UK, partially offset by impairment reversals of £29m in France, the UK and Iberia, reflecting store-level performance and revised future financial projections.

Notes to the consolidated financial statements continued

15 Property, plant and equipment continued

The net store impairment charges of £17m have been recorded as adjusting items (refer to note 6). Discount and long-term growth rates are in line with those used for goodwill impairment testing (refer to note 13).

The Group does not revalue properties within its financial statements. A formal valuation of the portfolio was undertaken by external professional valuers in October 2025, with the valuations then reviewed for any significant updates to 31 January 2026. Based on this exercise, the value of property is £2.7bn (2024/25: £2.6bn) on a sale and leaseback basis with Kingfisher in occupancy. A vacant possession valuation basis is used to approximate the fair value less costs to sell when reviewing for impairment. The key assumption used in calculating this is the estimated yields and market rents. Property, plant and equipment market valuations (including vacant possession valuations) are considered to have been determined by level 3 inputs as defined by the fair value hierarchy of IFRS 13, 'Fair value measurement'.

16 Investment property

£ millions

Cost	
At 1 February 2025	47
Additions	12
Disposals	(2)
Transfers from property, plant and equipment	47
Transfers from assets held for sale	6
Transfers to assets held for sale	(1)
Exchange differences	2
At 31 January 2026	111
Depreciation	
At 1 February 2025	(13)
Disposals	1
Transfers from property, plant and equipment	(10)
Impairment losses	(2)
Impairment reversals	1
At 31 January 2026	(23)
Net carrying amount	
At 31 January 2026	88
Cost	
At 1 February 2024	40
Transfers from right-of-use assets	4
Transfers from assets held for sale	3
At 31 January 2025	47
Depreciation	
At 1 February 2024	(13)
At 31 January 2025	(13)
Net carrying amount	
At 31 January 2025	34

A property valuation exercise is performed for internal purposes annually as described in note 15. Based on this exercise, the fair value of investment property is £103m (2024/25: £40m). All the investment property market valuations are considered to have been determined by level 3 inputs as defined by the fair value hierarchy of IFRS 13, 'Fair value measurement'.

17 Leases

The Group is a lessee of retail stores, offices, warehouses and plant and equipment under lease agreements with varying terms, escalation clauses and renewal rights. The Group is also a lessor and sub-lessor of space with freehold and leasehold properties respectively.

Right-of-use assets

£ millions	2025/26	2024/25
Land and buildings	1,733	1,661
Fixtures, fittings and equipment	97	110
Net carrying amount	1,830	1,771

Leased fixtures, fittings and equipment includes items such as mechanical handling equipment and vehicles.

£ millions	2025/26	2024/25
At beginning of year	1,771	1,881
Additions ¹	361	253
Depreciation charge for the year	(324)	(325)
Impairment losses	(32)	(56)
Impairment reversals	12	8
Transfers to held for sale	–	(17)
Transfers to investment property	–	(3)
Other movements ²	24	35
Exchange differences	18	(5)
At end of year	1,830	1,771

1. Right-of-use asset additions include new leases, lease renewals and increases in term and/or scope for existing leases.

2. Other movements principally comprise amounts in relation to indexation, rent reviews and other changes in lease term and scope.

Net right-of-use asset impairment charges of £20m (2024/25: £48m) have been recorded in the year relating to store-based assets. Current year impairment charges of £32m have been recorded principally in France and the UK, partially offset by impairment reversals of £12m in the UK and Iberia, reflecting store-level performance and revised future financial projections. The net store impairment charges of £20m have been recorded as adjusting items. Refer to note 6.

Amounts included in profit and loss

£ millions	2025/26	2024/25
Short-term rentals	(44)	(43)
Depreciation of right-of-use assets		
Property leases	(285)	(284)
Equipment leases	(39)	(41)
Interest on lease liabilities		
Property leases	(112)	(116)
Equipment leases	(6)	(6)

Amounts recognised in the cash flow statement

£ millions	2025/26	2024/25
Interest element of lease rental payments		
Property leases	(112)	(117)
Equipment leases	(6)	(6)
Principal element of lease rental payments		
Property leases	(336)	(344)
Equipment leases	(43)	(43)
Total cash outflow for leases	(497)	(510)

Notes to the consolidated financial statements continued

17 Leases continued

Maturity analysis of operating lease receivables

Undiscounted total future minimum rentals receivable under non-cancellable operating leases are as follows:

£ millions	2025/26	2024/25
Year 1	6	5
Year 2	5	5
Year 3	5	4
Year 4	5	4
Year 5	5	4
Year 6 and onwards	22	21
	48	43

Other lease disclosures

The maturity analysis of lease liabilities has been reflected in note 25 Financial risk management.

Lease arrangements under which rental payments are contingent upon sales, other performance or usage are not significant for the Group.

There are no corporate restrictions imposed by lease arrangements such as those concerning dividends, additional debt and further leasing.

Sale and leaseback transactions

No sale and leaseback transactions were entered into in the current or prior year.

18 Equity accounted investments

£ millions	
At 1 February 2025	29
Share of post-tax results ¹	(28)
Exchange differences ²	(1)
At 31 January 2026	-

£ millions	
At 1 February 2024	19
Share of post-tax results	(15)
Capital contribution	19
Exchange differences ²	6
At 31 January 2025	29

1. Includes an impairment charge of £19m recorded within adjusting items (2024/25: £nil). Refer to note 6.

2. Exchange differences include amounts in relation to IAS 29 Equity adjustments for Koçtaş.

No goodwill is included in the carrying amount of equity accounted investments (2024/25: £nil).

Details of the Group's significant equity accounted investments are shown below:

	Principal place of business	% interest held	Class of shares owned	Main activity
Principal joint ventures				
Koçtaş Yapı Marketleri Ticaret A.Ş.	Turkey	50%	Ordinary	Retailing
UNIO S.A.S.	France	50%	Ordinary	Sourcing

19 Inventories

£ millions	2025/26	2024/25
Finished goods for resale	2,768	2,719

The cost of inventories recognised as an expense and included in cost of sales for the year ended 31 January 2026 is £7,128m (2024/25: £7,173m). The total amount of rebates deducted from the carrying value of inventories is £136m (2024/25: £123m).

20 Trade and other receivables

£ millions	2025/26	2024/25
Non-current		
Trade receivables	4	–
Prepayments	7	7
Sublease receivables	2	4
	13	11
Current		
Trade receivables	106	100
Allowance for expected credit losses	(10)	(12)
Net trade receivables	96	88
Property receivables	6	5
Sublease receivables	1	1
Merchandise returns asset	10	10
Prepayments	56	62
Rebates due from suppliers	71	66
Other taxation and social security	13	14
Other receivables	36	30
	289	276
Trade and other receivables	302	287

The fair values of trade and other receivables approximate to their carrying amounts. Refer to note 25 for further information on the credit risk associated with trade and other receivables.

Trade receivables

The table below presents the ageing of trade receivables and related allowances for expected credit losses:

£ millions	2025/26			2024/25		
	Expected loss rate (%)	Carrying amount of trade receivables (£m)	Loss allowance (£m)	Expected loss rate (%)	Carrying amount of trade receivables (£m)	Loss allowance (£m)
Current	–	88	–	–	65	–
0–3 months past due	–	11	–	8%	24	2
3–6 months past due	67%	3	2	80%	3	3
Over 6 months past due	100%	8	8	94%	8	7
Total		110	10		100	12

21 Cash and cash equivalents

£ millions	2025/26	2024/25
Cash at bank and in hand	255	263
Cash equivalents	210	73
Cash and cash equivalents ¹	465	336

1. Excludes £nil of cash and cash equivalents included within assets held for sale (2024/25: £9m).

Included in cash and cash equivalents is restricted cash of £40m (2024/25: £39m) relating to cash held by the Group's captive insurance company and in virtual captive arrangements.

Cash equivalents include investments in money market funds, and bank deposits fixed for periods of up to three months. The carrying amount of cash and cash equivalents are approximate to their fair values.

Notes to the consolidated financial statements continued

22 Trade and other payables

£ millions	2025/26	2024/25
Non-current		
Other payables	2	2
Current		
Trade payables	1,248	1,178
Other taxation and social security	271	272
Deferred revenue	156	145
Share purchase obligations	71	26
Merchandise returns provision	18	17
Payroll creditors and accruals	256	224
Accruals and other payables	504	493
	2,524	2,355
Trade and other payables	2,526	2,357

The fair values of trade and other payables approximate to their carrying amounts.

Accruals and other payables include items related to goods not for resale, property, capital expenditure, insurance and interest.

The share repurchase obligations relate to a liability arising under an irrevocable closed season buyback of the Company's own shares (refer to note 29).

The deferred revenue balance represents amounts received directly from customers for goods and services where the Group has not yet fulfilled its performance obligations, including unfulfilled sales orders and installation sales. Performance obligations are expected to be met within twelve months of the reporting date. In both the current and prior year, the total opening balance was recognised in sales in the year.

£ millions	2025/26	2024/25
At beginning of year	145	153
Revenue recognised relating to deferred revenue at the beginning of the year	(145)	(153)
Increase due to cash received in the year	156	145
At end of year	156	145

Included in trade payables are amounts at 31 January 2026 of £138m (2024/25: £123m) for which suppliers have received payment from finance providers under trade finance facilities. Judgement is required to assess the payables subject to these arrangements and whether they should continue to be classified as trade payables, and whether the cash flows should continue to be classified as cash flows from operating activities. Suppliers choose to enter into these arrangements at their discretion for working capital management purposes, which provide access to favourable interest rates from the finance providers, based on the Group's investment grade credit rating. If suppliers do not choose early payment under these arrangements, their invoices are settled by the finance providers in accordance with the originally agreed payment terms. In certain arrangements, the Group has agreed extended payment terms. Facilities are provided by approved bank counterparties and are uncommitted.

These arrangements do not provide the Group with a significant benefit of additional financing and accordingly are classified as trade payables. The total size of these facilities at the reporting date is £336m (2024/25: £349m). Of these facilities, £201m (2024/25: £274m) is subject to payment terms which is in line with normal payment terms for the suppliers and is paid between 30 and 90 days.

For the remaining £135m (2024/25: £75m), Kingfisher has agreed extended payment terms with the finance providers. The carrying amount at 31 January 2026 of financial liabilities that have extended payment terms under these arrangements is £35m (2024/25: £19m). Without this facility, the Group pays such suppliers on average 30-60 days after the invoice date. Payment terms for these financial liabilities that are part of the arrangements are extended by an average of 10 days, and by no more than 20 days.

The arrangements do not result in the concentration of liquidity risk because of the limited amount of liabilities subject to supplier finance arrangements and the Group's access to other sources of finance. There were no significant non-cash changes in the carrying amount of the trade payables included in the Group's supplier finance arrangements.

23 Borrowings

£ millions	2025/26	2024/25
Non-current		
Bank loans	1	1
Fixed term debt	99	–
	100	1
Current		
Bank overdrafts	3	9
Fixed term debt	–	99
	3	108
Borrowings	103	109

Bank loans

Non-current bank loans have an average maturity of two years (2024/25: two years) and are arranged at fixed rates of interest with an effective interest rate of 4.1% (2024/25: 3.8%).

Fixed term debt

	2025/26					2024/25
	Principal outstanding	Maturity date	Coupon	Effective interest rate	Carrying amount £m	Carrying amount £m
GBP Term Loan	£50m	17/01/28	SONIA + 0.700%	4.4%	50	50
GBP Term Loan	£50m	23/06/27	SONIA + 0.700%	4.4%	49	49
					99	99

Each of the £50m fixed term loans were refinanced during the year.

The Group has access to a committed revolving credit facility (RCF) of £650m, which was extended by one year in May 2025 and now expires at the end of May 2028. As of 31 January 2026, this RCF was undrawn.

The terms of the committed RCF and term loans require that the ratio of Group operating profit (excluding adjusting items) to net interest payable (excluding interest on lease liabilities) must be no less than 3:1 for the preceding 12 months as at the half and full year ends. At 31 January 2026, the Group was in compliance with this requirement.

Fair values

£ millions	Fair value	
	2025/26	2024/25
Bank overdrafts	3	9
Bank loans	1	1
Fixed term debt	96	102
Borrowings	100	112

Fair values of borrowings have been calculated by discounting cash flows at prevailing interest and foreign exchange rates. This has resulted in level 2 inputs as defined by the fair value hierarchy of IFRS 13, 'Fair value measurement'.

24 Derivatives

£ millions	2025/26	2024/25
Non-current assets	–	2
Current assets	1	22
Non-current liabilities	(1)	–
Current liabilities	(22)	(5)
	(22)	19

The net fair value of derivatives by hedge designation at the balance sheet date is:

£ millions	2025/26	2024/25
Cash flow hedges	(20)	17
Non-designated hedges	(2)	2
	(22)	19

Notes to the consolidated financial statements continued

24 Derivatives continued

The Group holds the following derivative financial instruments at fair value:

£ millions	2025/26	2024/25
Foreign exchange contracts	1	24
Derivative assets	1	24
Foreign exchange contracts	(23)	(5)
Derivative liabilities	(23)	(5)
	(22)	19

The fair values are calculated by discounting future cash flows arising from the instruments and adjusted for credit risk. These fair value measurements are all made using observable market rates of interest, foreign exchange and credit risk.

All the derivatives held by the Group at fair value are considered to have fair values determined by level 2 inputs as defined by the fair value hierarchy of IFRS 13, 'Fair value measurement', representing significant observable inputs other than quoted prices in active markets for identical assets or liabilities. There are no non-recurring fair value measurements nor have there been any transfers of assets or liabilities between levels of the fair value hierarchy.

At 31 January 2026, net financing derivative liabilities included in net debt amount to £2m (2024/25: £2m asset).

Cash flow hedges

Forward foreign exchange contracts hedge currency exposures arising from forecast inventory purchases and IT contracts. At 31 January 2026, the Sterling-equivalent amount of such contracts was £861m (2024/25: £959m) and the amount relating to IT contracts was £23m (2024/25: £20m). These contracts are presented in the derivative asset and derivative liability lines in the consolidated balance sheet with carrying amounts of £1m (asset) and £21m (liability) (2024/25: £21m asset and £4m liability). The associated fair value gains and losses will be transferred to inventories when the purchases occur during the next 18 months. The amount recognised in other comprehensive income during the year was a loss of £74m (2024/25: £22m gain). For contracts which matured during the year, a loss of £36m (2024/25: £15m) was transferred to inventories, and a loss of £1m (2024/25: £nil) was recognised in the income statement due to ineffectiveness arising from differences in timing and amount of forecast transactions relating to foreign currency inventory purchases. The weighted average hedged rates for derivatives outstanding at 31 January 2026 for our material currencies are EUR/USD 1.17 and GBP/USD 1.34 (2024/25: EUR/USD 1.10 and GBP/USD 1.27).

Hedge effectiveness is assessed at the inception of the hedge relationship and on an ongoing basis to ensure that an economic relationship exists between the hedged item and the hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness.

For foreign currency inventory purchases, ineffectiveness may arise if the timing or amount of the forecast transaction changes from what was originally estimated or if there are changes in the credit risk of the Group or the derivative counterparty. Foreign currency basis spread of the derivative has been excluded from the hedge designation, however this is judged to be immaterial and no adjustment has been made to the income statement.

Non-designated hedges

The Group has entered into certain derivatives to provide a hedge against fluctuations in the income statement arising from balance sheet positions. At 31 January 2026, the Sterling-equivalent amount of such contracts was £459m (2024/25: £706m). These have not been accounted for as hedges, since the fair value movements of the derivatives in the income statement offset the retranslation of the balance sheet positions.

The Group has reviewed all significant contracts for embedded derivatives and none of these contracts has any embedded derivatives which are not closely related to the host contract, and therefore the Group does not account for these separately.

The Group enters into netting agreements with counterparties to manage the credit and settlement risks associated with over-the-counter derivatives. These netting agreements and similar arrangements generally enable the Group and its counterparties to settle cash flows on a net basis and offset liabilities against available assets in the event that either party is unable to fulfil its contractual obligations.

Offsetting of derivative assets and liabilities:

£ millions	Gross amounts of recognised derivatives	Gross amounts offset in the consolidated balance sheet	Net amounts of derivatives presented in the consolidated balance sheet	Gross amounts of derivatives not offset in the consolidated balance sheet	Net amount
At 31 January 2026					
Derivative assets	1	–	1	(1)	–
Derivative liabilities	(23)	–	(23)	1	(22)
At 31 January 2025					
Derivative assets	24	–	24	(5)	19
Derivative liabilities	(5)	–	(5)	5	–

Net investment hedges

Foreign currency denominated lease liabilities are designated as hedging the exposure to movements in the spot retranslation of the Group's investment in foreign subsidiaries. The gains and losses on retranslation of the hedging instruments are presented in the translation reserve within other reserves to offset gains and losses on the hedged balance sheet exposure. The nominal values of these lease liabilities is £137m (2024/25: £187m). The amount recognised in the translation reserve is a loss of £2m (2024/25: £nil). There is no ineffectiveness for 2025/26. The cumulative total amount recognised in the translation reserve in relation to investment hedges is a loss of £105m (2024/25: £103m).

Categories of financial instruments

The table below sets out the carrying amount of financial assets and liabilities for each financial instrument category as defined by IFRS 9:

£ millions	2025/26				2024/25 ¹			
	Fair value through other comprehensive income ²	Fair value through profit or loss	Amortised cost	Total	Fair value through other comprehensive income ²	Fair value through profit or loss	Amortised cost	Total
Cash and cash equivalents	–	–	465	465	–	–	336	336
Trade and other receivables – current ³	–	–	210	210	–	–	190	190
Trade and other receivables – non-current ³	–	–	6	6	–	–	4	4
Derivative assets – current	–	1	–	1	19	3	–	22
Derivative assets – non-current	–	–	–	–	2	–	–	2
Trade and other payables – current ³	–	–	(1,823)	(1,823)	–	–	(1,697)	(1,697)
Trade and other payables – non-current ³	–	–	(2)	(2)	–	–	(2)	(2)
Derivative liabilities – current	(20)	(2)	–	(22)	(4)	(1)	–	(5)
Derivative liabilities – non-current	(1)	–	–	(1)	–	–	–	–
Borrowings – current	–	–	(3)	(3)	–	–	(108)	(108)
Borrowings – non-current	–	–	(100)	(100)	–	–	(1)	(1)
Lease liabilities – current	–	–	(351)	(351)	–	–	(345)	(345)
Lease liabilities – non-current	–	–	(1,887)	(1,887)	–	–	(1,866)	(1,866)
Financial assets and liabilities	(21)	(1)	(3,485)	(3,507)	17	2	(3,489)	(3,470)

1. Excludes Romania financial assets and liabilities which are classified as held for sale.

2. Relating to derivatives in designated hedge relationships.

3. Excluding non-financial items relating to prepayments, merchandise returns assets and provisions and deferred revenue, and non-contractual items relating to other taxation and social security payables and receivables and payroll creditors and accruals.

Notes to the consolidated financial statements continued

25 Financial risk management

The Group's treasury function has primary responsibility for managing certain financial risks to which the Group is exposed. The Board reviews the levels of exposure regularly and approves treasury policies covering the use of financial instruments required to manage these risks. The Group's treasury function is not run as a profit centre and does not enter into any transactions for speculative purposes.

In the normal course of business, the Group uses financial instruments including derivatives. The main types of financial instruments used are fixed term debt, bank loans and deposits, money market funds, and foreign exchange contracts.

Interest rate risk

Borrowings arranged at floating rates of interest expose the Group to cash flow interest rate risk, whereas those arranged at fixed rates of interest expose the Group to fair value interest rate risk. Where appropriate, the Group manages its interest rate risk by entering into certain interest rate derivative contracts which modify the interest rate payable on the Group's underlying debt instruments.

Currency risk

The Group's principal currency exposures are to the Euro, US Dollar and Polish Zloty. The Euro and Polish Zloty exposures are operational and arise through the ownership of retail businesses in France, Spain, Portugal, the Republic of Ireland and Poland.

In particular, the Group generates a substantial part of its profit from the Eurozone and, as such, is exposed to the economic uncertainty of its member states. The Group continues to monitor potential exposures and risks and consider effective risk management solutions.

It is the Group's policy not to hedge the translation of overseas earnings into Sterling. In addition, the Group has significant transactional exposure arising on the purchase of inventories denominated in US Dollars, which it hedges using forward foreign exchange contracts. Under Group policies, the Group's operating companies are required to hedge committed inventory purchases and a proportion of forecast inventory purchases, with hedging horizons determined locally, generally within a range of 12 to 18 months. This is monitored on an ongoing basis. The Group also has smaller USD exposures relating to certain IT contracts, which are hedged using the same approach.

The Group also has exposure to certain leases denominated in currencies which are different from the functional (reporting) currencies of the lessee. To reduce the Group's exposure to this, most of the affected lease liabilities have been designated as net investment hedges of Group assets held in the same currency.

The Group's policy is to manage the interest rate and currency profile of its debt and cash using derivative contracts. The effect of these contracts on the Group's net debt is as follows:

£ millions	2025/26								Total
	Sterling		Euro		US Dollar		Other		
	Fixed	Floating	Fixed	Floating	Fixed	Floating	Fixed	Floating	
At 31 January 2026									
Net cash/(debt) before financing derivatives and lease liabilities	-	53	(2)	180	-	61	-	70	362
Financing derivatives	-	(457)	-	80	-	345	-	30	(2)
Lease liabilities	(1,614)	-	(566)	-	-	-	(58)	-	(2,238)
Net (debt)/cash	(1,614)	(404)	(568)	260	-	406	(58)	100	(1,878)

£ millions	2024/25								Total
	Sterling		Euro		US Dollar		Other		
	Fixed	Floating	Fixed	Floating	Fixed	Floating	Fixed	Floating	
At 31 January 2025									
Net cash/(debt) before financing derivatives and lease liabilities	-	23	(2)	81	-	80	-	54	236
Financing derivatives	-	(591)	-	201	-	372	-	20	2
Lease liabilities	(1,611)	-	(553)	-	-	-	(89)	-	(2,253)
Net (debt)/cash ¹	(1,611)	(568)	(555)	282	-	452	(89)	74	(2,015)

1. Includes net debt held for sale.

Financial instruments principally affected by interest rate and currency risks, being the significant market risks impacting the Group, are borrowings, deposits and derivatives. The following analysis illustrates the sensitivity of net finance costs (reflecting the impact on profit) and derivative cash flow hedges (reflecting the impact on other comprehensive income) to changes in interest rates and foreign exchange rates.

£ millions	2025/26	2024/25
	Net finance costs	Net finance costs
Effect of 1% rise in interest rates on net finance costs		
Sterling	(4)	(6)
Euro	3	3
US Dollar	4	5

Due to the Group's hedging arrangements and offsetting foreign currency assets and liabilities, there is no significant impact on profit from the retranslation of financial instruments.

£ millions	2025/26	2024/25
	Derivative cash flow hedges increase	Derivative cash flow hedges increase
Effect of 10% appreciation in foreign exchange rates on derivative cash flow hedges		
US Dollar against Sterling	78	80
US Dollar against Euro	20	21
US Dollar against other	8	10

The impact of changes in foreign exchange rates on cash flow hedges results from retranslation of forward purchases of US Dollars used to hedge forecast US Dollar purchases of inventories. The associated fair value gains and losses are deferred in equity until the purchases occur. Refer to note 24 for further details.

The sensitivity analysis excludes the impact of movements in market variables on the carrying amount of trade and other payables and receivables, due to the low associated sensitivity, and are before the effect of tax. It has been prepared on the basis that the Group's debt, hedging activities, hedge accounting designations, and foreign currency proportion of debt and derivative contracts remain constant, reflecting the positions at 31 January 2026 and 31 January 2025 respectively. As a consequence, the analysis relates to the position at those dates and is not necessarily representative of the years then ended. In preparing the sensitivity analysis it is assumed that all hedges are fully effective.

The effects shown above would be reversed in the event of an equal and opposite change in interest rates and foreign exchange rates.

Liquidity risk

The Group regularly reviews the level of cash and debt facilities required to fund its activities. This involves preparing a prudent cash flow forecast for the medium term, determining the level of debt facilities required to fund the business, planning for repayment of debt at its maturity and identifying an appropriate amount of headroom to provide a reserve against unexpected outflows and/or unexpected impacts to cash inflows.

As at 31 January 2026, the Group had access to a committed undrawn revolving credit facility (RCF) of £650m, which was extended by one year in May 2025 and now expires at the end of May 2028.

The following table analyses the Group's financial liabilities and derivatives into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interest) and as such may differ from the amounts disclosed on the balance sheet.

£ millions	2025/26							Total
	On demand	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	
At 31 January 2026								
Bank overdrafts	(3)	-	-	-	-	-	-	(3)
Trade and other payables ¹	-	(1,823)	(2)	-	-	-	-	(1,825)
Bank loans and fixed term debt	-	(5)	(104)	(1)	-	-	-	(110)
Lease liabilities	-	(446)	(421)	(368)	(315)	(256)	(1,064)	(2,870)
Derivative financial liabilities:								
Derivative contracts – receipts	-	934	59	-	-	-	-	993
Derivative contracts – payments	-	(958)	(61)	-	-	-	-	(1,019)
Derivative financial assets:								
Derivative contracts – receipts	-	340	8	-	-	-	-	348
Derivative contracts – payments	-	(338)	(8)	-	-	-	-	(346)

Notes to the consolidated financial statements continued

25 Financial risk management continued

2024/25

£ millions	On demand	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
At 31 January 2025								
Bank overdrafts	(9)	–	–	–	–	–	–	(9)
Trade and other payables ¹	–	(1,697)	(2)	–	–	–	–	(1,699)
Bank loans and fixed term debt	–	(108)	(1)	–	–	–	–	(109)
Lease liabilities	–	(446)	(425)	(373)	(319)	(269)	(996)	(2,828)
Derivative financial liabilities:								
Derivative contracts – receipts	–	276	25	–	–	–	–	301
Derivative contracts – payments	–	(283)	(26)	–	–	–	–	(309)
Derivative financial assets:								
Derivative contracts – receipts	–	1,317	48	–	–	–	–	1,365
Derivative contracts – payments	–	(1,294)	(46)	–	–	–	–	(1,340)

1. Excluding non-financial items relating to deferred income and merchandise returns provisions and non-contractual items relating to other taxation and social security payables and payroll creditors and accruals.

Credit risk

The Group manages credit risk from investing activities in accordance with treasury policy. The Group deposits surplus cash with a number of banks with strong long-term credit ratings (BBB and above) and with money market funds with AAA credit ratings offering same-day liquidity. An exposure limit for each counterparty is agreed by the Board, covering the full value of deposits and the fair value of derivative assets. Credit risk is also managed by spreading investments and entering into derivative contracts across several counterparties. As of 31 January 2026, the highest total cash investment with a single counterparty was £42m (2024/25: £17m).

The table below analyses the Group's cash and cash equivalents and derivative assets by credit exposure, excluding cash held in stores and cash in transit.

£ millions	Credit rating of counterparty ¹									Total
	AAA	AA+	AA	AA-	A+	A	A-	BBB +/-	Other rating	
Cash and cash equivalents ²	95	–	–	–	218	9	14	5	1	342
Derivative assets	–	–	–	–	–	1	–	–	–	1
At 31 January 2026	95	–	–	–	218	10	14	5	1	343

£ millions	Credit rating of counterparty ¹									Total
	AAA	AA+	AA	AA-	A+	A	A-	BBB +/-	Other rating	
Cash and cash equivalents ²	18	–	–	–	192	22	21	1	–	254
Derivative assets	–	–	–	–	14	5	5	–	–	24
At 31 January 2025	18	–	–	–	206	27	26	1	–	278

- Standard & Poor's equivalent rating shown. The Group determines this rating with reference to the majority credit rating from Standard & Poor's, Moody's or Fitch where applicable.
- Cash and cash equivalents excludes cash held in stores and cash in transit balances of £123m (2024/25: £82m).

The Group applies the low credit risk simplification under IFRS 9 for expected credit losses relating to cash at bank, short-term deposits and money market funds. The resulting expected credit losses are not significant.

The Group's exposure to credit risk at the reporting date is the carrying value of trade and other receivables, cash at bank, short-term deposits and the fair value of derivative assets. Trade and other receivables mainly relate to trade receivables and rebates which comprise low individual balances with short maturity spread across a large number of unrelated customers and suppliers, resulting in low credit risk levels. They do not have a significant financing component and therefore the Group measures expected credit losses using lifetime expected losses.

The estimated lifetime expected losses are based on historical loss rates adjusted where necessary for expected changes in economic conditions.

Capital risk

Capital risk management disclosures are provided in the Financial Review on pages 31 to 37.

26 Deferred tax

£ millions	2025/26	2024/25
Deferred tax assets	6	7
Deferred tax liabilities	(207)	(193)
	(201)	(186)

Deferred tax assets and liabilities are offset against each other when they relate to income taxes levied by the same tax jurisdiction and when the Group intends, and has the legally enforceable right, to settle its current tax assets and liabilities on a net basis.

£ millions	2025/26								
	Accelerated tax depreciation	Gains on property	Leases	Short-term timing differences	Tax losses	Post-employment benefits	Investment in subsidiaries	Other	Total
At 1 February 2025	(236)	(42)	106	38	–	(48)	(1)	(3)	(186)
(Charge)/credit to income statement	(9)	2	(14)	(5)	–	2	–	–	(24)
Credit/(charge) to equity	–	–	(2)	3	–	2	–	9	12
Exchange differences	(6)	(1)	1	2	–	1	–	–	(3)
At 31 January 2026	(251)	(41)	91	38	–	(43)	(1)	6	(201)

£ millions	2024/25								
	Accelerated tax depreciation	Gains on property	Leases	Short-term timing differences	Tax losses	Post-employment benefits	Investment in subsidiaries	Other	Total
At 1 February 2024	(227)	(50)	118	38	1	(81)	–	4	(197)
(Charge)/credit to income statement	(12)	5	(12)	–	(1)	(4)	(1)	–	(25)
Credit/(charge) to equity	–	–	–	–	–	38	–	(7)	31
Transfers to held for sale	–	2	–	–	–	–	–	–	2
Exchange differences	3	1	–	–	–	(1)	–	–	3
At 31 January 2025	(236)	(42)	106	38	–	(48)	(1)	(3)	(186)

At the balance sheet date, the Group has unused trading tax losses of £93m (2024/25: £269m) available for offset against future profits, which may be carried forward indefinitely. No deferred tax asset has been recognised in respect of these losses (2024/25: £nil) due to the unpredictability of future profit streams.

At the balance sheet date, the Group also has unused capital tax losses of £10m (2024/25: £10m) available for offset against future capital gains. No deferred tax asset has been recognised in the year in respect of such losses (2024/25: £nil). All of these losses may be carried forward indefinitely.

A deferred tax liability of £1m (2024/25: £1m) has been recognised in the year, reflecting the withholding tax anticipated to arise in light of a planned repatriation of certain earnings that were generated in the current year. Except for this liability, all other unremitted earnings of overseas subsidiaries and joint ventures are continually reinvested by the Group. Therefore, as no tax is expected to be payable on these earnings in the foreseeable future, no deferred tax liabilities are recorded in relation to them. Additional earnings which could be remitted on which there would be tax to pay total £244m (2024/25: £224m).

Notes to the consolidated financial statements continued

27 Provisions

£ millions	2025/26
At 1 February 2025	25
Charged to income statement	25
Released to income statement	(4)
Utilised in the year	(13)
Exchange differences	(1)
At 31 January 2026	32
Non-current liabilities	3
Current liabilities	29
	32

Provisions principally consist of restructuring provisions relating to restructuring plans in the UK & Ireland, France and Poland. Amounts charged to the income statement in the current year of £25m are principally related to the UK & Ireland and Poland operating model restructuring costs incurred in the year. Refer to note 6 for further details.

The ultimate costs and timing of cash flows related to the above provisions are largely dependent on the timing of the related people costs.

28 Post-employment benefits

The Group operates a number of post-employment benefit arrangements covering both funded and unfunded defined benefit schemes and defined contribution schemes. The most significant defined benefit and defined contribution schemes are in the UK. The principal overseas defined benefit schemes are in France, where they are mainly retirement indemnity in nature.

Defined contribution schemes

Costs for the Group's defined contribution pension schemes, at rates specified in the individual schemes' rules, are as follows:

£ millions	2025/26	2024/25
Charge to operating profit	60	55

From July 2012, an enhanced defined contribution pension scheme was offered to all UK employees. Eligible UK employees have been automatically enrolled into the scheme since 31 March 2013.

Defined benefit schemes

The Group's principal defined benefit arrangement is its funded, final salary pension scheme in the UK. This scheme was closed to new entrants from April 2004 and was closed to future benefit accrual from July 2012.

The scheme operates under trust law and is managed and administered by the Trustee on behalf of members in accordance with the terms of the Trust Deed and Rules and relevant legislation. The Trustee Board consists of ten Trustee Directors, made up of five employer-appointed Directors, one independent Director and four member-nominated Directors. The Trustee Board delegates day-to-day administration of the scheme to the Group pensions department of Kingfisher plc.

The main risk to the Group is that additional contributions are required if investment returns and demographic experience are worse than expected. The scheme therefore exposes the Group to actuarial risks, such as longevity risk, currency risk, inflation risk, interest rate risk and market (investment) risk. The Trustee Board regularly reviews such risks and mitigating controls, with a risk register being formally approved on an annual basis. The assets of the scheme are held separately from the Group and the Trustee's investment strategy includes a planned medium-term de-risking of assets, switching from return-seeking to liability-matching assets. Other de-risking activities have included the scheme acquiring an interest in a property partnership, as set out further below, and entering into bulk annuities.

A full actuarial valuation of the scheme is carried out every three years by an independent actuary for the Trustee, and the last full valuation was carried out as at 31 March 2022, with the 2025 valuation currently ongoing. In accordance with the scheme's Statement of Funding Principles, the Trustee and the Company agreed to cease annual employer contributions for the period from August 2022 to July 2025, and subsequently for the period from August 2025 to July 2028. This agreement was reached with reference to a funding objective that targets a longer-term, low risk funding position in excess of the minimum statutory funding requirements. This longer-term objective is based on the principles of the scheme reaching a point where it can provide benefits to members with a high level of security, thereby limiting its reliance on the employer for future support. The Company monitors the scheme funding level on a regular basis and will reassess with the scheme Trustee the appropriate level of contributions at future valuations.

The Trust Deed provides Kingfisher with an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities in the event of a plan wind up. Furthermore, in the ordinary course of business the Trustee has no rights to unilaterally wind up or otherwise augment the benefits due to members of the scheme. Based on these rights, any net surplus in the UK scheme is recognised in full.

On 25 July 2024, the Court of Appeal ruled in Virgin Media Ltd v NTL Pension Trustees II Ltd (and others) that certain historic amendments to contracted out defined benefit schemes are void where the statutory actuarial confirmation was not obtained. On 5 June 2025, the Government announced plans to legislate to allow retrospective actuarial confirmation of such amendments. On 23 January 2026, the Financial Reporting Council issued Technical Actuarial Guidance to support confirmations. No adjustment has been recognised in these financial statements in respect of this matter. The Group and the Trustee continue to monitor developments and will assess any implications for the UK defined benefit scheme once further legislative detail and supporting guidance are finalised.

UK scheme interest in property partnership

In 2010/11, the Group established a partnership, Kingfisher Scottish Limited Partnership ('Kingfisher SLP'), as part of an arrangement with the UK scheme Trustee to address an element of the scheme deficit and provide greater security to the Trustee. The partnership interests are held by the Group and by the scheme, the latter resulting from investments of £78m and £106m made by the Trustee in January and June 2011 respectively. These investments followed Group contributions of the same amounts into the scheme. In accordance with IAS 19, 'Employee Benefits', the investments held by the scheme in Kingfisher SLP do not represent plan assets for the purposes of the Group's consolidated financial statements. Accordingly, the reported pension position does not reflect these investments.

UK property assets with market values of £83m and £119m were transferred, in January 2011 and June 2011 respectively, into the partnership and leased back to B&Q Limited. The Group retains control over these properties, including the flexibility to substitute alternative properties. The Trustee has a first charge over the properties in the event that Kingfisher plc becomes insolvent. The scheme's partnership interest entitles it to much of the income of the partnership over the 20-year period of the arrangement. At the end of this term, Kingfisher plc has the option to acquire the Trustee's partnership interest in Kingfisher SLP.

The Kingfisher SLP is a structured entity, where voting rights are not the dominant factor in determining control, in which both the Group and the Trustee hold an interest. A general partner, 'Kingfisher Properties Investments Limited', wholly owned by the Group, has responsibility for the management and control of the Kingfisher SLP. As the Group can direct Kingfisher SLP's relevant activities and affect its returns, it has been concluded that the Group controls the partnership, despite not having a majority interest and therefore it is consolidated in these Group financial statements. Accordingly, advantage has been taken of the exemptions provided by Regulation 7 of the Partnerships (Accounts) Regulations 2008 from the requirements for preparation, delivery and publication of the partnership's accounts.

Income statement

£ millions	2025/26			2024/25		
	UK	Overseas	Total	UK	Overseas	Total
Amounts charged/(credited) to operating profit						
Current service cost	3	7	10	3	7	10
Past service cost/(credit)	4	–	4	(2)	(13)	(15)
Administration costs	6	–	6	5	–	5
	13	7	20	6	(6)	–
Amounts (credited)/charged to net finance costs						
Net interest (income)/expense	(11)	4	(7)	(10)	3	(7)
Total charged/(credited) to income statement	2	11	13	(4)	(3)	(7)

Of the net charge to operating profit, a £14m debit (2024/25: £5m credit) and £6m debit (2024/25: £5m) are included in selling and distribution expenses and administrative expenses respectively. Remeasurement gains and losses have been reported in the statement of comprehensive income.

Notes to the consolidated financial statements continued

28 Post-employment benefits continued

Balance sheet

£ millions	2025/26			2024/25		
	UK	Overseas	Total	UK	Overseas	Total
Present value of defined benefit obligations	(1,679)	(118)	(1,797)	(1,711)	(121)	(1,832)
Fair value of scheme assets	1,860	20	1,880	1,913	20	1,933
Net surplus/(deficit)	181	(98)	83	202	(101)	101

Movements in the surplus or deficit are as follows:

£ millions	2025/26			2024/25		
	UK	Overseas	Total	UK	Overseas	Total
Net surplus/(deficit) at beginning of year	202	(101)	101	212	(113)	99
Current service cost	(3)	(7)	(10)	(3)	(7)	(10)
Past service (cost)/credit	(4)	–	(4)	2	13	15
Administration costs	(6)	–	(6)	(5)	–	(5)
Net interest income/(expense)	11	(4)	7	10	(3)	7
Net remeasurement (losses)/gains	(19)	12	(7)	(14)	3	(11)
Contributions paid by employer	–	5	5	–	5	5
Exchange differences	–	(3)	(3)	–	1	1
Net surplus/(deficit) at end of year	181	(98)	83	202	(101)	101

Movements in the present value of defined benefit obligations are as follows:

£ millions	2025/26			2024/25		
	UK	Overseas	Total	UK	Overseas	Total
Present value of defined benefit obligations at beginning of year	(1,711)	(121)	(1,832)	(1,826)	(133)	(1,959)
Current service cost	(3)	(7)	(10)	(3)	(7)	(10)
Past service (cost)/credit	(4)	–	(4)	2	13	15
Interest expense	(90)	(4)	(94)	(87)	(3)	(90)
Remeasurement gains – changes in financial assumptions	59	7	66	115	–	115
Remeasurement (losses)/gains – changes in demographic assumptions	(3)	–	(3)	5	3	8
Remeasurement (losses)/gains – experience adjustments	(22)	5	(17)	(7)	–	(7)
Benefits paid	95	5	100	90	5	95
Exchange differences	–	(3)	(3)	–	1	1
Present value of defined benefit obligations at end of year	(1,679)	(118)	(1,797)	(1,711)	(121)	(1,832)

The present value of UK scheme defined benefit obligations is 44% (2024/25: 52%) in respect of deferred members and 56% (2024/25: 48%) in respect of current pensioners.

The weighted average duration of the UK scheme obligations at the end of the year is 12 years (2024/25: 14 years).

Movements in the fair value of scheme assets are as follows:

£ millions	2025/26			2024/25		
	UK	Overseas	Total	UK	Overseas	Total
Fair value of scheme assets at beginning of year	1,913	20	1,933	2,038	20	2,058
Administration costs	(6)	–	(6)	(5)	–	(5)
Interest income	101	–	101	97	–	97
Remeasurement losses – actual return less interest income	(53)	–	(53)	(127)	–	(127)
Contributions paid by employer	–	5	5	–	5	5
Benefits paid	(95)	(5)	(100)	(90)	(5)	(95)
Fair value of scheme assets at end of year	1,860	20	1,880	1,913	20	1,933

The fair value of scheme assets is analysed as follows:

£ millions	2025/26				2024/25			
	UK	Overseas	Total	% of total	UK	Overseas	Total	% of total
Government bonds ¹	620	–	620	33%	642	–	642	33%
Corporate bonds	385	–	385	20%	358	–	358	19%
Derivatives	(41)	–	(41)	(2)%	(21)	–	(21)	(1)%
Equities	11	–	11	1%	15	–	15	1%
Annuities	696	–	696	37%	736	–	736	38%
Cash	77	–	77	4%	74	–	74	4%
Other	112	20	132	7%	109	20	129	6%
Total fair value of scheme assets	1,860	20	1,880	100%	1,913	20	1,933	100%

1. Including LDI repurchase agreement liabilities.

All UK scheme assets have quoted prices in active markets, except for £808m (2024/25: £845m) of annuity and other assets.

To reduce volatility risk, a liability driven investment ('LDI') strategy forms part of the Trustee's management of the UK defined benefit scheme's assets, including government bonds, corporate bonds and derivatives. The government bond assets category in the table above includes gross assets of £1.0bn (2024/25: £1.0bn) and associated repurchase agreement liabilities of £0.4bn (2024/25: £0.4bn). Repurchase agreements are entered into with counterparties to better offset the scheme's exposure to interest and inflation rates, whilst remaining invested in assets of a similar risk profile. Interest rate and inflation rate derivatives are also employed to complement the use of fixed and index-linked bonds in matching the profile of the scheme's liabilities.

Principal actuarial valuation assumptions

The assumptions used in calculating the costs and obligations of the Group's defined benefit pension schemes are set by the Directors after consultation with independent professionally qualified actuaries. The assumptions are based on the conditions at the time, and changes in these assumptions can lead to significant movements in the estimated obligations, as illustrated in the sensitivity analysis.

The UK scheme discount rate is derived using a single equivalent discount rate approach, based on the yields available on a portfolio of high-quality Sterling corporate bonds with the same duration as that of the scheme liabilities.

Annual % rate	2025/26		2024/25	
	UK	Overseas	UK	Overseas
Discount rate	5.60	3.80	5.40	3.40
Price inflation	3.10	2.40	3.25	2.40
Rate of pension increases	2.95	–	3.05	–
Salary escalation	n/a	2.8	n/a	2.8

Notes to the consolidated financial statements continued

28 Post-employment benefits continued

For the UK scheme, the mortality assumptions used for IAS 19 purposes have been selected with regard to the characteristics and experience of the membership of the scheme as assessed during triennial funding valuations. The base mortality assumptions have been derived using an analysis of current mortality rates carried out by Club Vita for the Trustee and the Continuous Mortality Investigation (CMI) life expectancy projection model data published by the UK actuarial profession. The latter allowance is in line with CMI 2024 improvements subject to a long-term rate of 1.5% p.a. for both males and females. The assumptions for life expectancy of UK scheme members are as follows:

Years	2025/26	2024/25
Age to which current pensioners are expected to live (60 now)		
– Male	86.0	85.6
– Female	88.6	88.3
Age to which future pensioners are expected to live (60 in 15 years' time)		
– Male	87.4	86.9
– Female	90.8	90.4

The following sensitivity analysis for the UK scheme shows the estimated impact on the obligation resulting from changes to key actuarial assumptions, whilst holding all other assumptions constant.

Assumption	Change in assumption	Impact on defined benefit obligation
Discount rate	Increase/decrease by 0.5%	Decrease/increase by £103m
Price inflation	Increase/decrease by 0.25%	Increase/decrease by £49m
Rate of pension increases	Increase/decrease by 0.25%	Increase/decrease by £45m
Mortality	Increase/decrease in life expectancy by one year	Increase/decrease by £52m

Due to the asset-liability matching investment strategy, the above impacts on the obligations of changes in discount rate and price inflation would be significantly offset by movements in the fair value of the scheme assets.

29 Share capital

	Number of ordinary shares millions	Ordinary share capital £ millions
Allotted, called up and fully paid:		
At 1 February 2025	1,793	282
New shares issued under share schemes	5	1
Purchase of own shares for cancellation	(88)	(14)
At 31 January 2026	1,710	269
At 1 February 2024	1,875	294
New shares issued under share schemes	1	–
Purchase of own shares for cancellation	(83)	(12)
At 31 January 2025	1,793	282

Ordinary shares have a par value of 15⁶⁷ pence per share and carry full voting, dividend and capital distribution rights.

During the year, the Group purchased 88 million (2024/25: 83 million) of the Company's own shares for cancellation at a cost of £256m (2024/25: £225m) as part of its capital returns programme.

30 Other reserves

£ millions	2025/26			
	Translation reserve	Cash flow hedge reserve	Other	Total
At 1 February 2025	124	16	159	299
Inventory cash flow hedges – fair value losses	–	(74)	–	(74)
Tax on items that will not be reclassified subsequently to profit or loss	–	18	–	18
Currency translation differences				
Subsidiaries	97	–	–	97
Equity accounted investments	(1)	–	–	(1)
Transferred to income statement	14	–	–	14
Other comprehensive income/(expense) for the year	110	(56)	–	54
Inventory cash flow hedges – losses transferred to inventories	–	36	–	36
Tax on equity items	(1)	(9)	–	(10)
At 31 January 2026	233	(13)	159	379

£ millions	2024/25			
	Translation reserve	Cash flow hedge reserve	Other	Total
At 1 February 2024	144	(13)	159	290
Inventory cash flow hedges – fair value gains	–	22	–	22
Tax on items that will not be reclassified subsequently to profit or loss	–	(6)	–	(6)
Currency translation differences				
Subsidiaries	(25)	–	–	(25)
Equity accounted investments	6	–	–	6
Inventory cash flow hedges – losses transferred to income statement	–	1	–	1
Other comprehensive (expense)/income for the year	(19)	17	–	(2)
Inventory cash flow hedges – losses transferred to inventories	–	15	–	15
Tax on equity items	(1)	(3)	–	(4)
At 31 January 2025	124	16	159	299

The 'other' category of reserves represents the premium on the issue of convertible loan stock in 1993 and the merger reserve relating to the acquisition of Darty in 1993.

31 Share-based payments

	2025/26		2024/25	
	Number of options thousands	Weighted average exercise price £	Number of options thousands	Weighted average exercise price £
Outstanding at beginning of year	67,596	0.50	71,336	0.46
Granted during the year ¹	22,482	0.47	20,810	0.42
Forfeited and expired during the year	(14,414)	0.20	(14,252)	0.37
Exercised during the year	(12,482)	0.74	(10,298)	0.23
Outstanding at end of year	63,182	0.47	67,596	0.50
Exercisable at end of year	6,736	0.18	8,721	0.49

1. The weighted average exercise price for options granted during the year represents a blend of nil price Performance Share Plan and discounted Sharesave options (see below).

Information on the share schemes is given in note 10 of the Company's separate financial statements.

Options have been exercised on a regular basis throughout the year. On that basis, the weighted average share price during the year, rather than at the date of exercise, is £2.83 (2024/25: £2.63). The options outstanding at the end of the year have exercise prices ranging from nil to £2.75 and a weighted average remaining contractual life of 5.5 years (2024/25: 5.4 years).

The Group recognised a total expense of £27m in the year ended 31 January 2026 (2024/25: £20m) relating to equity-settled share-based payment transactions.

Notes to the consolidated financial statements continued

31 Share-based payments continued

The fair value of share options and deferred shares is determined by independent valuers using Black-Scholes and stochastic option pricing models. The inputs of the principal schemes into these models are as follows:

	Date of grant	Share price at grant £	Exercise price £	Expected life ¹ years	Expected volatility ² %	Dividend yield ³ %	Risk-free rate ⁴ %	Fair value £
Kingfisher Incentive Share Plan – Deferred Bonus Awards	03/05/17	3.40	–	7	–	–	–	3.40
	23/04/18	3.09	–	7	–	–	–	3.09
	24/04/19	2.63	–	7	–	–	–	2.63
Performance Share Plan	24/06/22	2.43	–	10	–	–	–	2.43
	21/10/22	2.04	–	10	–	–	–	2.04
	20/04/23	2.57	–	10	–	–	–	2.57
	18/10/23	2.04	–	10	–	–	–	2.04
	25/04/24	2.47	–	10	–	–	–	2.47
	17/10/24	3.17	–	10	–	–	–	3.17
	24/04/25	2.67	–	10	–	–	–	2.67
	23/10/25	3.11	–	10	–	–	–	3.11
UK and International Sharesave	01/11/18	2.62	2.06	3.5	23.2%	4.1%	1.1%	0.33
	01/11/18	2.62	2.06	5.5	23.0%	4.1%	0.8%	0.27
	01/11/19	2.07	1.59	3.5	25.7%	5.2%	0.4%	0.39
	01/11/19	2.07	1.59	5.5	25.1%	5.2%	0.4%	0.35
	29/10/20	2.88	2.37	3.5	37.0%	2.8%	0.0%	0.80
	29/10/20	2.88	2.37	5.5	32.4%	2.8%	0.0%	0.77
	28/10/21	3.31	2.75	3.5	37.4%	3.6%	0.7%	0.88
	28/10/21	3.31	2.75	5.5	32.6%	3.6%	0.8%	0.82
	28/10/22	2.15	1.77	3.5	38.1%	5.8%	3.3%	0.56
	28/10/22	2.15	1.77	5.5	34.0%	5.8%	3.5%	0.53
	27/10/23	2.05	1.77	3.5	28.3%	6.1%	4.5%	0.40
	27/10/23	2.05	1.77	5.5	34.4%	6.1%	4.3%	0.48
	25/10/24	3.10	2.60	3.5	27.9%	4.0%	4.0%	0.75
	25/10/24	3.10	2.60	5.5	34.4%	4.0%	4.1%	0.94
24/10/25	3.17	2.37	3.5	30.2%	3.9%	3.7%	0.94	
24/10/25	3.17	2.37	5.5	29.7%	3.9%	4.9%	0.98	
Alignment Shares	19/07/16	3.32	–	10	–	–	–	3.32
	24/04/17	3.37	–	10	–	–	–	3.37
	23/10/17	3.03	–	10	–	–	–	3.03
	23/04/18	3.09	–	10	–	–	–	3.09
	29/10/18	2.50	–	10	–	–	–	2.50
	24/04/19	2.63	–	10	–	–	–	2.55
	30/07/19	2.23	–	10	–	–	–	2.04
	21/10/19	2.15	–	10	–	–	–	2.05
	28/07/20	2.49	–	10	–	–	–	2.38
	23/10/20	3.20	–	10	–	–	–	3.20
	22/04/21	3.60	–	10	–	–	–	3.46
21/10/21	3.41	–	10	–	–	–	3.41	
Delivering Value Incentive	30/07/19	2.24	–	10	–	–	–	1.75
	04/05/21	3.57	–	10	–	–	–	3.19

- Expected life is disclosed based on the UK schemes. For the Kingfisher Incentive Share Plan scheme in the UK, the expiry date is seven years from the date of grant. For the Performance Share Plan and the Alignment Share award the expiry date is 10 years from the date of grant. Expiry of the overseas Alignment Share award is 3 years from the date of grant.
- Expected volatility was determined for each individual award (or relevant components of an award), by calculating the historical volatility of the Group's share price (plus reinvested dividends) immediately prior to the grant of the award, over the same period as the vesting period of each award, adjusted by expectations of future volatility.
- As these awards are made under an approved SAYE scheme, option holders cannot be compensated for dividends foregone. As such, the historical dividend yield is used, calculated as dividends announced in the 12 months prior to grant as a percentage of the share price on the date of grant.
- Risk-free rate was determined for each individual award (or relevant components of an award).

32 Cash generated from operations

£ millions	2025/26	2024/25
Operating profit	469	407
Share of results of equity accounted investments	28	15
Depreciation and amortisation	667	656
Net impairment losses	119	198
Loss on disposal of property, plant and equipment and investment property	2	8
Gain on disposal of property assets held for sale	(2)	–
Loss on disposal of subsidiaries	31	3
Lease gains	(4)	–
Share-based compensation charge	27	20
(Increase)/decrease in inventories	(1)	87
(Increase)/decrease in trade and other receivables	(16)	63
Increase/(decrease) in trade and other payables	91	(50)
Movement in provisions	8	9
Movement in post-employment benefits	15	(5)
Cash generated from operations	1,434	1,411

33 Net debt

£ millions	2025/26	2024/25
Cash and cash equivalents	465	336
Cash and cash equivalents included within assets held for sale	–	9
Bank overdrafts	(3)	(9)
Cash and cash equivalents and bank overdrafts (including cash and cash equivalents held for sale)	462	336
Bank loans	(1)	(1)
Fixed term debt	(99)	(99)
Lease liabilities	(2,238)	(2,211)
Lease liabilities directly associated with assets held for sale	–	(42)
Net financing derivatives	(2)	2
Net debt (including net debt held for sale)	(1,878)	(2,015)

£ millions	2025/26	2024/25
Net debt at beginning of year	(2,015)	(2,116)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	106	(11)
Arrangement fees paid	1	2
Net cash flow¹	107	(9)
Lease liabilities disposed	38	–
Movements in lease liabilities	(1)	107
Exchange differences and other non-cash movements	(7)	3
Net debt at end of year	(1,878)	(2,015)

1. Refer to the glossary for the definition of net cash flow.

Notes to the consolidated financial statements continued

33 Net debt continued

The table below sets out the movements in liabilities arising from financing activities:

£ millions	2025/26				
	Borrowings (excluding bank overdrafts)	Net financing derivatives	Lease liabilities	Share purchase obligations ¹	Total financing liabilities
At 1 February 2025	(100)	2	(2,211)	(26)	(2,335)
Principal repayments	–	–	379	–	379
Arrangement fees paid	1	–	–	–	1
Shares purchased for cancellation	–	–	–	256	256
Interest paid	6	–	118	–	124
Cash outflow relating to financing liabilities	7	–	497	256	760
Interest charge	(6)	–	(118)	–	(124)
Lease liability additions	–	–	(359)	–	(359)
Transfers from liabilities directly associated with assets held for sale	–	–	(2)	–	(2)
Other movements in lease liabilities ²	–	–	(21)	–	(21)
Recognised liability due to share purchase commitments	–	–	–	(301)	(301)
Other non-cash movements ³	(1)	(4)	(24)	–	(29)
At 31 January 2026	(100)	(2)	(2,238)	(71)	(2,411)

£ millions	2024/25				
	Borrowings (excluding bank overdrafts)	Net financing derivatives	Lease liabilities	Share purchase obligations ¹	Total financing liabilities
At 1 February 2024	(102)	–	(2,367)	–	(2,469)
Principal repayments	–	–	387	–	387
Arrangement fees paid	2	–	–	–	2
Shares purchased for cancellation	–	–	–	225	225
Interest paid	7	–	123	–	130
Cash outflow relating to financing liabilities	9	–	510	225	744
Interest charge	(7)	–	(123)	–	(130)
Lease liability additions	–	–	(250)	–	(250)
Transfers to liabilities directly associated with assets held for sale	–	–	42	–	42
Other movements in lease liabilities ²	–	–	(30)	–	(30)
Recognised liability due to share purchase commitments	–	–	–	(251)	(251)
Other non-cash movements ³	–	2	7	–	9
At 31 January 2025	(100)	2	(2,211)	(26)	(2,335)

1. Share purchase obligations are not included in the Group's net debt measure. Refer to the glossary for the definition of net debt.
2. Other movements in lease liabilities principally consist of amounts in relation to indexation, rent reviews and other changes in lease term and scope.
3. Other non-cash movements consist of amortisation of arrangement fees paid, fair value movements and exchange differences.

34 Disposals

In the prior year, following the announcement that the Group had reached an agreement to dispose of its interest in Brico Dépôt Romania, the business was classified as held for sale. On 2 May 2025, the Group disposed of its 100% interest in the Brico Dépôt Romania business to Altex Romania for a gross consideration of £53m. Brico Dépôt Romania has not been classified as a discontinued operation as it does not represent a major operation for the Group.

Brico Dépôt Romania was included within the Other International aggregation of operating segments.

The loss on disposal of £31m, which arises due to the transfer of cumulative foreign exchange losses previously recorded in the translation reserve on consolidation, as well as adjustments to the final proceeds received and net assets disposed compared with the estimated values at 31 January 2025, is analysed as follows:

£ millions	2025/26
Proceeds	53
Net assets disposed (see below)	(68)
Transaction costs and warranties	(2)
Loss on disposal before cumulative exchange losses	(17)
Cumulative exchange losses transferred from translation reserve	(14)
Loss on disposal	(31)

The current year net cash flow effect of the disposal is analysed as follows:

£ millions	2025/26
Cash proceeds	53
Cash disposed	(17)
Disposal and other costs	(3)
Net disposal proceeds received	33

The major classes of assets and liabilities disposed are as follows:

£ millions	2025/26
Other intangible assets	2
Property, plant and equipment	38
Right-of-use assets	15
Inventories	94
Trade and other receivables	4
Cash and cash equivalents	17
Trade and other payables	(61)
Lease liabilities	(38)
Other liabilities	(3)
Net assets disposed	68

35 Commitments

Capital commitments contracted but not provided for by the Group at 31 January 2026 amount to £25m (2024/25: £14m).

Notes to the consolidated financial statements continued

36 Contingent liabilities

The Group is subject to claims and litigation arising in the ordinary course of business and provision is made where liabilities are considered likely to arise on the basis of current information and legal advice.

The Group files tax returns in many jurisdictions around the world and at any one time is subject to periodic tax audits in the ordinary course of its business. Applicable tax laws and regulations are subject to differing interpretations, and the resolution of a final tax position can take several years to complete. Where it is considered that future tax liabilities are more likely than not to arise, an appropriate provision is recognised in the financial statements.

Whilst the procedures that must be followed to resolve these types of tax issues make it likely that it will be some years before the eventual outcome is known, the Group does not currently consider the likelihood of adverse outcomes in relation to these matters (other than those matters for which liabilities have already been recorded) to be probable.

In October 2017, the European Commission opened a state aid investigation into the Group Financing Exemption section of the UK Controlled Foreign Company rules. While the Group had complied with the requirements of UK tax law in force at the time, in April 2019 the European Commission concluded that aspects of the UK Controlled Foreign Company regime partially constituted illegal state aid. In September 2024, the European Court of Justice annulled this decision, and, in March 2025, HMRC repaid the £64m tax and interest previously assessed, plus an additional £5m payment of repayment interest.

Subsidiary audit exemptions

The following UK subsidiary undertakings are exempt from the requirements of the Companies Act 2006 (the Act) relating to the audit of individual accounts by virtue of section 479A of the Act:

Name	Company number	Name	Company Number	Name	Company Number
B&Q Properties Chesterfield Limited	07347750	B&Q Properties Swindon Limited	07156385	Kingfisher Marketplaces Limited	03257957
B&Q Properties Farnborough Limited	07595097	B&Q Properties Witney Limited	07595124	Kingfisher Properties Investments Limited	07501852
B&Q Properties Investments Limited	SC389774	B&Q Properties Wrexham Limited	07347678	Kingfisher TMB Limited	03926623
B&Q Properties Limited	03885270	Eijsvogel Finance Limited	02792015	New England Paint Company Limited	04056989
B&Q Properties New Malden Limited	03926734	Kingfisher France Limited	04213347	Sheldon Poland Investments Limited	08409745
B&Q Properties South Shields Limited	07156522	Kingfisher Holdings Limited	09404258	Zeus Land Investments Limited	00601220
B&Q Properties Sutton-In-Ashfield Limited	07594922	Kingfisher International Holdings Limited	02558762		

Kingfisher plc will guarantee all outstanding liabilities that these subsidiaries are subject to as at the financial year ended 31 January 2026 in accordance with section 479C of the Act, as amended by the Companies and Limited Liability Partnerships (Accounts and Audit Exemptions and Change of Accounting Framework) Regulations 2012.

37 Related party transactions

During the year, the Group carried out a number of transactions with related parties in the normal course of business and on an arm's length basis. The names of the related parties, the nature of these transactions and their total value are shown below:

£ millions	2025/26		2024/25	
	Income	Receivable	Income	Receivable
Transactions with Koçtaş Yapı Marketleri Ticaret A.Ş. in which the Group holds a 50% interest				
Commission and other income	0.3	–	0.6	0.2
Transactions with the Kingfisher Pension Scheme				
Provision of administrative services	0.9	0.9	0.8	0.6

Services are usually negotiated with related parties on a cost-plus basis. Goods are sold or bought on the basis of the price lists in force with non-related parties. In the prior year, the Group made capital contributions totalling £19m into the Koçtaş joint venture.

The remuneration of key management personnel is given in note 9.

Other transactions with the Kingfisher Pension Scheme are detailed in note 28.

38 Post balance sheet events

During the period since the balance sheet date, the Group purchased 20 million of the Company's own shares for cancellation at a cost of £71m. This amount was deducted from equity in 2025/26 as a result of an irrevocable buyback agreement which was in place at 31 January 2026.

Company balance sheet

At 31 January 2026

£ millions	Notes	2025/26	2024/25
Non-current assets			
Property, plant and equipment		5	6
Right-of-use assets		9	10
Investments in subsidiaries	4	6,829	6,825
Trade and other receivables	5	3,133	3,268
Post-employment benefits	8	7	9
Deferred tax assets		8	5
		9,991	10,123
Current assets			
Trade and other receivables	5	21	62
Derivative assets		–	3
Current tax assets		66	91
Cash and cash equivalents		196	111
		283	267
Total assets		10,274	10,390
Current liabilities			
Trade and other payables	6	(5,076)	(5,584)
Borrowings	7	–	(99)
Lease liabilities		(2)	(2)
		(5,078)	(5,685)
Net current liabilities		(4,795)	(5,418)
Total assets less current liabilities		5,196	4,705
Non-current liabilities			
Borrowings	7	(99)	–
Lease liabilities		(10)	(12)
		(109)	(12)
Total liabilities		(5,187)	(5,697)
Net assets		5,087	4,693
Equity			
Share capital	9	269	282
Share premium		2,228	2,228
Own shares held in ESOP trust		(38)	(34)
Retained earnings		1,809	1,412
Capital redemption reserve		108	94
Other reserves		711	711
Total equity		5,087	4,693

The Company's profit for the year was £900m (2024/25: £437m).

As permitted by section 408 of the Companies Act 2006, the income statement of the Company has not been presented.

The financial statements of Kingfisher plc (company number 01664812) were approved and authorised by the Board of Directors on 23 March 2026 and signed on its behalf by:

Thierry Garnier
Chief Executive Officer

Bhavesh Mistry
Chief Financial Officer

Company statement of changes in equity

Year ended 31 January 2026

		2025/26						
£ millions	Notes	Share capital (note 9)	Share premium	Own shares held	Retained earnings	Capital redemption reserve	Other reserves ¹	Total equity
At 1 February 2025		282	2,228	(34)	1,412	94	711	4,693
Profit for the year		–	–	–	900	–	–	900
Other comprehensive expense for the year		–	–	–	(2)	–	–	(2)
Total comprehensive expense for the year		–	–	–	898	–	–	898
Share-based compensation		–	–	–	8	–	–	8
Capital contributions given relating to share-based payments		–	–	–	21	–	–	21
New shares issued under share schemes		1	–	–	8	–	–	9
Own shares issued under share schemes		–	–	21	(21)	–	–	–
Purchase of own shares for cancellation		(14)	–	–	(301)	14	–	(301)
Purchase of own shares for ESOP trust		–	–	(25)	–	–	–	(25)
Dividends		–	–	–	(218)	–	–	(218)
Tax on equity items		–	–	–	2	–	–	2
At 31 January 2026		269	2,228	(38)	1,809	108	711	5,087

		2024/25						
£ millions	Notes	Share capital (note 9)	Share premium	Own shares held	Retained earnings	Capital redemption reserve	Other reserves ¹	Total equity
At 1 February 2024		294	2,228	(31)	1,452	82	711	4,736
Profit for the year		–	–	–	437	–	–	437
Other comprehensive expense for the year		–	–	–	–	–	–	–
Total comprehensive expense for the year		–	–	–	437	–	–	437
Share-based compensation		–	–	–	5	–	–	5
Capital contributions given relating to share-based payments		–	–	–	16	–	–	16
New shares issued under share schemes		–	–	–	2	–	–	2
Own shares issued under share schemes		–	–	23	(23)	–	–	–
Purchase of own shares for cancellation		(12)	–	–	(251)	12	–	(251)
Purchase of own shares for ESOP trust		–	–	(26)	–	–	–	(26)
Dividends		–	–	–	(228)	–	–	(228)
Tax on equity items		–	–	–	2	–	–	2
At 31 January 2025		282	2,228	(34)	1,412	94	711	4,693

1. The other reserves represent the premium on the issue of convertible loan stock in 1993 and the merger reserve relating to the acquisition of Darty in 1993.

Notes to the Company financial statements

1 General information

The Company is a public company limited by shares and incorporated in England and Wales, United Kingdom, and is listed on the London Stock Exchange. The Company is non-trading and is the ultimate parent of the Kingfisher plc group ('the Group'). The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 2 and 51.

The address of its registered office is One Paddington Square, London, W2 1GG. A full list of related undertakings of the Company and their registered offices is given in note 12.

2 Material accounting policies

The financial statements of Kingfisher plc ('the Company') are for the year ended 31 January 2026 ('the year' or '2025/26') and were authorised for issue by the Board of Directors on 23 March 2026. The comparative financial year is the year ended 31 January 2025 ('the prior year' or '2024/25').

The directors of Kingfisher plc consider that adequate resources exist for the Company to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 January 2026. Refer to note 2a of the consolidated financial statements for details of the Directors' assessment.

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 and as such these financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') and the provisions of the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the use of valuations for certain financial instruments, share-based payments and post-employment benefits.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payments';
- the requirements of IFRS 7 'Financial Instruments: Disclosures';
- the requirements of paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement';
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 73(e) of IAS 16 'Property, Plant and Equipment';
 - the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements';
 - the requirements of IAS 7 'Statement of Cash Flows';
 - the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Error';
 - the requirements of paragraphs 17 and 18A of IAS 24 'Related Party Disclosures';
 - the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
 - the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets'.

Where required, equivalent disclosures are given in the consolidated financial statements of Kingfisher plc.

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented.

Changes to accounting policies as a result of new standards issued and effective

New and amended accounting standards issued and effective do not have a material impact on the Company's financial statements.

a. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange at the balance sheet date. Exchange differences on monetary items are taken to the income statement.

Principal rates of exchange against Sterling:

	2025/26 Year end rate	2024/25 Year end rate
Euro	1.15	1.20
US Dollar	1.37	1.24
Polish Zloty	4.86	5.04

The financial statements are presented in Sterling, which is the Company's presentation currency and the currency of the primary economic environment in which the entity operates (i.e. its functional currency).

b. Investments

Investments in subsidiaries are included in the balance sheet at cost, less any provisions for impairment. The Company tests the investment balance for impairment annually or when there is an indicator of impairment. The recoverable amount is assessed by reference to the present value of expected future cash flows ('value-in-use'), based on the Group's most recent Board approved plans. Where the recoverable amount is less than the carrying amount of the investment, an impairment loss is recognised in the income statement.

c. Employee benefits

(i) Post-employment benefits

The Company operates defined benefit and defined contribution pension schemes for its employees. A defined benefit scheme is a pension scheme which defines an amount of pension benefit which an employee will receive on retirement. A defined contribution scheme is a pension scheme under which the Company usually pays fixed contributions into a separate entity. In all cases a separate fund is being accumulated to meet the accruing liabilities. The assets of each of these funds are held under trusts and are entirely separate from the Company's assets.

The asset or liability recognised in the balance sheet in respect of defined benefit pension schemes is the fair value of scheme assets less the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds which are denominated in the currency in which the benefits will be paid and which have terms to maturity approximating to the terms of the related pension liability.

Notes to the Company financial statements continued

2 Material accounting policies continued

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to other comprehensive income as they arise.

For defined contribution schemes, the Company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

(ii) Share-based compensation

The Company operates several equity-settled, share-based compensation schemes. The fair value of the employee services received in exchange for the grant of options or deferred shares is recognised as an expense and is calculated using Black-Scholes and stochastic models. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options or deferred shares granted. The value of the charge is adjusted to reflect expected and actual levels of options vesting due to non-market vesting conditions.

The fair value of the compensation given to subsidiaries in respect of share-based compensation schemes is recognised as a capital contribution over the vesting period. The capital contribution is reduced by any payments received from subsidiaries in respect of these schemes.

(iii) Employee Share Ownership Plan trust ('ESOP trust')

The ESOP trust is a separately administered discretionary trust. Liabilities of the ESOP trust are guaranteed by the Company and the assets of the ESOP trust mainly comprise shares in the Company.

Own shares held by the ESOP trust are deducted from equity and the shares are held at historical cost until they are sold. The assets, liabilities, income and costs of the ESOP trust are included in both the Company's and the consolidated financial statements.

d. Taxation

The tax currently payable or receivable is based on taxable profit or loss for the year.

Taxable profit differs from profit before taxation as reported in the income statement because it excludes items of income or expense which are taxable or deductible in other years or which are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences or unused tax losses can be utilised. Deferred tax assets and liabilities are not generally recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax are calculated using tax rates which have been enacted or substantively enacted by the balance sheet date and are expected to apply in the period when the liability is settled or the asset is realised.

Current and deferred tax are charged or credited to the income statement, except when they relate to items charged or credited directly to equity, in which case the current or deferred tax is also recognised directly in equity.

e. Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the Company has substantially transferred the risks and rewards of ownership. Financial liabilities (or a part of a financial liability) are derecognised when the obligation specified in the contract is discharged or cancelled or expires.

Financial assets and liabilities are offset only when the Group has a currently enforceable legal right to set-off the respective recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Company has a number of term loans with its group entities. These loans are denominated in Sterling and Euro and are priced to SONIA and ESTR respectively.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks and other short-term highly liquid investments that are readily convertible to a known amount of cash, are subject to insignificant risk of changes in value and which have original maturities of three months or less. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(ii) Borrowings

Interest bearing borrowings are recorded at fair value (which is typically equivalent to the proceeds received) net of direct issue costs and subsequently measured at amortised cost. Where borrowings are in designated and effective fair value hedge relationships, adjustments are made to their carrying amounts to reflect the hedged risks. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are amortised to the income statement using the effective interest method.

(iii) Trade receivables

Trade receivables are initially recognised at their transaction price and are subsequently measured at amortised cost less any allowance for expected credit losses. Amounts owed by Group companies are recorded as non-current unless there is an expectation that they will be received within 12 months.

(iv) Trade payables

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost.

(v) Derivatives and hedge accounting

Where hedge accounting is not applied, or to the extent to which it is not effective, changes in the fair value of derivatives are recognised in the income statement as they arise.

Derivatives are initially recorded at fair value on the date a derivative contract is entered into and are subsequently carried at fair value. The accounting treatment of derivatives and other financial instruments classified as hedges depends on their designation, which occurs at the start of the hedge relationship. The Company designates certain derivatives as a hedge of the fair value of an asset or liability ('fair value hedge').

For an effective hedge of an exposure to changes in fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged with the corresponding entry being recorded in the income statement.

In order to qualify for hedge accounting, the Company documents in advance the risk management objective and strategy for undertaking the hedge and the relationship between the item being hedged and the hedging instrument. The Company also documents and demonstrates an assessment of the relationship between the hedged item and the hedging instrument, which shows that the hedge will be highly effective on an ongoing basis and provides an analysis of the sources of hedge ineffectiveness. The effectiveness testing is performed at half year and year end or upon a significant change in circumstances affecting the hedge effectiveness requirements.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date. Amortisation is based on recalculated effective interest rate.

The company does not have any cash flow hedging instruments.

f. Dividends

Interim dividends are recognised when they are paid to the Company's shareholders. Final dividends are recognised when they are approved by the Company's shareholders.

g. Share repurchases

Shares purchased for cancellation are deducted from retained earnings. The Group uses irrevocable closed period buyback programmes. A liability to purchase shares is recognised at inception of the programme with any subsequent reduction in the obligation credited back to retained earnings at the end of the programme. Share capital is reduced and credited to the capital redemption reserve, maintaining non-distributable reserves.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company financial statements requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

There have been no critical accounting judgements made by the Directors or key sources of estimation uncertainty identified during the year.

Notes to the Company financial statements continued

3 Income statement disclosures

The audit fee for the Company and the consolidated financial statements is disclosed in note 8 of the Kingfisher plc consolidated financial statements. Fees payable to Deloitte LLP and their associates for audit and non-audit services to the Company are not required to be disclosed because the Group financial statements disclose such fees on a consolidated basis. Details of the Company's policy on the use of auditors for non-audit services, the reasons why the auditor was used rather than another supplier and how the auditor's independence and objectivity were safeguarded are set out in the Audit Committee report on pages 68 to 72.

Dividend disclosures are provided in note 12 to the Kingfisher plc consolidated financial statements.

£ millions	2025/26	2024/25
Wages and salaries	45	38
Social security costs	7	5
Post-employment benefits – defined contribution	3	3
Share-based compensation	8	5
Employee benefit expenses	63	51

Number	2025/26	2024/25
Average number of persons employed		
Administration	315	306

Directors' remuneration and details of share option exercises are disclosed in the Directors' Remuneration report on pages 73 to 98. Total Directors' remuneration for the year is £8m (2024/25: £5m). Refer to note 9 of the consolidated financial statements for details of the directors remuneration as defined under Paragraph 1 of Schedule 5 to the Accounting Regulations.

As permitted by s408 of Companies Act 2006, no separate income statement or statement of comprehensive income is presented in respect of the parent Company. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

4 Investments

£ millions	Investments in subsidiaries
At 1 February 2025	6,825
Capital contributions given relating to share-based payments	21
Contributions received relating to share-based payments	(17)
At 31 January 2026	6,829

The Company's investments in subsidiaries are principally composed of its investment in Kingfisher Holdings Limited, which is an intermediate holding company for the remainder of the subsidiaries, joint ventures and associates of the Kingfisher Group. At each reporting date, an assessment is performed as to whether there are any indicators that the Company's investment may be impaired and, should such indicators exist, the recoverable amount is estimated. At the balance sheet date, the Company's market capitalisation was less than the carrying amount of its investments, which is an indicator of impairment.

An impairment review has been performed for the Company's investment with no resulting impairments. As an intermediate holding company for the Kingfisher Group, the Company's subsidiary investment is supported by the continuing value-in-use of the Group as a whole and the Company continues to have significant headroom above the carrying amount of the investment as a result. The Board has reviewed a sensitivity analysis and does not consider that a reasonably possible change in the assumptions used in the value-in-use calculations would cause the carrying amount of the Company's investment to exceed the recoverable amount. See note 13 to the consolidated financial statements for further details on the assumptions used.

5 Trade and other receivables

£ millions	2025/26	2024/25
Non-current		
Owed by Group undertakings	3,133	3,268
	3,133	3,268
Current		
Owed by Group undertakings	21	62
	21	62
Trade and other receivables	3,154	3,330

Amounts owed by Group undertakings are repayable on demand and any interest due thereon is at current market rates. The amounts owed are not secured with collateral or guarantees. The Company has intercompany term loan receivables from Group undertakings of £190m (2024/25: £84m) and £nil (2024/25: £58m), respectively. The £190m intercompany loan matures on 30 June 2026 and is priced to 2.58% interest. The intention is for this loan to be extended at its maturity date and it has been recorded as a non-current receivable as a result.

Amounts owed by subsidiary undertakings have been considered for impairment using the 12 month expected credit loss model because there have been no changes in credit risk since initial recognition. The expected credit losses on amounts owed by Group undertakings is £nil (2024/25: £nil).

6 Trade and other payables

£ millions	2025/26	2024/25
Current		
Owed to Group undertakings	4,968	5,521
Other taxation and social security	4	5
Contract to purchase own shares for cancellation	71	26
Accruals	31	25
Other payables	2	7
	5,076	5,584

The share repurchase obligations relate to a liability arising under an irrevocable closed season buyback of the Company's own shares.

Amounts owed to Group undertakings are repayable on demand and any interest due thereon is at current market rates. The amounts owed are not secured with collateral or guarantees.

7 Borrowings

£ millions	2025/26	2024/25
Non-current		
Fixed term debt	99	–
	99	–
Current		
Fixed term debt	–	99
	–	99
Borrowings	99	99

The fixed term debt represents two GBP term loans maturing in June 2027 and January 2028.

See notes 23 and 33 to the consolidated financial statements for further details.

Notes to the Company financial statements continued

8 Post-employment benefits

The Company participates in both a funded defined benefit scheme and a funded defined contribution scheme.

Defined contribution scheme

Pension costs for the defined contribution scheme, at rates specified in the scheme's rules, are as follows:

£ millions	2025/26	2024/25
Charge to operating profit	3	3

From July 2012, an enhanced defined contribution scheme was offered to all Company employees. Eligible Company employees have been automatically enrolled into the defined contribution scheme since 31 March 2013.

Defined benefit scheme

Kingfisher plc is one of a number of Group companies that participate in the Kingfisher Pension Scheme, and therefore the Company has accounted for its share of the scheme assets and liabilities. The Group's policy is for each entity to recognise its share of assets and liabilities based on the proportion of the scheme contributions payable by that entity. A full actuarial valuation of the scheme is carried out every three years by an independent actuary for the Trustee, and the last full valuation was carried out as at 31 March 2022, with the 2025 valuation currently ongoing. In accordance with the scheme's Statement of Funding Principles, the Trustee and Kingfisher agreed to cease annual employer contributions for the period from August 2022 to July 2025, and subsequently for the period from August 2025 to July 2028. See note 28 to the consolidated financial statements for further detail on the Kingfisher Pension Scheme.

The final salary pension scheme was closed to future benefit accrual with effect from July 2012.

The Trust Deed provides Kingfisher with an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities in the event of a plan wind up. Furthermore, in the ordinary course of business the Trustee has no rights to unilaterally wind up, or otherwise augment the benefits due to members of the scheme. Based on these rights, any net surplus in the scheme is recognised in full.

In 2010/11 and 2011/12 the Company entered into two phases of a property partnership arrangement with the scheme Trustee. Further details on this arrangement are given in note 28 to the consolidated financial statements. The reported pension position reflects the Company's share of the resulting scheme asset.

Balance sheet

Movements in the present value of the defined benefit obligation and the fair value of scheme assets are as follows:

£ millions	Defined benefit obligation	Scheme assets	Total
At 1 February 2025	(49)	58	9
Interest (expense)/income	(3)	3	–
Remeasurement gains/(losses) ¹	1	(3)	(2)
Benefits paid	3	(3)	–
At 31 January 2026	(48)	55	7
At 1 February 2024	(53)	62	9
Interest (expense)/income	(3)	3	–
Remeasurement gains/(losses) ¹	4	(4)	–
Benefits paid	3	(3)	–
At 31 January 2025	(49)	58	9

1. Remeasurement gains/(losses) are recognised in Other Comprehensive Income (net of related deferred tax).

The fair value of scheme assets is analysed as follows:

£ millions	2025/26	2024/25
Equities	1	–
Government and corporate bonds	30	29
Annuities	19	22
Cash and other	5	7
Total fair value of scheme assets	55	58

9 Called up share capital

	Number of ordinary shares millions	Ordinary share capital £ millions
Allotted, called up and fully paid:		
At 1 February 2025	1,793	282
New shares issued under share schemes	5	1
Purchase of own shares for cancellation	(88)	(14)
At 31 January 2026	1,710	269
At 1 February 2024	1,875	294
New shares issued under share schemes	1	–
Purchase of own shares for cancellation	(83)	(12)
At 31 January 2025	1,793	282

Ordinary shares have a par value of 15^{5/7} pence per share and carry full voting, dividend and capital distribution rights.

During the year the Company purchased 88 million (2024/25: 83 million) of the Company's own shares for cancellation at a cost of £256m (2024/25: £225m) as part of its capital returns programme.

10 Share-based payments

The Company operates a number of share incentive plans including the Performance Share Plan ('PSP'), Kingfisher Incentive Share Plan ('KISP'), and Sharesave plans in the UK and Ireland.

Options have been exercised on a regular basis throughout the year. On that basis, the weighted average share price during the year, rather than at the date of exercise, is £2.83 (2024/25: £2.63). The options outstanding at the end of the year have exercise prices ranging from nil to £2.75 and a weighted average remaining contractual life of 7.2 years (2024/25: 7.1 years).

In the current year, the Company recognised a total expense of £8m (2024/25: £5m) relating to equity-settled share-based payment transactions.

The Executive Directors' awards are disclosed in the Directors' Remuneration report on pages 73 to 98.

PSP awards are based on service and performance conditions over a three-year period. The awards are granted as nil cost options. Vesting dates may vary according to individual grants.

Under the UK Sharesave scheme, eligible UK employees have been invited to enter into HMRC-approved savings contracts for a period of three or five years, whereby shares may be acquired with savings under the contract. The option price is the average market price over three days shortly before the invitation to subscribe, discounted by 20%. Options are exercisable within a six-month period from the conclusion of a three- or five-year period. The Irish Sharesave plan, which operates along similar lines to the UK Sharesave scheme, includes eligible employees in the Republic of Ireland.

The rules of all schemes include provision for the early exercise of options in certain circumstances.

The Employee Share Ownership Plan trust ('ESOP trust')

The ESOP trust is funded by an interest-free loan from the Company of £87m (2024/25: £79m) to enable it to acquire shares in Kingfisher plc. The shares are used to satisfy options awarded under the Group's equity-settled share incentive plans, excluding Sharesave plans.

The ESOP trust's shareholding at 31 January 2026 is 13 million shares (2024/25: 12 million shares) with a nominal value of £2m (2024/25: £2m) and a market value of £44m (2024/25: £29m). Dividends on these shares were waived for the interim and final dividends.

Notes to the Company financial statements continued

11 Related party transactions

During the year, the Company carried out a number of transactions with related parties in the normal course of business and on an arm's length basis. The names of the related parties, the nature of these transactions and their total value are shown below:

£ millions	2025/26		2024/25	
	Income	Receivable at year end	Income	Receivable at year end
Transactions with Koçtaş Yapı Marketleri Ticaret A.Ş. in which the Kingfisher plc Group holds a 50% interest				
Commission and other income	0.3	–	0.6	0.2
Transactions with the Kingfisher Pension Scheme				
Provision of administrative services	0.9	0.9	0.8	0.6

Services are usually negotiated with related parties on a cost-plus basis. Goods are sold or bought on the basis of the price lists in force with non-related parties. In the prior year, the Group made capital contributions totalling £19m into the Koçtaş joint venture.

The remuneration of key management personnel is given in note 9 of the consolidated financial statements.

Other transactions with the Kingfisher Pension Scheme are detailed in note 28 of the consolidated financial statements.

12 Related undertakings of the Group

In accordance with Section 409 of the Companies Act 2006, a full list of related undertakings, the address of their registered office and their country of incorporation as at 31 January 2026 is shown below. Changes to the list of related undertakings since the year-end date, if any, are detailed in the footnotes below. All undertakings are indirectly owned by the Company unless otherwise stated.

All related subsidiary undertakings, unless otherwise noted, are consolidated in the Group's financial statements, have only one class of share in issue (being ordinary shares), and have all their shares held by companies within the Group, other than the Company (Kingfisher plc).

Certain UK subsidiaries are intending to avail of the exemption from the requirements of the Companies Act 2006 (the Act) relating to the audit of individual accounts by virtue of section 479A of the Act. Kingfisher plc will guarantee all outstanding liabilities that these subsidiaries are subject to as at the financial year ended 31 January 2026 in accordance with section 479C of the Act. Refer to note 36 of the consolidated financial statements for more details, including the list of subsidiaries intending to avail of this exemption.

Wholly-owned subsidiary undertakings

China and Hong Kong

2/F, KOHO, 73-75 Hung To Road, Kwun Tong, Kowloon, Hong Kong

Kingfisher Asia Limited

B&Q China, 4th Floor, B&Q Pudong Commercial Building, No. 393 Yin Xiao Road, Pudong New Area, Shanghai 201204, China

Kingfisher (Shanghai) Sourcing Consultancy Co. Ltd

France

30-32 rue de la Tourelle, 91310 Longpont-sur-Orge, France

Brico Dépôt S.A.S.

Euro Dépôt Immobilier S.A.S.

Horizons 1000 S.A.S.

Société Letranne S.C.I.

Parc d'Activités, rue de l'Épinoy, Templemars, 59175, France

KF10 S.A.S.

KF11 S.A.S.

Parc d'Activités, Templemars, 59175, France

ADSR-Real Estate S.A.S.

KFL8 S.A.S.

Kingfisher Développement S.A.S.

Kingfisher Information Technology Services (France) S.A.S.

France (continued)

Kingfisher International Products France S.A.S.

SCREWFIX S.A.S.

SOCODI S.A.R.L.

Route de l'Épinoy, Parc d'Activités, Templemars, 59175, France

Kingfisher Retail Media France S.A.S.

Zone Industrielle, Templemars, 59175, France

Castorama France S.A.S.

Kingfisher Investissements S.A.S.

L'Immobilière Castorama S.A.S.

Guernsey

Redwood House, St Julian's Avenue, St Peter Port, GY1 1WA,

Guernsey

B&Q (Retail) Guernsey Limited

Ireland

6th Floor, 2 Grand Canal Square, Dublin 2, D02 A342, Ireland

B&Q Ireland Limited

Screwfix Direct (Ireland) Limited

B. & Q. Warehouse, Liffey Valley Retail Park East, Ascaill an Life, Dublin 22, Ireland

Paddington Investment Ireland Limited

Ireland (continued)

Willis Towers Watson House, Elm Park, Merrion Road, Dublin 4, D04 P231, Ireland

Kingfisher Insurance Designated Activity Company

Jersey

3rd Floor, 44 Esplanade, St Helier, JE4 9WG, Jersey

B&Q (Retail) Jersey Limited

Netherlands

Basisweg 10, 1043AP, Amsterdam, Netherlands

Kingfisher Group Finance B.V.

Rapenburgerstraat 175 E, 1011VM, Amsterdam, Netherlands

Kingfisher International Products B.V.

Poland

ul. Krakowiakow 78, Warszawa 02-255, Poland

Castim Sp. z o.o.

Castorama Polska Sp. z o.o.

Kingfisher Sourcing Eastern Europe Sp. z o.o.

Melani 1 Sp. z o.o.

ul. Wielicka 28, Krakow, 30-552, Poland

KFS Sp. z o.o.

Portugal

Rua Elias Garcia, Estrada Nacional 294, km 14, Freguesia de Rio de Mouro, Concelho de Sintra, Lisboa, Portugal

Brico Depot Portugal, S.A.

Romania

3, Mihai Eminescu Street, 1st Floor, Cluj-Napoca, Cluj, Romania

Kingfisher Information Technology Services (Romania) SRL

Spain

C/ la Selva, 10, Inblau Edificio A 1º, 08820 El Prat de Llobregat, Barcelona, Spain

Euro Depot España SAU

Turkey

Barbaros Mahallesi Mor Sümbül Sokak, Nidakule Blok No: 7/3, İçkapı no: 127, Ataşehir /Istanbul, Turkey

KSO Istanbul Sourcing Ev Geliştirme Ürünleri ve Hizmetleri Ltd Sti

United Kingdom

1 Paddington Square, London, England, W2 1GG, United Kingdom

Alcedo Finance Limited

Eijsvogel Finance Limited

Halcyon Finance Limited

Kingfisher France Limited

Kingfisher Group Limited

Kingfisher Holdings Limited^a

Kingfisher Information Technology Services (UK) Limited

Kingfisher International Holdings Limited

Kingfisher International Products Limited

Kingfisher Marketplaces Limited^b

Kingfisher Pension Trustee Limited

Kingfisher Properties Investments Limited

New England Paint Company Limited

Sheldon Holdings Limited

Sheldon Poland Investments Limited

Zeus Land Investments Limited

B&Q House, Chestnut Avenue, Chandlers Ford, Eastleigh, Hampshire, SO53 3LE, United Kingdom

B&Q Limited^c

B&Q Properties Chesterfield Limited

B&Q Properties Farnborough Limited

B&Q Properties Limited

B&Q Properties New Malden Limited

B&Q Properties South Shields Limited

B&Q Properties Sutton-in-Ashfield Limited

B&Q Properties Swindon Limited

B&Q Properties Witney Limited

B&Q Properties Wrexham Limited

Dickens Limited

Kingfisher TMB Limited

Trade Point Limited

c/o Teneo Financial Advisory Limited, The Colmore Building, 20 Colmore Circus Queensway, Birmingham, England & Wales, B4 6AT, United Kingdom

Kingfisher International France Limited^d

c/o Womble Bond Dickinson (UK) LLP, 2 Semple Street, Edinburgh, Scotland, EH3 8BL, United Kingdom

B&Q Properties Investments Limited

Trade House, Mead Avenue, Houndstone Business Park, Yeovil, Somerset, BA22 8RT, United Kingdom

Geared Up Limited

Screwfix Direct Limited^e

Screwfix Spares Limited

SFD LTD

Notes to the Company financial statements continued

12 Related undertakings of the Group continued

Related undertakings other than wholly-owned subsidiary undertakings

The undertakings denoted with an asterisk (*) are charitable entities/partnerships and do not have a share capital.

France

40, Avenue Hoche, Paris, 75008, France

Fondation Brico Dépôt pour l'Habitat*
Fondation Castorama*

6, Passage Tenaille, Paris, 75014, France

UNIO S.A.S. (France, 50%)^f

Poland

ul. Krakowiakow 78, Warszawa, 02-255, Poland

Fundacja Castorama*

Spain

C/ la Selva, 10, Inblau Edificio A 1°, 08820 El Prat de Llobregat,
Barcelona, Spain

Fundación Brico Depôt Iberia*

Turkey

Tasdelen Mahallesi Sirri Celik Bulvari Oto Koc Blok No:9 Cekmekoy,
Istanbul, Turkey

Koçtas Yapi Marketleri Ticaret A.Ş. (Turkey, 50%)^g

United Kingdom

B&Q House, Chestnut Avenue, Chandlers Ford, Eastleigh, Hampshire,
SO53 3LE, United Kingdom

B&Q Foundation*

c/o Womble Bond Dickinson (UK) LLP, 2 Semple Street, Edinburgh,
Scotland, EH3 8BL, United Kingdom

Kingfisher Scottish Limited Partnership*^h

Trade House Mead Avenue, Houndstone Business Park, Yeovil,
Somerset, England, BA22 8RT, United Kingdom

The Screwfix Foundation*

- The shares are held directly by Kingfisher plc.
- Kingfisher International Holdings Limited holds 200 Ordinary A shares, 100 Ordinary B shares, 5 Ordinary C shares, 5 Ordinary D shares and 10 Ordinary E shares – each of £1 and each representing 100% of the nominal value of each class of share. These represent 100% of the total issued share capital.
- Kingfisher Investissements S.A.S. holds 45,663,000 Ordinary shares of £0.05 each and 678,420,375 Ordinary shares of £1 each; Kingfisher plc holds 1,000 Special shares of £0.05 each, and 1,000 Special A shares of £0.05 each – each representing 100% of the nominal value of each class of share. These represent 100% of the total issued share capital.
- Entity in process of liquidation as at 31 January 2026.
- Kingfisher International Holdings Limited holds 4,083 Ordinary A shares of £1 each, 45,917 Ordinary C shares of £1 each and 4,591,700 Ordinary D shares of £0.0001 each – each representing 100% of the nominal value of each class of share. These represent 100% of the total issued share capital.
- Class of shares held – EUR100.00 Ordinary.
- Class of shares held – TRY100.00 Registered.
- Kingfisher Properties Investments Limited and Kingfisher Pension Trustee Limited are the limited partners; B&Q Properties Investments Limited is the general partner.

13 Post balance sheet events

During the period since the balance sheet date, the Group purchased 20 million of the Company's own shares for cancellation at a cost of £71m. This amount was deducted from equity in 2025/26 as a result of an irrevocable buyback agreement which was in place at 31 January 2026.

Group five year financial summary

£ millions	2021/22	2022/23	2023/24	2024/25	2025/26
Income statement					
Sales	13,183	13,059	12,980	12,784	12,945
Retail profit	1,148	923	749	696	734
Central costs	(60)	(49)	(60)	(62)	(80)
Share of interest and tax of equity accounted investments	(2)	(4)	(16)	(6)	(3)
Net finance costs before adjusting items	(137)	(112)	(105)	(100)	(91)
Adjusted pre-tax profit	949	758	568	528	560
Adjusting items (before tax)	58	(147)	(93)	(221)	(182)
Profit before taxation	1,007	611	475	307	378
Income tax expense (including adjusting items)	(164)	(140)	(130)	(122)	(133)
Profit for the year	843	471	345	185	245
Balance sheet					
Goodwill and other intangible assets	2,754	2,779	2,766	2,624	2,500
Property, plant and equipment, and investment property	3,111	3,235	3,233	3,139	3,294
Right-of-use assets	1,885	1,947	1,881	1,771	1,830
Equity accounted investments	17	30	19	29	–
Assets and liabilities (excluding net debt) held for sale	6	3	3	99	4
Other net current assets ¹	367	931	844	800	519
Post-employment benefits	410	137	99	101	83
Other net non-current liabilities ¹	(200)	(125)	(125)	(204)	(194)
Capital employed	8,350	8,937	8,720	8,359	8,036
Equity shareholders' funds	6,778	6,663	6,604	6,344	6,158
Net debt	1,572	2,274	2,116	2,015	1,878
Capital employed	8,350	8,937	8,720	8,359	8,036
Other financial data					
Like-for-like sales growth	9.9%	(2.1)%	(3.1)%	(1.7)%	1.1%
Adjusted effective tax rate	22%	22%	27%	28%	26%
Basic earnings per share (pence)	40.3	23.8	18.2	10.1	14.0
Adjusted basic earnings per share (pence)	35.2	29.7	21.9	20.7	23.8
Ordinary dividend per share (pence)	12.40	12.40	12.40	12.40	12.40
Gross capital expenditure ²	397	449	363	317	388
Number of stores ³	1,474	1,572	1,638	1,681	1,691

1. Other net current assets and other net non-current liabilities reported above exclude any components of net debt.

2. Excluding business acquisitions.

3. Excluding equity accounted investments.

Shareholder information

Financial calendar

Q1 26/27 trading update	26 May 2026
Annual General Meeting	26 June 2026
Half-year results ¹	22 September 2026
Q3 26/27 trading update ¹	24 November 2026

1. Dates are provisional and may be subject to change.

Annual General Meeting (AGM)

We consider the AGM to be an important event in our calendar and a significant opportunity to engage with our shareholders.

The 2026 AGM will be held at No. 11, Cavendish Square, London, W1G 0AN on 26 June 2026 at 10am.

Details of how to participate at the AGM will be set out in the Notice of AGM and on our website.

General Counsel & Company Secretary

Sapna Dutta

Registered office

Kingfisher plc
1 Paddington Square,
London, England, W2 1GG

Telephone: +44 (0) 20 7372 8008
Website: www.kingfisher.com

Registered in England and Wales
Registered Number 01664812

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Telephone: +44 (0) 370 702 0129

Shareholders can also visit our online Investor Centre, www.investorcentre.co.uk.

Dividends

The company pays all cash dividends through direct payment to shareholder bank accounts. Shareholders who have not yet notified our Registrar of their preferred bank account details should do so without delay. This does not affect those shareholders who have subscribed for the Dividend Reinvestment Plan.

The interim dividend for the financial year ended 31 January 2026 of 3.80p per ordinary share was paid on 14 November 2025.

The table below provides the payment information for the final dividend of 8.60p per ordinary share, subject to shareholder approval at the 2026 AGM.

Ex-dividend date	28 May 2026
Record date	29 May 2026
Final date for return of DRIP mandate forms/ currency elections	12 June 2026
Euro exchange rate notification	15 June 2026
Payment date and DRIP purchase	3 July 2026

American Depositary Receipts (ADR)

The company has a Sponsored Level 1 ADR programme in the US, which trades on the OTCQX Platform. Each ADR represents two Kingfisher plc ordinary shares. The company's ADR programme is administered by Citibank, N.A.

ADR investor contact

Registered holders:
If calling from within the USA: +1 877 248 4237 (+1877 CITI ADR).
If calling from outside the USA: +1 781 575 4555
Email: citibank@shareholders-online.com

ADR investors who hold ADRs via a broker should contact their broker for any questions.

ADR broker contact

Telephone: +1 212 723 4483/+44 (0) 20 7500 2030
Email: michael.oleary@citi.com or michael.woods@citi.com

Share dealing facilities

Shareholders wishing to sell or purchase shares in the company may do so through a bank or a stockbroker. Alternatively, please go to www.computershare.com/dealing/uk for a range of dealing services made available by Computershare.

ShareGift

If you would like to consider donating your shareholding to the charity ShareGift (Registered charity 1052686), further information may be obtained by calling 020 7930 3737 or from www.ShareGift.org.

Shareholder security

Details of any share dealing facilities that the company endorses will be included in company mailings only. If you receive any unsolicited investment advice, whether over the telephone, through the post or by email, you should:

- Make sure you get the name of the person and organisation;
- Check that they are properly authorised by the FCA before getting involved by visiting www.fca.org.uk/consumers/fca-firm-checker; and
- Report the matter to the FCA either by calling 0800 111 6768 or by completing an online form at www.fca.org.uk/consumers/report-scam.

➔ More detailed information on this or similar activity can be found on the FCA website www.fca.org.uk/scamsmart.

Share price information

The company's ordinary shares are listed on the London Stock Exchange. Share price history and the latest share price are available on the company's website.

Electronic communications

Shareholders who have not yet elected to receive shareholder documentation in electronic form can sign up by visiting www.investorcentre.co.uk and registering their details.

Forward-looking statements

All statements in this Annual Report and Accounts, other than historical facts, may be forward-looking statements (including within the meaning of the safe harbour provisions of the United States Private Securities Litigation Reform Act of 1995). Such statements are therefore subject to inherent risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied, because they relate to future events.

Forward-looking statements can be identified by the use of relevant terminology including the words: 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'plans', 'goal', 'target', 'aim', 'may', 'will', 'would', 'could', 'should', 'project', 'continue' or 'forecast', in each case, their negative or other variations or comparable terminology and include all matters that are not historical facts. These forward-looking statements are based on currently available information and our current assumptions, expectations and projections about future events.

These forward-looking statements appear in a number of places throughout this Annual Report and Accounts and include statements which look forward in time or statements regarding our intentions, beliefs or current expectations and those of our officers, directors and employees concerning, among other things, our results of operations, financial condition, changes in tax rates, liquidity, prospects, growth strategies and the businesses we operate.

Other factors that could cause actual results to differ materially from those estimated by the forward-looking statements include, but are not limited to, global economic business conditions, global and regional trade conditions (including a downturn in the retail or financial services industries), the state of the housing and home improvement markets, share repurchases and dividends, capital expenditure and capital allocation, liquidity, prospects, growth and strategies, litigation or other proceedings to which we are subject, monetary and interest rate policies, foreign currency exchange rates, equity and property prices, the impact of competition, inflation and deflation, changes to regulations, taxes and legislation, changes to consumer saving and spending habits, acts of war or terrorism worldwide, work stoppages, slowdowns or strikes, public health crises, outbreaks of contagious disease or environmental disaster, political volatility and our success in managing these factors.

Consequently, our actual future financial condition, performance and results could differ materially from the plans, goals and expectations set out in our forward-looking statements. Reliance should not be placed on any forward-looking statement. Nothing in this Annual Report and Accounts or on the Kingfisher website should be construed as a profit forecast or an invitation to deal in the securities of Kingfisher. For further information regarding risks to Kingfisher's business, consult the Risks section on pages 43 to 48.

The forward-looking statements contained herein speak only as of the date of this Annual Report and Accounts and the company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise, other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority).

You are not to construe the content of this Annual Report and Accounts as investment, legal or tax advice and you should make your own evaluation of the company and the market. If you are in any doubt about the contents of this Annual Report and Accounts or the action you should take, you should consult a person authorised under the Financial Services and Markets Act 2000 (as amended) (or if you are a person outside the UK, otherwise duly qualified in your jurisdiction). Nothing in this Annual Report and Accounts should be construed as either an offer or invitation to sell or any offering of securities or any invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in any company within the Group or an invitation or inducement to engage in investment activity under section 21 of the Financial Services and Markets Act 2000 (as amended) (or, otherwise under any other law, regulation or exchange rules in any other applicable jurisdiction).

Glossary

Alternative Performance Measures (APMs)

In the reporting of financial information, the Directors have adopted various Alternative Performance Measures (APMs), also known as non-GAAP measures, of historical or future financial performance, position or cash flows other than those defined or specified under International Financial Reporting Standards (IFRS). These measures are not defined by IFRS and therefore may not be directly comparable with other companies' APMs, including those used by other retailers. APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

APM	Closest equivalent IFRS measure	Reconciling items to IFRS measure	Definition and purpose
Adjusted basic earnings per share (EPS)	Basic earnings per share	A reconciliation of adjusted basic earnings per share is included in note 11 of the consolidated financial statements	Adjusted basic earnings per share represents profit after tax attributable to the owners of the parent, before the impact of adjusting items (see definition below), divided by the weighted average number of shares in issue during the period. The exclusion of adjusting items helps provide an indication of the Group's ongoing business performance.
Adjusted EBITDA	Profit before taxation	A reconciliation of Adjusted EBITDA is set out in the Financial Review	Adjusted EBITDA (earnings before adjusting items, interest, tax, depreciation and amortisation) is calculated as retail profit less central costs and before depreciation and amortisation. This measure is widely used in calculating the ratio of net debt to Adjusted EBITDA, and is used to reflect the Group's leverage.
Adjusted effective tax rate	Effective tax rate	A reconciliation to the statutory effective tax rate is set out in the Financial Review	The adjusted effective tax rate is calculated as continuing income tax expense excluding tax adjustments in respect of prior years (including the impact of changes in tax rates on deferred tax), significant one-off tax settlements and provision charges/releases and the tax effects of adjusting items, divided by continuing profit before taxation excluding adjusting items. Prior year tax items represent income statement tax relating to underlying items originally arising in prior years, including the impact of changes in tax rates on deferred tax. The exclusion of items relating to prior years, and those not in the ordinary course of business, helps provide an indication of the Group's ongoing rate of tax.
Adjusted pre-tax profit (PBT)	Profit before taxation	A reconciliation of adjusted PBT is set out in the Financial Review	Adjusted pre-tax profit is used to report the performance of the business at a Group level. This is stated before adjusting items. The exclusion of adjusting items helps provide an indication of the Group's ongoing business performance.
Adjusted post-tax profit	Profit after tax	A reconciliation of adjusted post-tax profit is set out in the Financial Review and note 11 of the consolidated financial statements	Adjusted post-tax profit is used to report the after-tax performance of the business at a Group level. This is stated before adjusting items. The exclusion of adjusting items helps provide an indication of the Group's ongoing after-tax business performance.
Adjusting items	No direct equivalent	Not applicable	Adjusting items, which are presented separately within their relevant income statement category, include items which by virtue of their size and/or nature, do not reflect the Group's ongoing trading performance. Adjusting items may include, but are not limited to: non-trading items included in operating profit such as profits and losses on the disposal, closure, exit or impairment of subsidiaries, joint ventures, associates and investments which do not form part of the Group's ongoing trading activities; the costs of significant restructuring and incremental acquisition integration costs; profits and losses on the disposal/exit of properties, impairments of goodwill and significant impairments (or impairment reversals) of other non-current assets, which the Group identifies as adjusting due to volatility which can arise year-on-year based on future forecasts and assumptions; prior year tax items (including the impact of changes in tax rates on deferred tax), significant one-off tax settlements and provision charges/releases and the tax effects of other adjusting items; financing fair value remeasurements i.e., changes in the fair value of financing derivatives, excluding interest accruals, offset by fair value adjustments to the carrying amount of borrowings and other hedged items under fair value (or non-designated) hedge relationships. Financing derivatives are those that relate to hedged items of a financing nature.
'Big-ticket' category sales	No direct equivalent	Not applicable	'Big-ticket' category sales comprise the sales from our kitchen, bathroom & storage products. It is used as a measure of performance of our relatively higher-value products.

APM	Closest equivalent IFRS measure	Reconciling items to IFRS measure	Definition and purpose
Central costs	No direct equivalent	Not applicable	Central costs principally comprise the costs of the Group's head office before adjusting items. This helps provide an indication of the Group's ongoing head office costs.
Constant currency	No direct equivalent	Not applicable	Constant currency changes in total sales, LFL sales, gross profit, gross margin %, retail profit, retail profit margin % and operating costs reflect the year-on-year movements after translating the prior year comparatives at the current year's average exchange rates. These are presented to eliminate the effects of exchange rate fluctuations on the reported results.
Core category sales	No direct equivalent	Not applicable	Core sales include the sales from non-seasonal products across all our categories, other than 'big-ticket' sales (i.e., kitchen, bathroom & storage). It is used as a measure of our non-seasonal related performance, which is the majority of Group sales.
Dividend cover	No direct equivalent	Not applicable	Dividend cover represents the ratio of earnings to dividends. It is calculated as adjusted basic earnings per share divided by the total (full year) dividend per share. It is used as an indication of how sustainable dividend payments are.
E-commerce sales penetration %	No direct equivalent	Refer to definition	E-commerce sales penetration % represent total e-commerce sales as a percentage of sales. For the purpose of this calculation only, sales are adjusted to replace marketplace net sales with marketplace gross sales. It is used to track the success of our e-commerce strategy.
First-party e-commerce sales or 1P	No direct equivalent	Refer to definition	First-party e-commerce sales are total first-party sales (excluding VAT) derived from online transactions, including click & collect (C&C). This includes sales transacted on any device, however not sales through a call centre. Sales (and related commissions/fees) from products supplied by third-party e-commerce marketplace vendors are excluded. It is used to measure the performance of our first-party e-commerce business across the Group.
Total e-commerce sales	No direct equivalent	Refer to definition	Total e-commerce sales are first-party e-commerce sales plus marketplace gross sales. References to digital or e-commerce sales growth relates to growth in constant currency. It is used to measure the performance of all e-commerce business (first-party and third-party) across the Group.
Free cash flow	Net cash flows from operating activities	A reconciliation of free cash flow is set out in the Financial Review	Free cash flow represents the cash generated from operations (excluding adjusting items) less the amount spent on interest, tax and capital expenditure during the year (excluding asset disposals). This provides a measure of how much cash the business generates that can be used for expansion, capital returns and other purposes.
Gross margin %	No direct equivalent	Refer to definition	Gross profit represents sales from the supply of home improvement products and services (excluding VAT), less the associated cost of those sales. Gross margin % represents gross profit as a percentage of sales. It is a measure of operating performance.
LFL sales	Sales	Refer to definition	LFL (like-for-like) sales growth represents the constant currency, year-on-year sales growth for stores that have been open for more than one year, as well as other revenue streams which have more than one year of comparative sales (e.g. marketplace net sales). It is a measure to reflect the Group's performance on a comparable basis. Non-LFL sales represent the difference between total sales and LFL sales, principally comprising sales for stores open for less than one year.
Marketplace gross merchandise value (GMV)	No direct equivalent	Refer to definition	Marketplace GMV is the total transaction value (including VAT) from the sale of products supplied by third-party e-commerce marketplace vendors. It is used to measure the performance of our e-commerce marketplace, and is the basis on which our commissions from third-party vendors are determined.
Marketplace gross sales	No direct equivalent	Refer to definition	Marketplace gross sales is the transaction value (excluding VAT) from the sale of products supplied by third-party e-commerce marketplace vendors. Returned and cancelled orders are excluded. It is used to measure the performance of our e-commerce marketplace.
Marketplace net sales	No direct equivalent	Refer to definition	Marketplace net sales are commissions (excluding VAT) earned on e-commerce marketplace transactions, together with other service fees. This is included within sales. Commissions are determined based on GMV. It is used to measure the performance of our e-commerce marketplace.

Glossary continued

APM	Closest equivalent IFRS measure	Reconciling items to IFRS measure	Definition and purpose
Marketplace participation %	No direct equivalent	Refer to definition	Marketplace participation % represents marketplace gross sales as a percentage of total e-commerce sales. It is used to track the success of our marketplace strategy and performance.
Net debt	No direct equivalent	A reconciliation of this measure is provided in note 33 of the consolidated financial statements	Net debt comprises lease liabilities, borrowings and financing derivatives (excluding accrued interest), less cash and cash equivalents and short-term deposits, including such balances classified as held for sale.
Net cash flow	Net (decrease) /increase in cash and cash equivalents and bank overdrafts	A reconciliation of net cash flow is set out in the Financial Review and in note 33 of the consolidated financial statements	Net cash flow is a measure to reflect the total movement in the net debt balance during the year excluding the movement in lease liabilities, exchange differences and other non-cash movements.
Operating costs	No direct equivalent	Not applicable	Operating costs represent gross profit less retail profit. This is the Group's operating cost measure used to report the performance of our retail businesses.
Own exclusive brands (OEB) sales	No direct equivalent	Refer to definition	OEB refers to our portfolio of own exclusive brands across seven core categories – surfaces & décor, tools & hardware, bathroom & storage, kitchen, EPHC (electricals, plumbing, heating & cooling), building & joinery, and outdoor. OEB sales are sales of own exclusive brand products. It is used to measure the performance of OEB across the Group.
Retail profit	Profit before taxation	A reconciliation of Group retail profit to profit before taxation is set out in the Financial Review and note 5 of the consolidated financial statements. There is no statutory equivalent to retail profit at a retail banner level	Retail profit is defined as continuing profit before tax before central costs, the Group's share of interest and tax of JVs and associates, adjusting items and net finance costs. This is the Group's operating profit measure used to report the performance of our retail businesses.
Retail profit margin %	No direct equivalent	Refer to definition	Retail profit is the Group's operating profit measure used to report the performance of our retail businesses and is separately defined above. Retail profit margin % represents retail profit as a percentage of sales. It is a measure of operating performance.
ROCE	No direct equivalent	Refer to definition	ROCE (return on capital employed) is the post-tax retail profit less central costs, excluding adjusting items, divided by capital employed excluding historic goodwill, net debt and adjusting restructuring provisions. The measure provides an indication of the ongoing returns from the capital invested in the business. Capital employed is calculated as a two-point average. The calculation excludes disposed businesses.
Seasonal category sales	No direct equivalent	Refer to definition	Seasonal category sales include the sales from certain products within our outdoor, electricals, plumbing, heating & cooling (EPHC) and surfaces & décor categories. It is used as a measure of the performance of our sales that are subject to the season we are in, or prevailing weather conditions.
Trade sales	No direct equivalent	Refer to definition	All sales made against a trade loyalty card or account (Including B2B) or by trade customers per Screwfix' customer database. Sales are inclusive of adjustments for refunds, discounts, vouchers, and cashback.
Trade sales penetration	No direct equivalent	Refer to definition	It represents total trade sales as a percentage of total sales. It is used to track the success of our trade strategy.

Other Definitions

B2B customer is a trade customer engaged in constructing, improving, or maintaining properties specifically for commercial purposes related to the properties themselves – such as sale, rental, or ongoing maintenance to support business continuity (e.g. facilities management). These activities typically occur at a regional or national level.

B2B manager is a role dedicated to supporting B2B customers to engage with our trade proposition.

France consists of Castorama France and Brico Dépôt France.

GNFR (Goods Not For Resale) covers the procurement of all goods and services a retailer consumes (including ocean freight, energy, media buying, cleaning, and security).

Iberia consists of Brico Dépôt Spain and Brico Dépôt Portugal.

Other International consists of Iberia, Romania, 'Screwfix France & Other', and Turkey (Koçtaş JV). 'Screwfix France & Other' consists of the consolidated results of Screwfix France, NeedHelp, and results from franchise and wholesale agreements. On 18 July 2024, we completed a divestment of our c.80% equity interest in NeedHelp. On 2 May 2025 the Group completed the divestment of its 100% equity interest in Brico Dépôt Romania for proceeds of £53m. The Group recognised a £31m loss on disposal (included in adjusting items). Please see note 6 and note 34 of the consolidated financial statements for more details.

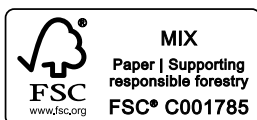
SKU (Stock Keeping Unit) is defined as the number of individual variants of products sold or remaining in stock. It is a distinct type of item for sale, such as a product and all attributes associated with the item type that distinguish it from others. These attributes could include, but are not limited to, manufacturer, description, material, size, colour, packaging and warranty terms.

Trade colleague refers to in-store customer advisor dedicated to supporting all professional customers in-store, often signposted as such (e.g. distinctive uniform, stationed in trade area).

Trade customer refers to someone who regularly purchases our products or services to improve physical spaces used or owned by others – unlike Home Improvers, who buy for the purpose of improving spaces they personally use.

Trade sales partner is a customer-facing role dedicated to building strong, 1:1 relationships with a small number of high value/high potential value customers where there is a mutually beneficial opportunity to grow their engagement with our propositions. Typically at a local or regional level.

UK & Ireland consists of B&Q in the United Kingdom & Republic of Ireland and Screwfix in the United Kingdom & Republic of Ireland.



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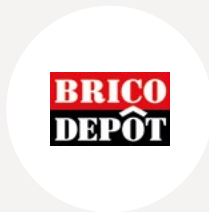
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