Kingfisher

2024/25
Annual Report and Accounts


castorama

This has been another year of focused delivery of our strategy against a challenging macroeconomic and consumer backdrop. Kingfisher is in its best operational shape for years, and we remain confident about our growth opportunities."

Thierry Garnier
Chief Executive Officer

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 purpose

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.

It is an honour and privilege to chair Kingfisher. This is a fantastic business with a clear purpose, passionate colleagues, and compelling growth opportunities to create sustainable value for all our stakeholders."

Claudia Arney
Chair of the Board

Contents

Strategic Report

2 Kingfisher at a glance
3 Financial highlights
4 Chief Executive Officer's statement
6 Our strategy
8 Performance against priorities
12 Key performance indicators
14 Business model
16 People and culture
19 Section 172 statement
21 Our stakeholders at a glance
22 Stakeholder engagement
25 Non-financial and sustainability information statement
26 Responsible Business
30 Our response to the Task Force on Climate-related Financial Disclosures
47 Financial review
56 Trading review by division
60 Risks
66 Viability statement
68 Going concern

Governance

69 Chair's statement
70 Corporate governance
72 Board of Directors
74 Board composition
75 Board activities
76 Board effectiveness
77 Nomination Committee report
81 Responsible Business Committee report
83 Audit Committee report
88 Directors' remuneration report
120 Directors' report
123 Statement of directors' responsibilities

Financial Statements

124 Independent auditors' report
135 Consolidated income statement
136 Consolidated statement of comprehensive income
137 Consolidated statement of changes in equity
138 Consolidated balance sheet
139 Consolidated cash flow statement
140 Notes to the consolidated financial statements
190 Company balance sheet
191 Company statement of changes in equity
192 Notes to the Company financial statements
202 Group five year financial summary

Other Information

203 Shareholder information
205 Glossary

Kingfisher at a glance

Our strategic principles

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

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

We help ‘power’ our banners as a Group.

We are human, agile and lean.

Where we operate

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

Over 1,900
stores

Over 76,000[5, 6]
colleagues

1,262[1]
UK & Ireland

250[3]
France

Over 3,700
suppliers across 70 countries

107
Poland

31[4]
Romania

28
Spain

3
Portugal

262[2]
Turkey

Our corporate website:
kingfisher.com

Our Responsible Business website:
kingfisher.com/responsible-business

All figures on this page relate to the year ended 31 January 2025.

1. B&Q 310, Screwfix 952.
2. Our banner in Turkey, Koçtaş, is operated as a 50% joint venture. Store figure as of 31 January 2025.
3. Castorama 94, Brico Dépôt 126, Screwfix 30.
4. Sale expected to complete during first half of FY 25/26, as announced on 18 December 2024.
5. Turkey joint venture included.
6. Total, not full-time equivalent.

Financial highlights

For the year ended 31 January 2025

Sales

£12,784m

2023/24: £12,980m

(1.7)%[1]/(1.5)%

Like-for-like[2]/reported
2023/24: (3.1)%[1]/2023/24: (0.6)%

Gross profit[2]/margin[1, 2]

£4,763m

2023/24: £4,776m

37.3%

50bps
2023/24: 36.8%; 10bps

Retail profit[2]/margin[2]

£696m

2023/24: £749m

5.4%

(30)bps[1]
2023/24: 5.8%; (130)bps

Adjusted pre-tax profit[2]

£528m

2023/24: £568m

Statutory profit – pre-tax and post-tax

Pre-tax

£307m

2023/24: £475m

Post-tax

£185m

2023/24: £345m

Basic earnings per share (EPS) – adjusted and statutory

Adjusted[2]

20.7p

2023/24: 21.9p

Statutory

10.1p

2023/24: 18.2p

Free cash flow[2]

£511m

2023/24: £514m

Net cash flows from operating activities

£1,302m

2023/24: £1,321m

Net debt[2]

£(2,015)m

2023/24: £(2,116)m

Total dividend[3]

12.40p

2023/24: 12.40p

Net debt[2] to Adjusted EBITDA[2]

1.6x

2023/24: 1.6x

1. Variance in constant currency.
2. Alternative Performance Measure (APM). See the Glossary on pages 205 to 207 for definitions and reconciliations of APMs.
3. The Board has proposed a final dividend per share of 8.60p (FY 23/24: 8.60p), resulting in a proposed total dividend per share of 12.40p in respect of FY 24/25 (FY 23/24: 12.40p). The final dividend is subject to the approval of shareholders at the Annual General Meeting on 23 June 2025.

Evaluation of our key performance indicators against our strategy can be found on pages 12 and 13 and pages 47 to 55.

Chief Executive Officer's statement

This has been another year of strong strategic delivery against a challenging macroeconomic and consumer backdrop. The strong progress we have made against our objectives is credit to our teams, and I would like to thank all our colleagues across the Group for their efforts and commitment to delivering for our customers.

Business performance

From a financial perspective, we delivered profit and free cash flow for the year in line with or ahead of our guidance. Total sales were down 0.8% on a constant currency basis to £12,784m, adjusted profit before tax was down 7% to £528m and we delivered strong free cash flow of £511m. Importantly, for the first time in over six years, we grew our market share at the same time in all our key regions.

In the UK & Ireland, we saw like-for-like (LFL) sales growth of 0.2%, with market share gains at B&Q supported by strong e-commerce and TradePoint sales, and market share gains and a positive LFL performance at Screwfix. In France, a 6.2% reduction in LFL sales reflected the subdued consumer backdrop, although both Castorama and Brico Dépôt performed ahead of the market. In Poland, LFL sales were broadly flat (-0.1%), which was ahead of the market, supported by a stable consumer environment and strong trade customer initiatives.

Looking across our categories, our core business (67% of sales) showed continued resilience, with an improving trend through the year, driven by repair, maintenance and renovation activity on existing homes. Big ticket (15% of sales) reflected weaker trends across the market, but there were encouraging trends in Q4. Seasonal (18% of sales) was impacted by unfavourable weather, particularly in Q2.

Strategic progress

We made rapid progress in the year against our strategic priorities, with a particular focus on growing our trade business and accelerating our e-commerce capabilities. Our Group strategy in these areas has been applied successfully in our UK banners, and we are replicating this success in other markets, with positive results.

Developing our trade business

The development of our trade customer proposition across our markets is progressing at pace. Trade customer sales excluding Screwfix were up 53% year-on-year, representing 17.9% of Group sales in January, and up 4.9 ppts since the start of the year.

We now have dedicated trade loyalty programmes in place across our markets, with memberships growing 30% across the year. We have also added further trade-specific ranges to strengthen our product offer, including through own exclusive brands (OEB).

TradePoint at B&Q continues to go from strength to strength, with sales up 6.4% to £887m, now representing 23.4% of B&Q's sales (up 1.6 ppts). This has been supported by the introduction of dedicated 'sales partners' in 44 stores, to strengthen relationships with key customers and grow our share of their spending. Stores with sales partners have seen a c. 5% uplift in trade customer sales compared to stores without. TradePoint also launched its first mobile app in October 2024, which has already proved popular with customers.

Our trade propositions in France and Poland are also developing rapidly. Brico Dépôt France now has trade service desks and colleagues in all stores and Castorama France is rolling out its dedicated trade zones. Castorama Poland expanded its 'CastoPro' zones to 12 stores, providing dedicated spaces to serve trade customers and bringing together key trade 'grab and go' lines. The business also successfully launched its trade app in December and created 54 dedicated trade sales partner roles.

In 2025/26, our focus will be on continuing to recruit and train trade sales partners in all our markets, accelerating the roll-out of our trade propositions at Castorama France and Brico Dépôt Iberia, expanding 'CastoPro' zones in Poland, and continuing to enhance our trade-specific product ranges and services across all markets.

Our longer-term ambitions in trade are to reach more than £1 billion of sales at TradePoint in the UK & Ireland, double trade sales penetration in France (versus FY 24/25), and achieve trade sales penetration of over 30% in Poland.

Accelerating e-commerce through speed and choice

Our e-commerce sales grew 8.3% on a constant currency basis year-on-year, taking our e-commerce sales penetration to 19%, up 1.6 ppts on last year (and up 11.4 ppts versus FY 19/20). This was driven primarily by the continued success of our marketplace at B&Q, as well as strong online sales growth at Screwfix. Our total Group-wide marketplace Gross Merchandise Value (GMV) reached £327m, up 62% year-on-year.

Our marketplace proposition is now live in all our key markets, after we opened marketplaces at Castorama France in Q1 and at Castorama Poland in Q4. We have seen strong momentum. In January 2025, B&Q's marketplace sales represented 43% of its total e-commerce sales, with over 2.1 million products now available to customers. Brico Dépôt Iberia's marketplace reached 33% e-commerce sales penetration by the end of the year, with Castorama France at 14%. Castorama Poland's new marketplace is also seeing encouraging early results.

Our investment in e-commerce across our banners extends to our app capabilities. App sales represented 36% of total e-commerce sales (FY 23/24: 26%), growing by 41% year-on-year. This was supported by the launch of our redesigned B&Q app and our new TradePoint app. Monthly active app users across the Group increased by 18% year-on-year on average.

Our focus on speed is also paying off, as customers take advantage of our convenient range of fulfilment options, which harness the strength of our store networks. Home delivery sales increased 15% year-on-year, while click & collect orders rose 5%, accounting for 65% of total e-commerce sales and 88% of first-party e-commerce orders.

Sales via Screwfix Sprint, the banner's rapid one-hour delivery service, grew by over 40% year-on-year, and the service now covers c. 60% of the UK population. Screwfix and B&Q also partnered with Deliveroo in the year to offer 30-minute home delivery services on a limited range of products from selected stores, with encouraging customer uptake.

At the same time, our retail media offering is building momentum, with capabilities now live in the UK, France and Poland. More than 500 vendors are now engaging in over 2,400 live campaigns on a monthly basis (up 167% year-on-year), with very high returns on advertising spend, at B&Q, Castorama France and Brico Dépôt France.

In 2025/26, our focus will be on accelerating the onboarding of cross-border vendors to all our marketplaces. We will also start click & collect for marketplace orders in our stores at B&Q, and develop new marketplace functionalities such as complex promotions. In retail media, we will launch our offer at Screwfix during the year, and test in-store campaigns across the Group.

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

Delivering on our plan to improve performance at Castorama France

Another important priority for us has been executing our plan to improve the performance and profitability of Castorama France. We are accelerating progress with the restructuring and modernisation of Castorama's lowest performing stores, with work ongoing or completed on a total of 13 stores in the year.

We completed four rightsizings, with previous rightsizings delivering low, double-digit percentage sales density improvements on average versus FY 19/20, significantly higher than the Castorama France average. The other projects comprised six store modernisations, including one comprehensive refit, two franchise tests, and the transfer of one low-performing Castorama store to Brico Dépôt.

In 2025/26, the business is planning to begin work on 11 further stores across these four avenues.

Responsible Business

Our commitment to leading the industry as a responsible business remains.

We have reduced the carbon footprint from our own operations by 66.0% since FY 16/17, exceeding our Scope 1 and 2 target of 37.8% reduction by FY 25/26. We have also reduced our absolute Scope 3 emissions from supply chain and product use by 30.4%, ensuring we are on track to deliver our FY 25/26 target, and announced new vendor decarbonisation targets to further reduce Scope 3 emissions.

Meanwhile, we reached 53% of Group sales (FY 23/24: 49%) and 63% of OEB sales (FY 23/24: 60%) from our Sustainable Home Products (SHP). We rolled out our Green Star marker to c. 10,000 products across the Group to date, making it easier for customers to identify products with reduced environmental impact.

Finally, and importantly, we remain focused on ensuring our colleagues are engaged and able to realise their full potential. Our Employee Net Promoter Score of 59 improved by two points year-on-year, maintaining our position in the top 5% of worldwide retailers.

Looking ahead

Looking to the year ahead, we know that recent government budgets in the UK and France have raised costs for retailers and impacted consumer sentiment in the near term. With this in mind, we remain focused on what is in our control. This includes progressing our strategic objectives at pace to deliver further market share gains – by further growing our trade customer and e-commerce sales, and delivering on our operational objectives in France.

We are also focused on continuing to manage our gross margin, costs and cash effectively. We are targeting further structural cost and inventory reductions this year, to offset the impact of inflation (including higher pay rates), higher UK employer national insurance contributions and similar taxes in France, and the impact of the new packaging fees regulations in the UK.

I would like to warmly thank colleagues once again for all their hard work and dedication this year. Despite external headwinds, Kingfisher is in its best operational shape for years, and we remain confident about our growth opportunities.

Thierry Garnier
Chief Executive Officer

24 March 2025

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

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.

Put simply, our strategic plan – 'Powered by Kingfisher' – aims to maximise the benefits of combining our distinct banners with the scale, strength and expertise of the Kingfisher Group.

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

1

Grow by building on our different banners

Our banners occupy number one and two positions in our key markets. These banners address a diverse range of customer needs, each operating different models tailored to these needs, with clear positionings and plans. Our goal is to grow by building on our different formats, leveraging the power of Kingfisher.

2

Develop our trade business

Trade customers tend to visit our stores more frequently and spend more than the average retail customer. We are focused on developing 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 omni-channel customer experience.

3

Accelerate e-commerce through speed and choice

We are committed to offering our customers 'speed' – faster fulfilment of orders through leveraging our store estate – and 'choice' – broader product choice, including via our e-commerce marketplace propositions. With over one billion customer visits each year across our e-commerce touchpoints, we are also offering suppliers and vendors the opportunity to merchandise their products through retail media.

4

Build a data-led customer experience

Powered by Kingfisher's enhanced technology platforms and agile operating model, our banners are leveraging data and artificial intelligence (AI) to build customer-centric tools and solutions, thereby supporting better commercial decision-making and higher productivity, and unlocking significant new sources of sales, profit and cash.

Equally, Kingfisher's scale and resources are a critical source of competitive advantage for our banners, providing product development and supply (through our industry-leading own exclusive brands), access to leading-edge technology, digital and data capabilities, as well as international support, sourcing and buying scale.

We are continuing to invest 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.

5

Differentiate and win through own exclusive brands (OEB)

Our OEB product development is a significant source of value and competitive advantage, enabling differentiation from the rest of the market. OEB products also carry a higher gross margin (on average) than branded products. We aim to grow our OEB sales further as we continue to provide simple and innovative solutions to our customers at affordable prices, while also focusing on reducing environmental impacts.

6

Roll out compact store formats

Compact stores play an increasingly 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. Through compact store expansion, our ambition is to grow market share, optimise our overall store footprint, and grow sales densities and store profitability.

7

Lead the industry in Responsible Business and energy efficiency

We are committed to leading our industry in responsible business practices and energy efficiency. Building on our strong environmental, social and governance (ESG) credentials, our 'Powered by Kingfisher' strategy sets out to maximise our positive impact on the lives of our customers, colleagues, communities, and the planet.

8

Agile and lean

We have adopted a culture of speed and agility, given the rapidly changing environment in which we do business. We continue to focus on becoming a leaner and more productive business, while aiming to structurally reduce our cost base and lower our same-store net inventory.

Performance against priorities

Strategic priorities	Key progress
Grow by building on our different banners	– Further expanded Screwfix in the UK, Ireland and France. – Acquired eight former Homebase stores to reopen as B&Q in the UK & Ireland. – Expanded TradePoint at B&Q. – Continued expansion of Castorama Poland.
Develop our trade business	– Loyalty programmes for trade customers now active in all markets. – Added further trade-specific ranges. – Launched TradePoint's first app. – Castorama France started trialling dedicated trade zones in eight stores. – Brico Dépôt France and Castorama Poland rolled out dedicated trade service desks and launched dedicated apps.
Accelerate e-commerce through speed and choice	– Continued strong growth of e-commerce penetration. – Continued success of marketplaces, with propositions now live in the UK, France, Poland and Iberia. – Retail media capabilities now live in the UK, France and Poland. – Screwfix Sprint in the UK is now available in over 485 stores, covering c. 60% of UK population. – Redesigned B&Q app and new TradePoint app launched. – Screwfix and B&Q partnered with Deliveroo, with encouraging customer uptake.
Build a data-led customer experience	– Good results from implementing AI-powered product recommendation and personalisation engines across all markets (except Iberia). – Castorama France expanded visibility of Hello Casto AI virtual assistant. – Developed innovative visual search technology to help customers find the right products to complete their jobs. The technology is being rolled out at Screwfix and tested at B&Q. – Implemented in-house supply chain visibility tool in all banners, helping to reduce inventory levels. – B&Q leveraging AI-driven promotions, markdowns and clearance solutions, resulting in improved sales, gross margin % and sell-through of stock.

Proof points for FY 24/25

30
net new Screwfix stores in the UK & Ireland

70%
of B&Q stores have a TradePoint (217 counters)

10
Screwfix France stores opened – total of 30

5
Castorama Poland stores opened – total of 107

Forward focus for FY 25/26

- Complete conversion of eight acquired Homebase stores to B&Q.
- Test TradePoint format in smaller B&Q stores.
- Open up to 35 Screwfix stores in the UK & Ireland, including 30 Screwfix 'City' stores.
- Open up to five Screwfix stores in France.
- Open two Castorama Poland stores.

Longer-term ambitions:

Net space growth to drive an uplift in sales of c. +1.5% to +2.5% per annum, largely driven by: (1) over 1,000 Screwfix stores in the UK & Ireland, including up to 100 Screwfix 'City' stores, and (2) up to 75 new Castorama Poland stores. We also see the potential for more than 600 Screwfix stores in France, over time.

£1.5bn
total trade customer sales (excluding Screwfix), up 53% year-on-year

6.4%
increase in TradePoint sales, to £887m – 23.4% of B&Q sales

15.0%
trade sales penetration (excluding Screwfix)

30%
increase in loyalty programme memberships

- Continue to recruit and train trade sales partners in all markets.
- Accelerate roll-out of trade propositions at Castorama France and Brico Dépôt Iberia.
- Expand 'CastoPro' zones in Poland to an additional 15 stores.
- Continue to enhance trade-specific product ranges and services in all markets.

Longer-term ambitions:

Reach more than £1.0 billion sales at TradePoint in the UK & Ireland; double trade sales penetration in France (versus FY 24/25: 4.8%); and achieve trade sales penetration of over 30% in Poland (FY 24/25: 18.3%).

19.0%
e-commerce sales penetration (up 1.6 ppts)

40%
increase in Screwfix Sprint sales

£327m
marketplace GMV (up 62% year-on-year)

43%
of e-commerce sales from B&Q's marketplace, with c. 2.1m SKUs live

- Accelerate on-boarding of cross-border vendors to our marketplaces.
- Test click & collect in stores for marketplace orders, initially at B&Q.
- Develop new marketplace functionalities such as complex promotions.
- Launch retail media at Screwfix.
- Test in-store retail media campaigns.

Longer-term ambitions:

E-commerce to reach 30% sales penetration, one third of which from marketplace. Retail media income to reach up to 3% of the Group's total e-commerce sales.

£100m
sales delivered from AI-powered engines

100%
increase in web sales from recommendation engines vs legacy third-party solutions

c. 10%
of B&Q's e-commerce sales driven by product recommendations

c. 500k
interactions with Hello Casto since launch in 2023

- Launch virtual AI assistant tool at other banners.
- Test visual search technology at B&Q and Castorama France.
- Roll-out at Castorama France and start to implement AI-driven promotions, markdowns and clearance solutions at Castorama Poland and Brico Dépôt France.
- Extend SVT data-sharing to additional vendors across all markets.

Performance against priorities continued

Strategic priorities	Key progress
Differentiate and win through own exclusive brands (OEB)	– Focused product development, range reviews and marketing on repairs and maintenance categories – driving affordability, product innovation and reduced environmental impact. – Continued to strengthen product ranges at ‘opening price points’. – Continued to tailor product development to address gaps in the market. – Added further trade-specific products. – Helped reduce environmental impact through materials used.
Roll out compact store formats	– High street compact store tests continued to deliver encouraging learnings and results. – Screwfix City and B&Q Local ultra-compact stores among those concepts providing greater convenience to customers.
Lead the industry in Responsible Business and energy efficiency	– Focused on ensuring colleagues are engaged and able to realise their full potential. – Made further progress on gender representation. – Increased engagement with customers on energy- and water-saving products. – Continued to roll out Green Star product markers. – Reduced carbon footprint through Scopes 1, 2 and 3, with new targets set. – Announced new vendor decarbonisation targets to further reduce Scope 3 emissions.
Agile and lean	– Continued to optimise transport and warehouse operations. – Flexed store operating hours where feasible. – Expanded in-house technology engineering centres, developing talent to drive performance and cost efficiencies.

Proof points for FY 24/25

£5.5bn
total OEB sales, representing 43.7% of Group sales

3.0%
sub-category sales growth following launches of Magnusson Stakkur and Erbauer Connecx modular workshop storage systems

63.0%
of OEB product sales from Sustainable Home Products

Forward focus for FY 25/26

- Further develop repairs and maintenance categories.
- Strengthen product offer in the lowest retail price quartiles.
- Expand trade-specific OEB ranges.
- Target 70.0% of OEB sales to come from SHPs.

25
active tests across the UK, France and Poland (3 added in 2024/25)

1
B&Q Local store opened – total of 11

7
Screwfix City stores opened – total of 19

1
Castorama Smart store opened – total of seven

- Open up to 30 Screwfix 'City' stores in the UK.
- Continue to collect customer feedback and optimise compact store formats.

Longer-term ambitions:

Establish the blueprint for all compact store formats and roll out within our key markets, supporting further market share gains and higher sales densities and store profitability.

59
eNPS (Employee Net Promoter Score) – 2 points increase year-on-year

c. 10k
SKUs showing Green Star marker

53.0%
of Group sales from SHPs, 10.0% of Group sales from energy and water-saving products

38.7%
reduction in intensity of Scope 3 emissions, exceeding the interim target

66.0%
reduction in emissions from Scope 1 and 2, exceeding target

30.1%
women in senior leadership team, 39.8% in management roles

- Reduce the intensity of Scope 3 emissions from supply chain and product use by 40% (since FY 17/18).
- 60% of Group sales and 70% of OEB sales to come from SHPs.
- 100% of wood and paper used in our products to be responsibly sourced (FY 24/25: 97.9%).
- 35% women in senior leadership, 40% in management roles.

Longer-term ambitions:

Reduce our Scope 1 and 2 carbon emissions by 68.0% (versus FY 16/17) and Scope 3 emissions by 46.0% (versus FY 17/18) by 2030; reach net zero emissions across Scope 1 and 2 by 2040, and across Scope 3 by 2050; and further improve ethnic diversity in our workplace, including increasing ethnic diversity among our UK group executive team and their direct reports to 16.0% by 2030, with an interim target of 12.5% by 2027.

c. £120m
structural cost reductions and productivity gains

£107m
lower same-store net inventory year-on-year

- Deliver further structural cost and inventory reductions.
- Further distribution centre space optimisation for an overall reduction of c.12% by FY 27/28.
- Extend supply chain visibility tool data-sharing to additional vendors across all markets.

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

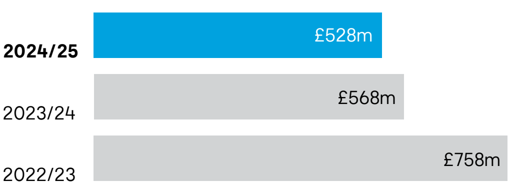
Total sales

Total sales decreased by 0.8% on a constant currency basis, (1.5% decrease at reported rates) to £12,784 million. This reflected resilient core category sales (supported by repairs, maintenance and existing home renovation activity). As expected, 'big-ticket' category sales were weaker, reflecting trends across the broader market, and seasonal category sales were impacted by unfavourable weather in Q2.

Retail profit[1]

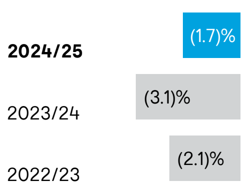
Retail profit decreased by 6.6% on a constant currency basis, to £696 million. This reflected lower profits in France and higher losses from our joint venture in Turkey, partially offset by higher profits in Poland and reduced losses in Romania. Profits in the UK & Ireland were supported by £33m of one-off business rates refunds at B&Q. On a reported basis, retail profit decreased by 7.0%.

Adjusted pre-tax profit[1]



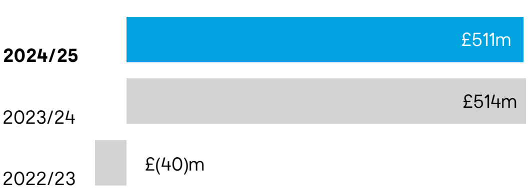
Adjusted pre-tax profit decreased by 7.0% to £528 million, reflecting lower retail profit, partially offset by lower net finance costs and share of JV interest and tax.

Like-for-like sales[1]



Like-for-like sales of -1.7% excludes a +0.9% sales impact from a net increase in space, driven by Screwfix store openings in the UK & Ireland, and Castorama in Poland. During the year, we opened 50 stores – including 33 stores in the UK, one in Ireland, 11 in France, of which 10 were Screwfix stores, and five in Poland. We closed five stores in the UK, one in France and one in Romania.

Free cash flow[1]

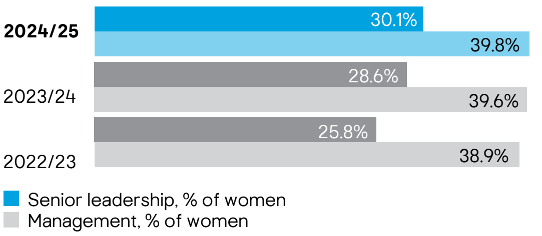


Free cash flow of £511 million, down £3 million, reflecting a reduction in inventory driven by strategic reduction initiatives, a reduction in seasonal stock, product cost price deflation and improved stock health. Net payables increased by £21m, largely reflecting the timing of supplier payments and higher deferred income recognised in trade creditors. Capital expenditure was also lower versus the prior year.

1. Denotes an Alternative Performance Measure (APM). APMs are defined in the Glossary on pages 205 to 207.

Non-financial performance indicators

Inclusion and diversity

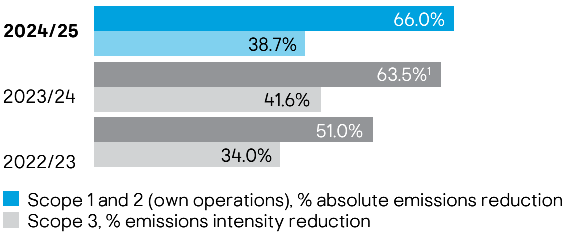


Women in senior leadership increased by 5.2% to 30.1% (FY 23/24: 28.6%) and women in management increased by 0.5% to 39.8% (FY 23/24: 39.6%). The progress reflects our continued focus on strengthening gender diversity across the Group.

Responsibly sourced wood and paper

The share of responsibly sourced wood and paper in our products as a percentage of total SKUs sold is up year-on-year by 1.3% to 97.9% (FY 23/24: 96.6%) reflecting our commitment to achieving our target by the end of FY 25/26.

Carbon emissions reduction



We have reduced absolute greenhouse gas emissions from our operations by 66.0% since FY 16/17, surpassing our science-based target of 38% reduction by FY 25/26. The key drivers for reductions are decarbonisation efforts across our logistics network and property portfolio. Scope 3 emissions intensity from supply chain and product use is down 38.7% since FY 17/18 reflecting our commitment to achieving 40% reduction by the end of FY 25/26.

Sustainable Home Products: % of retail sales

Total Group sales from Sustainable Home Products (SHP) are up by 8.1% to 53.4% (FY 23/24: 49.4%). Share of SHP sales for OEBs increased by 5.3% to 63.3% (FY 23/24: 60.1%). This progress reflects our commitment to achieving our target by the end of FY 25/26.

1. We have restated FY 23/24 reduction due a change in our calculation methodology for logistics.

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 30 to 46 and page 96, respectively.

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

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 channels

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

Our leading banners serve different customer needs within their markets. They offer product ranges and services that meet these distinct needs through their own commercial approach and business model. As trusted brands, they connect with customers and drive loyalty. They are powered by the scale, strength and expertise of the Kingfisher Group.

Benefits brought by the Group include sourcing and buying, differentiated OEB, technology and partnerships capability, shared services and Centres of Excellence. The Group is underpinned by a common culture and values, including a shared commitment to responsible business practices.

Sourcing and buying delivering lower cost prices across all products (OEB and brands).

Technology and product providing all our banners with access to the best technologies and complementary partnerships.

Shared services and lower-cost functions.

Centres of Excellence to set strategy and targets, to share knowledge and best practices, to support implementation, and to help steer progress.

Culture and values providing a framework for our core behaviours, values, and responsible business practices.

Differentiated OEB which are innovative and provide a key source of difference.

1. Sale expected to complete during the first half of FY 25/26, as announced on 18 December 2024.

Who we create value for

Customers

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

Colleagues

Inclusive, rewarding work and careers, developing skills.

Communities and society

Operating as a responsible business, with strong community involvement.

Environment

Protecting and restoring natural resources and tackling climate change.

Shareholders

Growing the value of the company sustainably.

Suppliers

Sharing value in our supply chain.

Partners

Growing our business through different partnership models, including our joint venture in Turkey and wholesale and franchise models.

People and culture

Our People and Culture Plan is part of the 'Powered by Kingfisher' strategy and focuses on building an organisation that delivers performance. It is guided by our purpose and is based on four pillars:

- Build a lean and agile organisation.
- Source and develop the skills and talent that will give us the capability to fuel growth.
- Create an agile, inclusive culture led by trust.
- Develop diverse leaders who inspire growth.

We strive to be an inclusive employer and create a culture where every individual feels they belong; free to be themselves, share their views and ideas, and build the career they want.

Delivering our People and Culture Plan

Progress made across our people and culture pillars in 2024/25:

Lean and agile organisation

We evolved our operating model to fuel our strategy, harnessing the benefit from Group scale and shared investment in innovation. We have continued to unlock productivity gains in all banners and corporate functions, and we are undertaking a range of measures to reduce costs.

Our Offer & Sourcing function focused on removing complexity, increasing speed to market and strengthening the use of customer insight. We are continuing to embed our Technology Operating Model & Digital Centre of Excellence by focusing on our ways of working and driving ongoing simplification. Our Engineering Centres in Krakow and Cluj have grown to 230 people combined.

B&Q has also trialled new store structures and efficiency measures. Over 100 processes have been simplified and new workflows allocate activity directly to colleagues, resulting in greater empowerment and removing unnecessary steps. The trial was expanded from eight to 16 stores in Q3 2024, and will be reviewed in 2025.

Optimise colleague reward

We now have pay transparency readiness plans in place across all markets in preparation for the EU Pay Transparency Directive.

As a responsible employer, we have continued to monitor the cost of living in each of our markets and have initiatives in place to support colleagues in our stores and head offices. We continue to invest in colleague pay to ensure that we are aligned to market practice and that our colleagues are appropriately supported with the increasing costs of living. We have enhanced our approach to UK Gender Pay reporting, and our median hourly pay gap has reduced to 0.8%.

Through our continued focus on optimising colleague reward, we saw 2024 employee Net Promoter Scores (eNPS) for reward rise by five points.

Capabilities to fuel growth

Through our commitment to building in-house capabilities, our new Learning Management System, LEO, launched to Group Functions colleagues in November 2024, with access extending across some of our banners in 2025. With up to 4,000 new courses from over 200 learning providers, as well as personalised learning paths developed by internal experts on functional specialisms and disciplines, this investment is a key step towards making learning a core part of how we work. It gives colleagues the tools and resources to take ownership of their growth and unlock new opportunities for development.

We invested in capability growth in priority areas: eCommerce, Retail Media, Range Construction, Data and Trade. This included new Trade Sales Partner roles in B&Q, Castorama Poland and Brico Dépôt Iberia, building more direct and personalised relationships with trade customers. In Brico Dépôt France, Relationship Managers have had access to a dedicated training programme to improve their trade skills. We have seen positive early results, including greater frequency of visits by trade customers and higher basket values.

We focused on our people leader behaviours, building their leadership capabilities across areas such as customer focus, inclusion and accountability.

Improving employability

By understanding organisational capability gaps and anticipating future skills needs, apprenticeships continue to be a core way we develop talent and build capability; creating a pipeline of colleagues able to support us to deliver our strategic goals. In 2023, we set a new target to deliver 20,000 Group-wide apprenticeships, traineeships or formal qualifications by 2030, and we have delivered 8000+ to date.

With B&Q alone offering over 40 apprenticeship programmes, we're confident that we are building the right skills and investing in critical capabilities for the future. Alongside apprenticeships, B&Q has continued to build on its emerging talent pathways programmes, with offers in HR and Finance, giving those on the programmes the opportunities to gain experience across the functions.

Our development pathways are monitored to ensure they are supporting underrepresented talent. In 2024, 44% of our retail apprentices at Screwfix were women; this is an increase from 41% in 2023. In Brico Dépôt France and Castorama France, coaching to support women progress into management roles is enabled through working with the external "Chance" programme. B&Q also offers two in-house development programmes for ethnically diverse colleagues, with curated opportunities designed to accelerate progression.

An agile, inclusive culture led by trust

We continue to assess our progress on our culture against both formal and informal key metrics, including through regular colleague surveys using the Workday Peakon platform, the Kingfisher Colleague Forum (KCF) and works councils, colleague networks, social channels and regular Town Hall meetings. We have introduced additional new Q&A sessions to our Town Halls, to provide a more comprehensive opportunity for engagement and partnership with our colleagues.

Throughout 2024/25 our Senior Independent Director, Catherine Bradley, continued to represent the Board at the KCF, along with the CEO and Chief People Officer, with representation from all banners and Group Functions. Our colleague forums are a strong source of dialogue between colleagues and senior leadership, with the KCF influencing decisions such as how best to engage employees in refreshed whistleblowing policies and how to best land our allyship ambitions across our culturally diverse markets.

Top quartile eNPS – compelling colleague proposition aligned to strategy and performance

Colleague engagement across the Group remained strong this year. Our colleague engagement score of 59 eNPS is significantly ahead of the global retail benchmark (+43 points above the median), placing us in the top 5% of retailers. We heard from 86% of our colleagues (aligned with 2023/24 and well above Peakon's retail benchmark), with colleagues sharing over 256,000 comments, demonstrating their confidence in sharing feedback and ideas.

We saw improvement in our attrition levels across all banners in the year (the 12-month rolling colleague attrition was 24.7%, versus 29.7% in September 2023).

Recognised and trusted as progressively more inclusive

Our inclusion score, based on the question 'I feel a sense of belonging at Kingfisher' is 56 eNPS, placing us in the top 5% of Peakon's all-industry inclusion benchmark. Colleagues also indicated a one point rise in trust and a two point improvement in collaboration. We are continuing to make strides in building a more agile culture, with an agility score of 59 eNPS (up four points year-on-year).

Our Group-wide allyship campaign, 'Together. Stronger.' was launched in November in 2023 and educates on the importance of everyday allyship, setting expectations on inclusive behaviours. We had over 90% participation in our allyship learning. B&Q launched 'Our Stance on Discrimination', a video bringing to life the behavioural expectations of colleagues, vendors and contractors alike, and also released the 'Be an active ally' campaign, an immersive leader-led activity, reaching all colleagues. This explored non-inclusive behaviours, the role of allyship within teams and setting collective commitments.

Our colleague networks have flourished this year, not only in creating safe spaces for colleagues, but also creating positive change across the business. Outside of the UK, we've seen our participation in colleague networks increase, with a number of colleagues from our newly formed allyship network – Inclusion and Diversity Ambassadors – based in France, and our LGBTQ+ subgroup in France. At Screwfix, building on the launch of its Black Employee Networking Community, the RCE network (Race, Culture and Ethnicity) and Gender Network launched this year.

As part of creating a culture where everyone feels they can belong and thrive, our emphasis on wellbeing has deepened too, and we have seen an increase of three points in our wellbeing scores. We have wellness champions increasingly in place for peer-to-peer support across our locations.

We have created deeper alignment between our community work and our I&D strategy, with a focus on positively impacting underrepresented groups, and we have supported initiatives across our banners' charity foundations to improve spaces for women in need. Brico Dépôt Romania's 'Good Homes Change Lives' programme invested support in two projects creating safe and healing spaces for victims of domestic abuse and trafficking. Brico Dépôt Iberia is piloting the Violet Dot project, displaying this symbol in stores to signify an active commitment against gender violence.

To encourage greater transparency and openness, we launched our Speak Up awareness campaign across the Group, refreshing our Whistleblowing Policy and reminding colleagues about the importance of speaking up when they have an ethical concern.

Our banners, and the 'Together. Stronger.' campaign have been externally recognised for their commitment to inclusion and diversity and creating positive working environments. Our sponsor of the Diversity in Tech network (and CTO) Chris Blatchford was awarded Outstanding Advocate for Women in Tech (Male Ally) at the Women in Tech Employer Awards. B&Q was awarded gold membership for the Armed Forces Covenant and became a proud signatory of the Race at Work Charter, a Business in the Community initiative focused on seven actions to drive race equality.

We continue to use data and insights to drive our actions, and in the UK we know more about our workforce than ever before, having now reached 78% completion through our diversity data collection campaign. This enables us to understand how representative we are of our customers and the communities we serve. In the UK, we also ask our candidates diversity data questions during recruitment to better understand and drive equality through our candidate journey.

Diverse and inspiring leaders

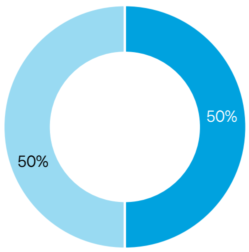
Highly engaged leaders, collaborating to drive growth

We continue to invest in our leadership capability, further strengthening collaboration across the leadership team and building our future leadership pipeline. The engagement of the Kingfisher Leadership Team (KFLT) remains high and well above the Group benchmark at 67 eNPS. The KFLT reported a 15-point year-on-year improvement in its perception of inclusive leadership at Kingfisher and senior leader engagement scores by gender differ by only one point, suggesting our ongoing efforts to create an inclusive environment are making a difference.

Board, senior management and employee diversity

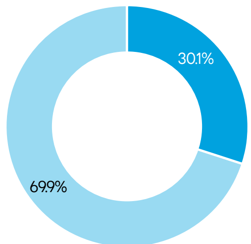
At 31 January 2025, the gender breakdown of colleagues and directors was as follows:

The Board[1]



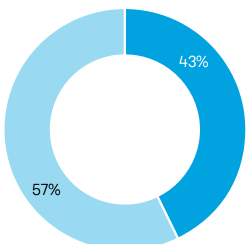
Female: 5
Male: 5

Senior leadership[1, 2, 3]



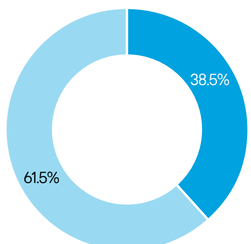
Female: 95
Male: 221

Total workforce[1, 3]



Female: 31,484
Male: 41,694

Group Executive and their direct reports[1]



Female: 37
Male: 59

1. The 2023/24 gender breakdown of colleagues and directors was as follows:
   - The Board: 4 female (44.4%) 5 male (55.6%).
   - Senior leadership: 89 female (28.6%) 222 male (71.4%)
   - Total workforce: 32,297 female (43.3%) 42,228 male (56.7%)
   - Group Executive and their direct reports: 30 female (36.1%) 53 male (63.9%)
2. Senior leadership under this target is defined as those who are eligible for our Performance Share Plan.
3. Turkey joint venture, Koçtaş, not included.

Robust senior leadership succession pipeline

In 2024/25 we continued to enhance our leadership to ensure we have the skills and experience required to deliver our strategic priorities. We made 54 appointments into critical leadership roles in our banners and functions. During the year, Bhavesh Mistry succeeded Bernard Bot as CFO; more information on this can be found in the Nomination Committee Report. Two in three senior leader appointments in 2024/25 were internal; this is testament to our focus on internal succession planning.

Our succession coverage continues to be a priority in the context of our evolving requirements and expectations. To support this, we have delivered Kingfisher-wide development opportunities to our next generation of senior leaders, focused on both business skills and leadership skills and behaviours.

Diverse representation

We continue to make solid progress towards achieving our gender target of 40% women in management by 2025/26 (currently at 39.8%). We continue to focus our work on increasing senior leadership gender diversity, with a 1.5% improvement this year.

To support this, the Kingfisher Leadership Team (KFLT) participated in workshops on inclusive hiring, incorporating external best practice. We further embedded our commitment to having balanced shortlists with clear impact – in 2024/25 where we had diverse shortlists, 63% of senior hires were female.

Our focus on diversity goes beyond gender, with a strong emphasis on reflecting the customers and communities we serve. In 2024 we set a target of improving ethnic diversity in our most senior leadership in the UK to 12.5% by 2027, and 16% by 2030 (see page 80 for more information on how this aligns with the Parker Review). Our strategy to deliver this target is underpinned by seeking insight from candidate and colleague data on how people move into and through our organisation; identifying and addressing barriers to progression and gaps in sentiment between underrepresented and majority groups; and working in close partnership with our colleague networks and forums to evolve our culture.

To ensure we are reaching diverse talent, we have renewed and upscaled our commitment this year with Black Young Professionals (BYP) and have now extended the partnership to B&Q and Screwfix. BYP has a mission to advance the careers of millions of Black professionals by connecting members to suitable career opportunities. In 2024, in Group Functions in the UK, France and Poland, we launched our partnership with Evenbreak, a leading international disability job board run by, and for, people with lived experience of disability.

Our People Plan 2025-2028

Market challenges demand high levels of focus and performance for the next phase of our transformation. This context, combined with technological change and increasing colleague expectations, has shaped our priorities for the next phase of our plan. For 2025/26 we will focus on three priorities:

- Further enhance KFLT capability and collaboration to drive our strategic ambition and bring our purpose to life.
- Further optimise our operating model to drive growth efficiently.
- Define and develop a culture of high performance and growth.

In addition, we will continue to embed our work on maintaining strong colleague engagement, building our long-term pipeline for senior leadership roles, realising our targets around diverse representation and embedding our goals on inclusion, learning, careers and apprenticeships.

Equal opportunities

Kingfisher is 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.

Further detail on our policies for employees is set out on page 25.

Section 172 statement

The Board fully recognises the importance of all our stakeholders in pursuit of the success of the company. Remaining mindful of our Companies Act 2006 (the 'Act') Section 172(1) responsibilities, the needs and concerns of our stakeholders and the external impact of the Company's activities are both an intrinsic part of our decision-making process.

The following pages, which include examples of two key decisions taken during the year, comprise our Section 172(1) statement, detailing how the Board has had regard to the matters set out in Section 172(1) (a) – (f) when performing its duty under Section 172 of the Act. Detail on the Board's activities and other key decisions made during the year are on page 75.

Stakeholder engagement is set out on pages 21 to 24 including how each of our stakeholder groups have been engaged during the year, the outcomes of the engagement as well as key priorities for 2025/26.

Board information and monitoring

Frequently, the business carries out significant engagement before matters are put to the Board for consideration, to support the directors to assess whether, and ensure that all stakeholder views are, considered fairly. This engagement may be formal or informal and is often governed by policies, control frameworks, regulation and legislation.

Before reaching a decision, the Board considers how proposed actions and behaviours of the company may affect its key stakeholders and the environment, as well as the company's reputation and long-term success. Kingfisher's actions and behaviours are governed by a robust governance framework, including Group policies and the Kingfisher Code of Conduct. This framework allows the Board to have due regard to the impact of decisions on the following matters specified in Section 172(1) of the Act, as outlined in the table below.

Section 172 matter	Approach taken	Where to find further information
The likely consequences of any decision in the long-term	The Board sets the strategic direction of the company. It considers at least annually the Group's long-term plan, strategy and objectives to align with the Group's purpose, values and standards and ensure long-term sustainable value creation for its shareholders and wider society.	Performance against priorities: pages 8 to 11 Risks: page 60 Viability statement: page 66 Principal risks: pages 61 to 65 Board activities: page 75
The interests of the company's employees	The Board sets the Group's purpose, values and standards to align with the culture of the company, and the Board's belief that diversity and inclusion provide value throughout the company. This belief is embedded in Kingfisher's purpose and business strategy, and in our stated goal to build an agile, inclusive culture led by trust. 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. Information on how the Board manages and monitors the risk is set out in the risk section.	Business model: pages 14 and 15 People and culture: pages 16 to 18 Stakeholder engagement: page 22 Non-financial and sustainability information statement: page 25 Responsible Business: pages 26 to 29 Principal risks: page 61 Board activities: page 75 Remuneration Committee: pages 88 and 89 Responsible Business Committee: page 81
Fostering the company's business relationships with suppliers, customers and others	Business relationships with suppliers, customers and other counterparties are managed by the Group Executive, providing a direct line of communication for receiving feedback and resolving issues, and where appropriate, reporting the outcome of engagement and any issues, to the Board. The Board considers a resilient supply chain to be key to our business and the achievement of our strategic objectives, and that major disruption to our supply chain is a principal risk. New suppliers are subject to due diligence checks and must comply with our Code of Conduct to ensure that no reputational or legal issues would arise from engaging with that counterparty.	Business model: pages 14 and 15 Stakeholder engagement: pages 21 to 24 Responsible Business: pages 27 and 28 Principal risks: pages 61 and 65 Viability statement: page 66
The impact of the company's operations on the community and the environment	The Board recognises the importance of supporting local 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 the Group's purpose, values and standards which align with the company's Responsible Business targets. The Board is responsible for setting the company's Responsible Business priorities relating to communities and the environment. The Responsible Business Committee monitors delivery of the strategy and ensures that the necessary policies and frameworks are in place to allow the Group to conduct its business in a responsible manner in relation to environmental and social matters. The company's policies in this regard are set out in the Responsible Business and Non-Financial and Sustainability Information Statement reports.	Business model: pages 14 and 15 Stakeholder engagement: page 24 Responsible Business: page 27 TCFD: pages 30 to 46 Responsible Business Committee: pages 81 and 82 Responsible Business Report: kingfisher.com/responsible-business
Maintaining a reputation for high standards of business conduct	The Board recognises that all our stakeholders expect the company to conduct business in a way that is responsible and in everyone's long-term interest. 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 company's principal risks, which is conducted periodically. The principal risks and uncertainties facing the business are set out in the Strategic Report. The Audit Committee oversees the company's requirements for high standards of conduct and business ethics. The Responsible Business Committee ensures that the necessary policies and frameworks are in place to allow the Group to conduct its business responsibly in relation to ethical matters.	Business model: pages 14 and 15 People and culture: 17 Non-financial and sustainability information statement: page 25 Responsible Business: pages 28 and 29 Principal risks: page 64 Board activities: page 75 Audit Committee: pages 86 and 87
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 regular feedback on engagement, which during the year included an independent investor perception survey, 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 formal engagement with investors and is typically conducted after each half-yearly results announcement. Shareholder presentations are made available on the company's website. The company has a single class of share in issue with all members of the company having equal rights.	Business model: pages 14 and 15 Stakeholder engagement: page 23 Financial review: page 54 Board activities: page 75 Directors' report: pages 121 and 122 Remuneration Committee: page 98

Section 172 statement continued

Case study: approval of Scope 3 targets

In September 2024, the Board approved Kingfisher's Scope 3 net zero and emission reduction targets.[1]

During the year, the Board, supported by the Group Climate Committee and Responsible Business Committee, oversaw the development and implementation of Kingfisher's net zero roadmap and delivery plan which were aligned to the Science Based Targets initiative (SBTi) trajectory.

The Board considered this commitment carefully and in the context of the company's main stakeholder groups and Section 172 matters:

- As well as aligning with Kingfisher's Responsible Business priorities, a net zero roadmap would prepare the company for likely future **government** measures in the UK and EU with regards to net zero commitments and **regulatory** ESG disclosure requirements.
- Setting a Scope 3 net zero target would provide a commercial opportunity to strengthen the Sustainable Home Products (SHP) programme to meet customer needs and expectations, and support the company to deliver its **long-term** strategic goals.
- Feedback from **investors** and **analysts** supports the rationale for setting Scope 3 targets, with increased focus on assessing how companies address climate risks and their climate commitments both in the short and **long term**.
- Insights highlighted that Kingfisher's work on net zero was important for our **colleagues** and the Board asked for visibility of the communication and engagement campaign for colleagues.
- **Suppliers** expect us to set net zero targets and our supplier emission reduction targets[2] were received positively by our suppliers, **sector peers, NGOs** and the **European Commission**.
- A net zero roadmap would directly impact the **community** and **environment** through delivering carbon reductions that would reduce Scope 3 emissions, and through our membership of EDRA/GHIN[3], to **influence** the **industry globally**.
- The **financial impact** would be managed carefully in the medium to **long term** through controlling our exposure, ensuring investment remains within agreed scope, while delivering our net zero ambition.

1. To reach net zero by 2050 and our interim target to achieve a 46% reduction by 2030 versus a 2017/18 baseline, and our new interim Scope 1 and 2 reduction target to deliver 68% reductions by FY 2030 against a FY 2016/17 baseline.
2. For Kingfisher's 100 biggest vendors by Scope 3 emissions, to create an SBTi-aligned roadmap and decarbonisation target by 2028; for the next 450 vendors, to create an SBTi-aligned roadmap and decarbonisation target by 2030; and for the remaining vendors, to set a climate reduction plan by 2030.
3. European DIY Retail Association and the Global Home Improvement Network.

Case study: sale of Brico Dépôt Romania

During the year, the Group announced the sale of its Brico Dépôt Romania (BDR) business to Altex Romania for an enterprise value of €70 million[1] (c.£58 million[2]).

The sale was agreed on 18 December 2024, and is expected to complete during the first half of 2025/26.

In reaching its decision to proceed with the sale of BDR to Altex, the Board considered the long-term impact of the transaction carefully, giving due consideration in the context of the company's main stakeholder groups and Section 172 matters:

- The Board considered that the divestment will enable the Group's management team to focus on **markets** where Kingfisher is most strongly positioned, and further **invest** in initiatives for the benefit of **customers, investors, employees** and wider **business relationships** of the Group outside of Romania over the medium and **long term**.
- The Board also considered that the sale of BDR was not expected to materially impact these **key stakeholders** outside Romania in the short term, save that there may be slightly lower demand for some suppliers of goods and services not for resale, such as IT. In particular, BDR contributed only 2% (approximately) of Group sales and, as noted below, BDR's ongoing operations in Romania are expected to provide its **suppliers** with the **continuing opportunity** to provide goods and services after completion of the sale.
- Within Romania, the Board considered the impact on BDR and its business of joining the Altex group, and how this will affect the relevant stakeholders. The Board considered Altex's market position and strong **reputation** in Romania, and Altex's desire to sustain and grow BDR's business. In light of these factors, the Board concluded that the transaction would protect the **interests** of BDR's **employees** (both in-store and at head office) and **suppliers** and other **business partners**, in each case taken as a whole.

1. Subject to customary adjustments relating to net debt and working capital at completion.
2. Figures presented in GBP use the following exchange rate: EUR 1.21: GBP1.00.

Our stakeholders at a glance

Customers

Why we engage

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.

What matters to them

- Extended choice across all home improvement categories.
- Affordable, high-quality, sustainable and safe products.
- Excellent customer service and experience in-store and online.
- Support in making more sustainable choices.

Colleagues

Why we engage

We believe an effective people strategy and strong culture are essential to the successful delivery of our core priorities. Being able to attract, retain, and develop diverse talent is one important part of fostering a stronger, more inclusive culture, as is considering the views of colleagues in decision-making.

What matters to them

- A supportive and inclusive workplace.
- Pay transparency, fairness and pay equity.
- Representation in senior leadership and management.
- Inflation and wage increases.

Investors

Why we engage

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.

What matters to them

- Macroeconomic, housing market and consumer expenditure risks on our business performance.
- Capital allocation priorities and dividend policy.
- Progress on our Responsible Business agenda.
- Continued execution of our strategic priorities, including trade, e-commerce, data and retail media.
- Delivery of our France plan.

Suppliers

Why we engage

The trusted partnerships we have with our suppliers are critical to meeting customer needs, supporting responsible business, maintaining quality standards and enhancing affordability. These partnerships drive reliability, sustainability and value for our customers.

What matters to them

- Strong market presence, giving volume growth opportunity.
- Long-term partnerships, stability and transparency.
- Ethical and Responsible Business practices.
- Continuous improvement in operational efficiencies and collaboration.
- Reliable payment terms.

Communities and non-governmental organisations

Why we engage

It is important to us that we meet growing expectations on companies to undertake strong environmental, social and governance action, and we are committed to having a positive impact on the lives of our customers, colleagues and communities.

What matters to them

- Reduction of carbon emissions generated by our operations.
- Training and employment opportunities.
- Community support and charitable giving.
- Building colleague momentum around our community strategy.

Regulators and government

Why we engage

Our relationship with regulators and government means we can fully realise our potential, provide our best employment opportunities and contribute economic prosperity in the places where we operate.

What matters to them

- Clear vision on climate related risks and opportunities.
- Compliance with the relevant regulations where required under applicable legislation.
- Compliance with increasing reporting and disclosure rules with particular focus on ESG, corporate governance and controls, and EU pay gap and transparency.

Stakeholder engagement

Customers 1 2 3 4 5 6 7 8

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 2024 which saw a 40% year-on-year increase in attendance.

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.
– Review of the risk of cyber threats facing the company as well as its customers.
– Regular reviews of the impact of Responsible Business issues on our customers (see page 82 for more information).

Value created in 2024/25

Board endorsement of:

– Continued transformation of our ranges to support customers to make sustainable choices.
– Launch of marketplace in Castorama France and Poland.
– Customer clean air project in Poland to help customers improve energy efficiency at home.
– Continued evolution of our store formats.
– Launch of initiatives to grow business with trade customers.

Priorities for 2025/26

– Expansion of e-commerce and marketplace.
– Enhancement of Screwfix App and Screwfix Sprint.
– Development of trade propositions across banners.
– Development of ranges to address evolving customer needs and help them make sustainable choices.
– Continuing to focus on price in the economic environment.

Colleagues 7 8

Group engagement

– Engagement with colleagues by the business is set out on pages 16 to 18.

Board engagement

– Regular board and individual director visits to our offices and stores. In 2024, this included visits to: B&Q Local and Screwfix City stores, head offices of Screwfix UK and Brico Dépôt France.
– Review of progress against key metrics of culture through both informal and formal mechanisms, including a culture dashboard and continuous listening tool.
– Direct engagement through the Kingfisher Colleague Forum (KCF), a joint forum of Kingfisher-nominated management representatives and formally elected employee representatives from across all banners and Group Functions. As representative to the KCF, our Senior Independent Director, with the CEO and CPO, attended meetings where they discussed colleague views on a range of topics. Colleague feedback is presented to the Board twice a year. In 2024, this included exploring how we can better engage colleagues and build their confidence in our successful Artificial Intelligence initiatives and also, Cyber Security. The KCF discussed local impacts of recent Allyship internal communications campaigns and the evolution of our Responsible Business strategy beyond 2025.
– Analysis of the impact of Responsible Business issues on our colleagues (see page 81 for more information).

Value created in 2024/25

– Board endorsement of key priorities for 2025/26 for the People and Culture Plan.
– Employee net promoter score (eNPS) of 59, a 2-point increase versus 2023, and 86% participation in the summer 2024 engagement survey.
– Embedding the ‘Together. Stronger.’ campaign to support in driving a culture of inclusivity and belonging.
– Introduction of paid breaks for UK store colleagues.
– Increase of 8% to the minimum hourly rate for B&Q Customer Advisors from April 2024; one of the highest rates in retail.

Priorities for 2025/26

– Support our leaders to drive growth and collaboration, and bring our purpose to life.
– Further optimise our operating model to leverage our scale and drive agility, efficiency and effectiveness.
– Deliver pay transparency.
– Continue to embed a culture where all colleagues feel they belong, are engaged, feel connected to our purpose, and can access the training and development they need for the career they want.

Link to strategy See Our strategy on pages 6 and 7. 1 2 3 4 5 6 7 8

Investors 1 2 3 4 5 6 7 8

Group engagement

- Holding meetings on an ongoing basis; approximately 500 interactions with 300 institutional investors and sell-side analysts on general business topics.
- Investor and analyst presentations, roadshows, conferences, dedicated ESG roadshows, fireside chats and interview series (including a net zero discussion), international store tours attended as appropriate by the CEO, CFO, Chair, Senior Independent Director and Responsible Business team.
- Market disclosures, including results announcements, trading updates and ad hoc updates.
- Engagement with ESG ratings agencies used by many investors and debt providers to gauge sustainability priorities and performance.
- Investor perception study to better understand investor and analyst views on Kingfisher.

Board engagement

- Regular engagement by the CEO, CFO, and Chair with investors, covering key financial announcements, business performance and specific issues.
- Engagement by the Remuneration Committee Chair on the company's proposed Remuneration Policy which is set out on pages 93 to 101.
- Regular feedback to the Board from investor roadshows across four countries.
- Receipt of reports on investor and financial market sentiment and expectations.
- Engagement with shareholders at Kingfisher's 2024 AGM.

Value created in 2024/25

- Effective communication of company financial performance, strategic progress and priorities.
- Board approval of an interim dividend of 3.80 pence per share for the financial year ended 31 January 2025, and a final dividend of 8.60 pence per share for the financial year ended 31 January 2024.
- Consistent strong performance across priority ESG ratings against the retail sector benchmark.

Priorities for 2025/26

- Deliver clear, concise and transparent communication of company performance and progress against strategic priorities.
- Execute a comprehensive investor engagement plan, including post-results management roadshows, fireside chats and conferences.
- Strengthen engagement with investors through delivery of new events and new means of communication including through social media, Kingfisher A3 one-page investment thesis and pre-results aide memoires.
- Broaden our investor base by targeting new pools of capital.

Suppliers 1 2 3 4 5 7

Group engagement

- Review of analysis of data and insights from supplier surveys conducted on an annual basis. In 2024, this included a vendor engagement survey with approximately 2,000 OEB and branded vendors.
- Supplier engagement on reducing carbon impact.
- Engagement with suppliers on our Code of Conduct and Responsible Business strategy (including net zero).
- 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.
- Continuous improvement on offer and sourcing pricing conditions.

Board engagement

- Consideration of the impact of our climate ambitions on suppliers, including responsible sourcing and climate targets (see pages 28 and 82, respectively).
- Reviews of the outputs from the annual supplier surveys for our OEBs and branded suppliers, and of OEB ranges and 2025 product innovation and renovation plans, focusing on sustainability and affordability.
- Board and Audit Committee updates on supply chain resilience and exposure in the context of geopolitical events.
- Annual review of the Modern Slavery Transparency Statement and progress of implementation of the Modern Slavery Action Plan across key areas of the business and supply chain.

Value created in 2024/25

- Board endorsement of vendor decarbonisation targets, as part of the company's net zero 2030 targets.
- Board approval of the Modern Slavery Transparency Statement.
- Supplier engagement survey response rate of 65%, a 3% increase versus the 2023 Supplier engagement survey.
- Delivery of our sourcing ambitions. In 2024, this included an increase of levels of OEB availability from 95% to 96%, despite the Red Sea shipping crisis.

Priorities for 2025/26

- Continued focus on sustainability, including progress with net zero roadmaps and climate reduction plans, and our approach to human rights.
- Offer transformation and innovation.
- Leverage data to drive operational efficiencies and collaboration with suppliers.
- Continue to monitor the impact of regulatory changes on supplier payment practices.

Link to strategy See Our strategy on pages 6 and 7. 1 2 3 4 5 6 7 8

Stakeholder engagement continued

Communities and non-governmental organisations (NGOs)

7

Group engagement

- Engagement with this stakeholder category is predominantly undertaken in pursuit of our Responsible Business priorities and therefore captured on page 27.
- Collaboration with organisations to develop the inclusivity agenda, including the Business Disability Forum and Stonewall, and to tackle modern slavery, including partnering with the Slave Free Alliance.
- 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), in particular the taskforce for tackling Scope 3 emissions.
- Presentations from banners regarding community initiatives are captured on page 82.
- Receipt of updates on community investments made during 2024/25.

Value created in 2024/25

- Board approval of Scope 3 targets: net zero by 2050, and 46% emission reduction by 2030.
- Board approval of charitable donations to B&Q Foundation and Shelter, of which Kingfisher's share of funding was c.£2m in total.
- Progress on our Communities strategy is reported on page 27.
- Increased colleague engagement scores on our community work.

Priorities for 2025/26

- Continued focus on working towards net zero by 2050.
- Board monitoring of community investment and endorsement of approach to Communities' priorities.
- Transition into the new Responsible Business strategy.
- Mobilise colleague volunteering.
- Continue to engage our colleagues on our community work.

Regulators and government

1 2 3 4 5 6 7 8

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.
- Regular engagement with regulators, including, in the UK, the Registrar of Companies, the Financial Reporting Council, the London Stock Exchange, the Financial Conduct Authority, and the Information Commissioner's Office on matters of statutory or regulatory compliance.

Board engagement

- Updates on company engagement with regulators, government stakeholders, and political representatives, both directly and via industry associations and other partners.
- Receipt of twice-yearly 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 the company.
- Response to policy consultations and formal information requests.

Value created in 2024/25

Progress made on issues including:

- Engagement following elections in the UK, France and EU.
- Home energy efficiency government support in the UK, France and Poland.
- Beginning of reform to skills policy in the UK.
- Late payments regulation.

Priorities for 2025/26

- Work with the UK Government alongside other retailers to ensure shops do not pay higher business rates from 2026 onwards.
- Work in partnership with the UK Government on skills policy as it is developed, and with governments in our markets on rolling out home retrofit support measures.
- Continue to support initiatives to maintain a level playing field across the retail sector in all our markets.

Link to strategy See Our strategy on pages 6 and 7. 1 2 3 4 5 6 7 8

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 30 to 46. A description of the Group's polices, 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 14 and 15. Non-financial KPIs – see page 13. Principal risks and uncertainties – see pages 60 to 65.

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 ISO 14001 principles and regulatory requirements. KPIs are tracked and reported annually, with policy reviewed each year.	— Performance against priorities: pages 10 and 11 — KPIs: page 13 — TCFD: pages 44 to 46 — Responsible Business: pages 27 and 28 — Supplier engagement: page 23 — Principal risks: pages 61 and 64
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 innovation.	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.	
Employees		
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 29. There were no material Code of Conduct breaches during the year.	— Performance against priorities: pages 10 and 11 — KPIs: page 13 — People and culture: pages 16 to 18 — Colleague engagement: page 22 — Responsible Business: pages 27 to 29 — Responsible Business Committee: page 81 — Principal risks: page 61
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* 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 systematic risk assessments and regular reporting. The policy drives 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 ensures fair labour practices for our colleagues and within our supply chain, and reduces the risk of human rights violations.	— Supplier engagement: page 23 — Responsible Business: page 28 — Principal risks: page 64
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 drive ethical sourcing and enhance transparency across our supply chain.	
Social matters		
Community Policy This policy outlines how we and our retail banners are seeking to tackle poor and unfit housing across our markets.	We partner with registered charities and assess the impact of community initiatives to ensure long-term positive change. Invested £6 million in our communities with an additional £2.7 million raised by our colleagues and customers.	— Responsible Business: page 27 — Responsible Business Committee: page 82 — Communities and NGO engagement: page 24
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 employees receive anti-bribery training. A whistleblowing policy allows anonymous reporting, and regular audits monitor compliance.	— Responsible Business: page 29 — Principal risks: page 63 — Audit Committee: page 86
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 for the Equal Opportunities, Inclusion and Diversity Policy and the Health and Safety Policy 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 been prioritising responsible practices across all aspects of our business for over 30 years, and is aiming to lead the industry in responsible business. Building on our strong Environmental, Social, and Governance (ESG) credentials, and as part of our 'Powered by Kingfisher' strategy, we integrate responsible business into all our decision-making.

Our four Responsible Business priorities

Now into our fifth year of delivery, we continue to make progress across each of our four priority areas for Responsible Business. We focus on where we believe we can use our experience, scale and influence to deliver positive impact. Looking ahead, we are developing the next iteration of our strategy and targets, set to launch next year.

We will publish full details of this year's progress in our dedicated Responsible Business Report in June 2025.

See page 27 for details on 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 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	Our progress
Colleagues	– Improve gender balance to 35% women in senior leadership and 40% women in management by 2025/26. – Enable more than 20,000 colleagues to complete an apprenticeship, traineeship or formal qualification by 2030/31.	– 30.1% of senior leaders and 39.8% of managers are women, compared with 28.6% and 39.6% respectively last year, reflecting continued progress towards our gender diversity targets. – 38.5% of our Group Executive and their direct reports are women, compared with 36.1% last year. – Embedded our allyship campaign, 'Together. Stronger.' across all markets. – 3,221 colleagues across the Group completed apprenticeships, traineeships and formal qualifications, bringing the total to 8,248 since FY 23/24. – Introduced our new e-learning platform, LEO, offering colleagues unlimited access to thousands of online courses. Engagement and inclusivity are part of our People and Culture Plan discussed on pages 16 to 18.
Planet	– Reduce Scope 1 and 2 emissions by 37.8% in absolute terms, and Scope 3 emissions by 40% per £m of turnover (compared with FY 16/17 and FY 17/18 respectively). – Reach net zero emissions for our operations (Scope 1 and 2) by 2040/41. – Purchase 100% responsibly sourced wood and paper for our products and catalogues by 2025/26. – Work towards becoming Forest Positive by 2025/26.	– Announced new net zero and interim science-based emissions targets as part of the next stage of our Net Zero Climate Plan. See case study on page 28. – Continued progress against our science-based targets and reduced operational emissions (Scope 1 and 2) by 66% since 2016/17, exceeding our 2025/26 target of 37.8%. – Reduced absolute Scope 3 emissions from supply chain and product use by 30.4%, with a delivered intensity reduction of 38.7% since 2017/18, ensuring we are on track to deliver our FY 25/26 target. – Announced new ambitious decarbonisation targets with suppliers to support ongoing efforts to reduce Scope 3 emissions.[1] – 97.9% of the wood and paper used in our products was responsibly sourced (FY 23/24: 96.6%) and 100% of catalogue paper (FY 23/24: 99.9%). – Continued to invest in six community forestry projects in key tropical sourcing regions as a founding member of the Rainforest Alliance Forest Allies initiative. These cover some 190,000 hectares of community managed forests and contribute towards the protection of more than 2,500,000 hectares of protected areas. – Screwfix continued to work with the Woodland Trust, helping to restore, protect and plant woodlands at Kingsettle, B&Q continued it's support of the restoration project at Snaizeholme, colleagues from Brico Dépôt France planted 3,000 trees in partnership with Reforest'Action and Castorama Poland partnered with UNEP/Grid to restore Polish national parks.
Customers	– Attain 60% of Group sales from our Sustainable Home Products (SHP), including 70% of sales for our Own Exclusive Brand products (OEB) by 2025/26.	– 53.4% of total Group sales came from SHP that help create greener, healthier homes (FY 23/24: 49.4%). – 9.8% of group sales were from energy-saving, energy-efficient and water-saving products (FY 23/24: 10.1%). – SHP now accounts for 63.3% of OEB sales (FY 23/24: 60.1%). – Rolled out our Green Star mark across most banners, making it easier for customers to navigate and shop for products with a lower impact on the environment. There are currently over 10,000 Green Star SKUs including products such as LAP A-rated LED bulbs, GoodHome water efficient taps and Verve Natural Woodchip mulch. – Improved sustainability performance across many ranges, including the increased use of recycled plastics and lower embodied carbon materials. – Launched refurbished range on diy.com, expanded Screwfix refurb capabilities and grew our rental services in Poland and UK. – In FY 25/26, we will be aiming to increase SHP sales by introducing new ranges, including recycled plastic plant pots and home furnishings, expanding supplier engagement in adopting SHP criteria, and advancing lower-carbon metal sourcing.
Communities	– Having met our target to help more than two million people whose housing needs are greatest, we continue to report on progress.	– Invested £6.0 million (FY 23/24: £6.1 million) in our communities, with an additional £2.7 million (FY 23/24: £2.4 million) raised by our colleagues and customers.[2] – Strengthened our Communities strategy to focus on three areas: fix homes, share DIY skills and provide emergency support. – Castorama Poland and Brico Dépôt Romania have worked with children, sharing DIY skills and preparing them for the future. – B&Q continued to support Shelter to help improve living and working conditions, while colleagues at Castorama France completed 70 solidarity actions for its Foundation. – Announced new strategic partnerships between Brico Dépôt France Foundation and Les Restos du Coeur and Brico Dépôt Iberia and Hogar Sí. – Donated over £135,000 to disaster relief efforts across our geographies, including responses to floods in Spain and Poland.

1. Kingfisher and its suppliers will work towards one of three levels of common targets, depending on the scale of their impact on Kingfisher's Scope 3 emissions. 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.
2. The community contributions include estimated management costs and time volunteered by colleagues.

Case study: Setting new science-based targets

As part of the next stage of our Net Zero Climate Plan we have set new science-based emissions targets across Scope 1, 2 and 3.

We aim to reduce absolute Scope 1 and 2 emissions by 68% by 2030 (from a 2016/17 base year) and to reach net zero by FY 2040. For Scope 3, we aim to reduce absolute emissions by 46% by 2030 (from a 2017/18 base year) and to reach net zero across our value chain by FY 2050. These targets have been submitted for validation by the Science-Based Targets initiative (SBTi).

We have a detailed action plan in place to achieve these targets, building on our strong track record of delivering emissions reductions to date. This includes advancing zero-carbon stores and decarbonising logistics, improving product energy efficiency and phasing out fossil fuel ranges, prioritising low-carbon materials/designs, engaging vendors to reduce upstream emissions, and embedding circularity through rentals and refurbishments. However, the delivery of our net zero target also depends on multiple external factors, including the sustainability of the entire supply chain, the decarbonisation of in-country grids, and supportive government policies.

This year we have further reduced our emissions, achieving 66% reduction in Scope 1 and 2, and 38.7% in Scope 3.

Page 20 sets out how the Board considered this decision in the context of its responsibilities under Section 172 of the Companies Act 2006 and the company's main stakeholder groups.

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.

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

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.

We do not tolerate any form of modern slavery in our business or supply chains. Our Modern Slavery Working Group, chaired by our Human Rights Manager, oversees due diligence and disclosure on human rights and modern slavery. It brings together stakeholders from across the Group and banners who are working on ethical sourcing issues.

For further details and performance data see our Modern Slavery Act Transparency Statement at www.kingfisher.com/Modern-Slavery.

Health and safety

We believe every colleague is entitled to a safe working environment. 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 Functions Health and Safety team also works closely with a Risk Board and a Health & Safety Committee in each banner.

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 three times and by the Board twice in FY 24/25. We also publish our health and safety performance data annually in our Responsible Business Report.

Our new Health and Safety management reporting system has improved visibility of performance, and we continue to improve the accident reporting process.

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 are also working to further reduce packaging waste.

We are committed to strict compliance with all applicable regulations related to chemicals, and where we have identified other chemicals that we consider are not 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 24/25, 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 summarises our approach to doing business and the ethical standards we expect. It promotes a culture of transparency, honesty and fairness.

Read more at www.kingfisher.com/responsible-business/our-policies/company-policies.

The Code of Conduct applies to all Kingfisher colleagues and third parties. We have supporting policies and an online approval and reporting procedure for gifts and hospitality, conflicts of interest, and a policy on competition law.

All colleagues are required to complete annual training on our Code of Conduct. This covers the key principles of the Code of Conduct and how to raise concerns. Colleagues working in sensitive areas of the business or in higher-risk roles also completed additional training on fair competition and market abuse regulation.

Our Group Ethics and Compliance Committee is chaired by our CFO and oversees compliance, identifies priorities, and reviews compliance reports and investigations during its quarterly meetings. 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 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 86 of the Audit Committee report.

All suppliers must comply with our Code of Conduct, and we embed its requirements into our procurement processes and supplier contracts. Potential new suppliers must factor in our Code of Conduct and ethical requirements.

Our approach to data protection and cyber security is explained in the risk section on page 63.

Responsible Business governance

Our Responsible Business Committee (RBC) met three times this year to support and oversee the delivery of the Responsible Business agenda, ensuring it is integrated into our governance and is robust, transparent and accountable. This includes monitoring and appraising performance against our four priority areas, and providing the Group Executive and Board with frequent support and advice on all aspects of Responsible Business. The Chair of the RBC reports on the Committee's activities to the plc Board at least twice a year.

Further governance of climate-related risks and opportunities is detailed on page 31 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, which was refinanced in May 2024. 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 align our reporting to the Global Reporting Initiative (GRI), Task Force on Climate-related Financial Disclosures (TCFD) (see page 30) 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 25.

We closely monitor emerging regulatory and reporting requirements, including the EU Corporate Sustainability Reporting Directive (CSRD) and UK Sustainability Reporting Standards (SRS), and are aligning our practices to be able to meet these and future ESG reporting requirements.

See page 81 for the Responsible Business Committee report and www.kingfisher.com/responsible-business for more information.

Our response to the Task Force on Climate-related Financial Disclosures

At Kingfisher 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 6.6.6(8)R, 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 31 – 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 page 32 – management's role in assessing and managing climate-related risks and opportunities. – Governance section page 33 – 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 34 – Time horizons – description and rationale for selection. – TCFD strategy section page 35 – 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	– TCFD strategy section page 36 - results of scenario analysis. – Page 34 – additional impacts of climate-related risks and opportunities on our strategy and financial planning. – Page 35 – our approach to climate 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 page 35 – Our approach to climate scenario analysis. – Pages 36 to 41 - 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 42 – 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 42 – processes for identifying and assessing climate-related risks. – Page 42 – 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 42 – processes for identifying and assessing climate-related risks. – Page 42 – Kingfisher's processes for managing climate-related risks.

TCFD pillar	Recommended disclosures	Disclosure status (comply/explain)	Link to information/Kingfisher response
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 – page 42 – metrics for assessing climate-related risks and opportunities. – Page 43 - Table 2: Kingfisher metrics and targets for identified climate-related impacts. – Page 44 – executive remuneration.
	b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	Comply	– Page 44 – Table 3: our greenhouse gas emissions and energy use data. – Page 44 – Table 4: 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 43 – Table 2: Kingfisher metrics and targets for identified climate-related impacts. – Page 46 – Table 6: 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 131. In addition, our GHG emissions and associated energy data for Scope 1 and 2 (market-based) as well as categories 1.1 and 11.1 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 2024/25 Responsible Business Report.

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 70.

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 in FY 24/25 included reviewing and approving our new 2030 and net zero science-based targets and supporting 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.
- 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 2024 and its report is on page 81.
- Our **Group Climate Committee**, chaired by our Chief Executive Officer, meets quarterly with relevant management to monitor the company's approach to 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 on key decisions and actions. In 2024, this included development of new 2030 science-based targets across all scopes, and our new net zero target for Scope 3.
- Our **Group Investment Committee** 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. In 2024, this included approving costs for a smart LED rollout and upgrades across 35 of our B&Q stores.
- Our **Audit Committee** is a committee of the Board and receives updates from management 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** consider 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 and 2 emissions reduction targets, and for approving the commercial considerations behind net zero transition plan delivery. In FY 24/25, banners continued to report on their net zero roadmap development (across Scope 1, 2 and 3) and progress on target delivery through a net zero dashboard. The dashboard is reported to the Group Climate Committee and Group Executive.

Our response to the Task Force on Climate-related Financial Disclosures continued

Information on how our Board engages with stakeholders, including in relation to climate change, is included in our stakeholder engagement section on pages 22 to 24.

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:

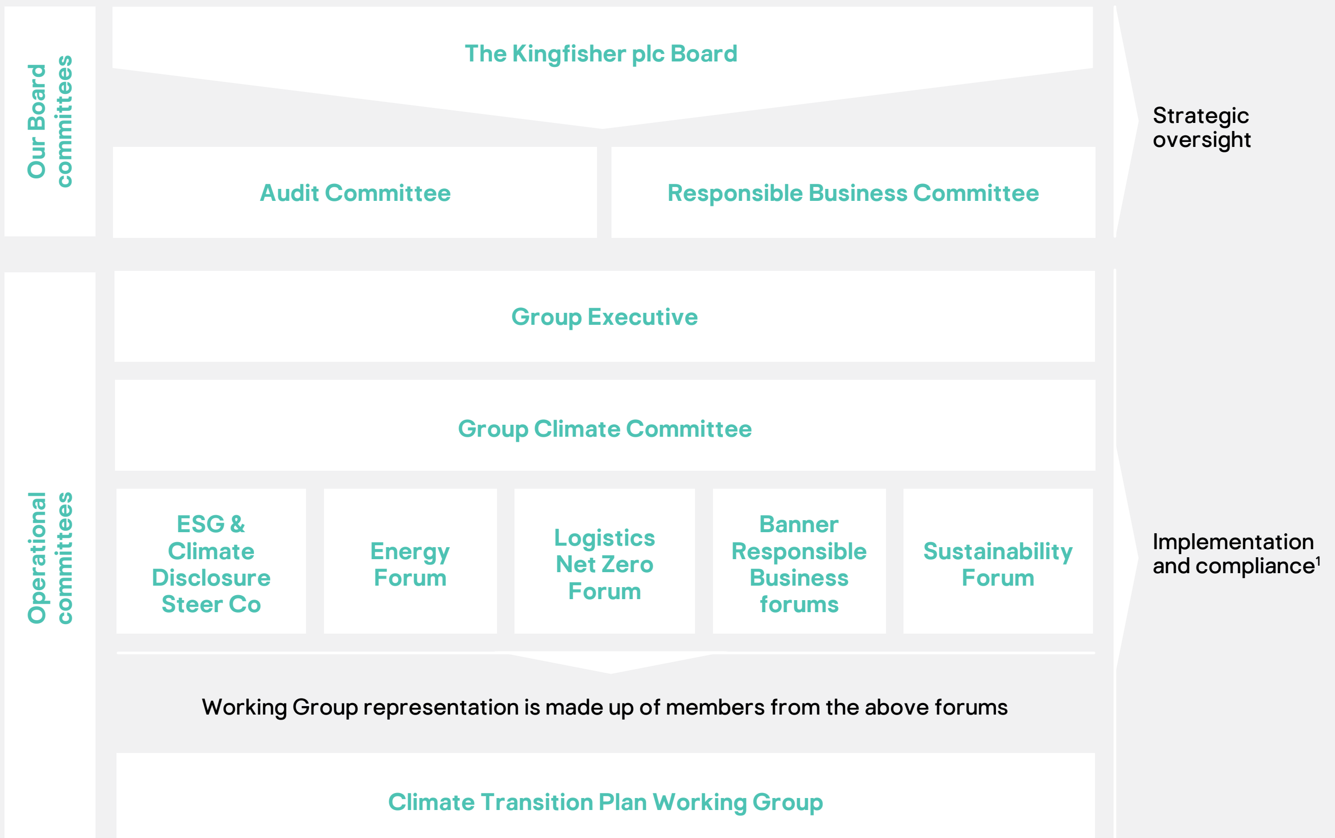
- Our **Responsible Business** team, led by our Director of Responsible Business, is accountable for developing Group-wide climate change strategy, climate-related risk and opportunity identification and assessment, and for external and internal reporting and communication on climate-related matters 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 Sustainable Home Products (SHPs) strategy, ensuring our product sustainability requirements are embedded into our own exclusive brand (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 monthly **Sustainability Forum** with banner sustainability directors and representatives to help co-ordinate sustainability activity across the Group, including Scope 3 product-related emissions reductions.
- Each **banner** is responsible for delivering Scope 1, 2 and 3 emissions reductions, in line with the contributions of each banner identified under the 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 six 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 the Group Logistics Director and meets quarterly with banner logistics directors and representatives to share best practice, discuss new technology and share carbon reduction planning and activity across logistics.
- 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 and have concluded that the Board consists of members who bring in the necessary climate-related expertise. This is achieved through the Chair of Kingfisher's Responsible Business Committee also being a non-executive director (NED) on the Board. We also have two new NEDs appointed to the Board this financial year who bring climate-related experience from their respective executive careers in the development and implementation of sustainability strategies, as well as being board members of companies which have implemented sustainability strategies. Lucinda Riches is currently chair of Greencoat UK Wind, the leading listed renewable infrastructure fund, invested in UK wind farms, and in her executive career at UBS she chaired the Global Equity Commitments Committee, overseeing the firm's capital and reputational commitments. During his six years as CEO at DFI Group, Ian McLeod played an instrumental role in developing the company's sustainability strategy and mission focused on serving communities; sustaining the planet; and sourcing responsibly.

Our CEO chairs our Group Climate Committee, so is updated regularly on climate-related activities across the Group. Our CEO is also the President of the European DIY Retail Association (EDRA)/the Global Home Improvement Network (GHIN) and has been engaged with launching the Global Retail Scope 3 Taskforce, founded in 2023 by EDRA/GHIN to drive collaboration and innovation across the industry in reducing Scope 3 emissions. Our banner teams have been fully engaged with our climate transition plan development, with banner board level approval for banner-specific Scope 1, 2 and Scope 3 delivery plans. Progress updates are also held regularly through the banner Responsible Business forums and net zero dashboard reporting.

Climate governance structure



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 processes (see Risk management on page 42), 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) is an integral part of our Responsible Business strategy which in turn is a pillar of our commercial strategy.

This year, we have enhanced our scenario analysis modelling to ensure a stronger alignment with our internal risk management processes and financial reporting, and to continue improving our climate-related disclosures. We have also engaged extensively with subject matter experts across the business to validate that our risk calculation methodologies are tailored to Kingfisher's specific needs. This has involved several key changes in our modelling approach, including the adoption of a percentage impact on revenue (based on impact to sales or costs from climate risks and opportunities) as the materiality metric for risk assessment, replacing the previous use of cumulative discounted cash flow. We have also shifted to assessing net risk, where appropriate to do so, to reflect the delivery of mitigation actions included within our climate transition plan programme and supporting our science-based targets. Last year we used gross risk only (i.e. with no mitigation actions taken into account). Net risk has been applied to the following risks and opportunities modelled in this year's report: liability, carbon pricing, consumer preference, and resource efficiency. Table 1 on pages 36 to 41 outlines the key modelling assumptions used to calculate risks and opportunities.

These changes have provided a clearer picture of where the risks and opportunities lie and their business impact; they have also generally resulted in a lower relative overall financial risk impact. We have also updated the methodology behind our risk calculations to better align with our business operations, and included more information on quantifying opportunities, as well as risk. Where significant changes have been made to our modelling assumptions, we have noted these in the key modelling assumptions column within Table 1 on pages 36 to 41 (detailed later in this section).

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 is to reflect the long-term nature of climate-related risks. We currently model risks until 2040 through our climate-related scenario modelling outlined 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 (2024 - 2027)	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 (2027 – 2033)	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 (2034 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 capturing 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 36 to 41).

New risks and opportunities modelled this year include the following:

- Last year, we quantified consumer preference as a transition risk, if considered with no climate transition planning mitigation in place (i.e. gross risk). After incorporating more of our sustainable product data into the calculations, and considering our climate transition plan, we have determined that this risk may provide a commercial opportunity and differentiated offer for Kingfisher.
- We have included an additional physical risk on market disruption caused by extreme weather conditions changing consumer purchasing habits in our scenario modelling this year, as these were identified as material risks by the business, given the impact on demand for seasonal products.
- As we aim to reduce our overall energy and carbon emissions in line with our science-based targets and transition plan (further details on our performance against these targets and metrics for the current year have been provided on page 46), we have identified energy efficiency as an additional opportunity, and have incorporated it into this year's TCFD report.

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 are working 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 26). 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 the end of 2040, and net zero for our Scope 3 emissions by 2050 (see Metrics and targets section page 42 for more details). We have also set ambitious targets for our Sustainable Home Products (SHP) that help create greener, healthier homes, aiming to reach 60% of Group sales by FY 25/26.

We consider the implications of climate-related risks in our financial planning processes. This includes climate capital allocation budgets such as decarbonisation costs to deliver on zero-carbon energy 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 44).

We also have a £650m three-year revolving credit facility with a group of our relationship banks, which was refinanced in May 2024. The facility expires in May 2027 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 interest rates.

Our management approach with regards to how we continue to build and maintain our strategic resilience through ensuring holistic governance has been detailed further in the Governance section on page 31.

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 third-party facilitated scenario modelling and analysis, 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 risks[1] 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, and the results indicated in the table below are presented as global values. 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.

We continue to monitor these risks on an ongoing basis to identify any further mitigation actions required in the future (see Table 1 for additional details).

Our scenario analysis considers the implications of a full range of emissions trajectories and global average temperature increases.

For FY 24/25, we modelled three climate-warming scenario pathways as explained below.

Climate scenario analysis

A variety of sources were used to conduct the climate scenario analysis, including Network for Greening the Financial System (NGFS) V4.0, International Energy Agency (IEA) World Energy Outlook 2023, 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. The three scenarios were specifically chosen because they capture the greatest range of climate uncertainties.

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 minimizes 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.

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).

Our response to the Task Force on Climate-related Financial Disclosures continued

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. We have modelled the impacts of the six most material risks for our business over three, five and ten plus year periods (as described above). 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 or recuperating costs through reduced purchases/cost efficiencies).

The results of our analysis are reported to our ESG & Climate Disclosure Steering Group and 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 31.

Scenario analysis results [TCFD Strategy (c)]

The financial impacts identified in Table 1 below 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.

Table 1: Results of scenario analysis

Key: potential materiality impact on Kingfisher based on percentage of 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 34.

Table 1: Results of scenario analysis continued

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' along with notes on where there have been methodology amendments from last year's scenario modelling results.

<table>
<tr><th>Climate-related risk modelled</th><th>Key modelling assumptions</th><th>Impact on sales/cost (see key above for materiality impact)</th><th>Implications for resilience and strategic response/mitigation actions</th></tr>
<tr>
<td>1. Transition risk: Liability risk
Increased costs of compliance with a growth in climate-related regulations and frameworks.</td>
<td>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.

Note: Methodology approach has been amended from last year which previously looked at the gross risk of climate-related litigation. This risk has therefore decreased in magnitude compared with last year.</td>
<td><table>
<tr><th></th><th>1.5°C</th><th>2.5°C</th><th>>4°C</th></tr>
<tr><td>3-year impact</td><td>Limited</td><td>No impact</td><td>No impact</td></tr>
<tr><td>5-year impact</td><td>Limited</td><td>Limited</td><td>Limited</td></tr>
<tr><td>10-year impact</td><td>Limited</td><td>Limited</td><td>Limited</td></tr>
</table></td>
<td>Potential financial implications:
– Increased costs of compliance with a growth in climate-related regulations and frameworks. This calculation assumes KF will be compliant with regulations and would not incur any penalties or financial losses arising from non-compliance.

Strategic response/ mitigation actions:
– 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.</td>
</tr>
</table>

Our response to the Task Force on Climate-related Financial Disclosures continued

Climate-related risk modelled	Key modelling assumptions	Impact on sales/cost (see key above for materiality impact)				Implications for resilience and strategic response/mitigation actions
2. Transition risk: Carbon pricing Increased cost of carbon driven by policies/regulations.	i. Reviewed as a net risk with costs calculated based on assumed carbon reduction in line with Kingfisher's transition plan. ii. Assume the 2023/24 emissions mix and markets remains static over the reporting period. iii. Scope 1, 2 and 3 emissions are assumed to decrease in line with Kingfisher's forecast linked to our climate transition plan targets. 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 for the first time this year. v. Scope 1, 2 and upstream Scope 3 have been considered. For these emissions, the industry carbon price by operating country has been applied. 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.		1.5°C	2.5°C	>4°C	**Potential financial implications:** – 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. **Strategic response/ mitigation actions:** – A key element of our strategic response to reduce and/or manage any carbon pricing-related policy risks is through continued monitoring of regulatory and market developments that further inform our Responsible Business strategy and financial planning. – We have a strong track record in reducing our own emissions and are collaborating closely with our suppliers to ensure we are driving positive change. For example, through commitment to generating 60% of Group sales from SHPs by end of FY 25/26, a co-benefit will be reduction of carbon emissions embodied within certain SHP ranges (e.g. through selecting more sustainable materials) and/or emitted when our customers use and dispose of our products (e.g. through providing more energy efficient products). – 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 would expect policy risk to increase if we included downstream Scope 3 elements. Further analysis will be needed to assess the impact of this risk.
		3-year impact	Minor	Minor	Limited	
		5-year impact	Moderate	Moderate	Limited	
		10-year impact	Moderate	Moderate	Limited	

1. The Carbon Border Adjustment Mechanism (CBAM) is an EU regulation impacting the import of high carbon products into the European Union.

<table>
<tr><th>Climate-related risk modelled</th><th>Key modelling assumptions</th><th>Impact on sales/cost (see key above for materiality impact)</th><th>Implications for resilience and strategic response/mitigation actions</th></tr>
<tr>
<td>3. Transition risk: Reputation risk
Decreased revenue if consumers move to competitors they perceive to be more sustainable.</td>
<td>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.
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 banner and its peers.

Note: Methodology approach has been amended from last year which previously looked at the gross risk of reputational damage due to climate activism against Kingfisher. This risk has therefore decreased in magnitude compared with last year.</td>
<td><table>
<tr><th></th><th>1.5°C</th><th>2.5°C</th><th>>4°C</th></tr>
<tr><td>3-year impact</td><td>Limited</td><td>Limited</td><td>Limited</td></tr>
<tr><td>5-year impact</td><td>Limited</td><td>Limited</td><td>Limited</td></tr>
<tr><td>10-year impact</td><td>Limited</td><td>Limited</td><td>Limited</td></tr>
</table></td>
<td>Potential financial implications:
– Reduced revenue if consumers switch to competitors, perceiving our business as less sustainable than its 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:
– 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).</td>
</tr>
<tr>
<td>4. Physical risk: Key facility disruption risk
Increased cost due to frequency and intensity of extreme weather events, which may cause damage to facilities.</td>
<td>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.</td>
<td><table>
<tr><th></th><th>1.5°C</th><th>2.5°C</th><th>>4°C</th></tr>
<tr><td>3-year impact</td><td>Limited</td><td>Limited</td><td>Limited</td></tr>
<tr><td>5-year impact</td><td>Limited</td><td>Limited</td><td>Limited</td></tr>
<tr><td>10-year impact</td><td>Limited</td><td>Limited</td><td>Limited</td></tr>
</table></td>
<td>Potential financial implications:
– The most material impact is expected due to flooding at high-risk stores. However, the damages are estimated to be covered under insurance therefore the final results are lower, showing the impact of increased insurance premiums.

Strategic response/ mitigation actions:
– We maintain robust continuity planning and insurance programmes.
– Additionally, we incorporate climate change factors into the planning and design of new stores, refurbishment projects and preventative maintenance programmes. For example, in certain locations, we have implemented location-specific adaptations, such as painting store roofs white to aid natural cooling in our Brico Dépôt stores in France and Spain.
– We also run preventative maintenance programmes for stores and facilities previously impacted by extreme weather events.</td>
</tr>
</table>

Our response to the Task Force on Climate-related Financial Disclosures continued

Climate-related risk modelled	Key modelling assumptions	Impact on sales/cost (see key above for materiality impact)	1.5°C	2.5°C	>4°C	Implications for resilience and strategic response/mitigation actions
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.	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. Note: Methodology approach has been amended to focus just on the impact of climate-related wildfires on wood and paper supply in order to provide more consistent modelling assumptions. Last year's report reviewed the impacts on climate related temperature and precipitation. This risk has increased in magnitude compared with last year.	3-year impact	Limited	Limited	Limited	**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 regularly via our Timber Forum.
		5-year impact	Limited	Limited	Limited	
		10-year impact	Limited	Limited	Limited	
6. Physical risk: seasonal products Decreased revenue due to fluctuations in seasonal weather patterns, which affect the demand for seasonal products.	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	**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.
		5-year impact	Limited	Limited	Limited	
		10-year impact	Limited	Limited	Limited	
7. Transition opportunity: **Resource efficiency** Decreased cost due to moving away from carbon intensive sources.	i. Reviewed as a net opportunity where reduction in gas consumption aligns with Kingfisher's net zero delivery plan across banners. ii. The energy costs for Kingfisher in the year 2023 are projected forwards using factors that predict how much energy prices will increase by due to various climate-related scenarios. iii. Carbon tax has not been included in calculations as this is included in carbon policy risk.	3-year impact	Limited	Limited	Limited	**Potential financial implications:** – 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:** – Continued transition to renewable energy sources. – Considering more on-site energy generation where feasible.
		5-year impact	Limited	Limited	Limited	
		10-year impact	Limited	Limited	Limited	

<table>
<tr><th>Climate-related risk modelled</th><th>Key modelling assumptions</th><th>Impact on sales/cost (see key above for materiality impact)</th><th>Implications for resilience and strategic response/mitigation actions</th></tr>
<tr>
<td>8. Transition opportunity: Consumer preference
Increased revenue due to consumers' purchasing behaviours shifting towards more sustainable products.</td>
<td>i. Reviewed as a net opportunity based on the continued sale of SHP and Green Star rated products.
ii. Assumes the 2023/24 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 potentially more likely to have customer focus.
iii. Modelling assumes different consumer uptake in sustainable products based on product type (e.g. energy saving or water saving).
iv. The model assumes there is a potential opportunity for the growth of sustainable products to offset the lost sales of less sustainable products.

Note: Methodology approach has been amended from last year which previously excluded the potential of sustainable product growth offsetting the lost sales of less sustainable products. This risk has now changed to a commercial opportunity.</td>
<td><table>
<tr><th></th><th>1.5°C</th><th>2.5°C</th><th>>4°C</th></tr>
<tr><td>3-year impact</td><td>Limited</td><td>Limited</td><td>Limited</td></tr>
<tr><td>5-year impact</td><td>Limited</td><td>Limited</td><td>Limited</td></tr>
<tr><td>10-year impact</td><td>Minor</td><td>Minor</td><td>Limited</td></tr>
</table></td>
<td>Potential financial implications:
– 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:
– 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.)</td>
</tr>
</table>

Our scenario analysis results do not currently 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 compared to other risks and this is the only risk which sees 'moderate' risk level over five and ten 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 warning 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 153.

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. At the same time, we recognise that climate change also 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 33.

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 and opportunities 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. This year, we undertook a detailed scenario analysis exercise and modelled a total of six climate risks, covering physical and transition risks. These risks were then 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 and opportunities. 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 continues to be a principal risk in FY 24/25. 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 60 to 65. Our analysis does not currently identify any significant impacts on our activities over our three-year planning horizon. However, if climate change solutions are not effective, this will have longer-term negative consequences for our strategy and affect our ability to serve our customers, including challenging our product availability, supply chain, reputation and cost to operate.

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 on Table 1 on pages 36 to 41. 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 below, 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 on page 46.

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 37. – 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 2016/17 baseline). – Reduce Scope 3 emissions by 40% per £m of turnover (from a 2017/18 baseline)[1].	– GHG emissions – Scope 1, 2 and 3.	– Absolute, market-based, Scope 1 and 2 GHG emissions in the financial 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 (note downstream customer emissions were not modelled in the scenario analysis due to incomplete data to assess carbon pricing on this emission type). Follows GHG protocol. Further details on www.kingfisher.com/datamethodology.
Reputational	– N/A	– Reduced revenue.	– We also monitor performance on climate change through external disclosure benchmarks, including the CDP Climate Change Disclosure Initiative. In FY 24/25 our CDP disclosure score was A- (FY 23/24: A-).
Physical risks			
Key facility disruption	– N/A	– Increased costs.	– Methodology outlined on page 39.
Raw material supply	– 100% responsibly sourced wood and paper for our products and catalogues by 2025/26.	– 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 40.
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	– Deliver our science-based targets for FY 25/26 to reduce Scope 1 and 2 emissions by 37.8% in absolute terms (from a 2016/17 baseline).	– GHG emissions – Scope 1, 2.	– Absolute, market-based, Scope 1 and 2 GHG emissions in the financial 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 which are being verified by the SBTi.

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 36 to 41. We do not currently use an internal carbon price, but this continues to be an area that we review annually.

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 23/24, as well as comparative data for previous years, have 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 2022 AGM), includes the Kingfisher Performance Share Plan which is also used for our senior leadership population (approximately 300 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. A new Remuneration Policy is being put for approval at the 2025 AGM. There is minimal change proposed from the current Policy, including its operation: climate change remains part of the basket of ESG measures. For more detail see pages 93 to 101.

Table 3: Our greenhouse gas emissions and energy use data [TCFD Metrics and Targets (b)]

		2024/25			2023/24 (restated)			
Metric	Unit	**Global**	**UK only**	**Global (excl. UK)**	Global	UK only	Global (excl. UK)	% change (global)
Scope 1	tCO_2e	**83,581**	**55,519**	**28,062**	91,295	62,042	29,253	-8.4%
Scope 2 – location based	tCO_2e	**94,743**	**31,930**	**62,813**	92,167	33,849	58,318	2.8%
Scope 2 – market based	tCO_2e	**11,374**	**626**	**10,747**	10,763	812	9,951	5.7%
Total Scope 1 and 2 – location based	tCO_2e	**178,324**	**87,449**	**90,875**	183,462	95,891	87,572	-2.8%
Total Scope 1 and 2 – market based	tCO_2e	**94,955**	**56,146**	**38,809**	102,059	62,854	39,205	-7.0%
Carbon footprint (market-based) per m^2 of floor space	$kgCO_2e/m^2$	**11.8**	**16.0**	**8.5**	12.9	17.1	9.5	-8.5%
Total energy consumption	GWh	**871**	**498**	**374**	953	558	395	-8.6%
Total energy intensity	kWh/m^2	**108.2**	**142.2**	**82.1**	120.4	156.4	90.8	-10.1%

The figures may not add up due to rounding.

We have restated our 2023/24 Scope 1 and baseline figures to reflect a change in our logistics calculation methodology following a review of our level of operational control considering, vehicle ownership, route planning, vehicle and fuel choices. This has resulted in the reclassification of certain third party managed logistics emissions to Scope 3, in line with the GHG Protocol.

Table 4: Five year performance and baseline comparison [TCFD Metrics and Targets (b)]

Metric	Unit	**2024/25**	2023/24 (restated)	2022/23	2021/22	2020/21	2016/17 (restated) baseline	% change against baseline
Total energy consumption	GWh	**871**	953	1,111	1,230	1,139	1,284	-32.2%
Total Scope 1 and 2 – market based	tCO_2e	**94,955**	102,059	138,930	214,256	205,767	279,620	-66.0%
Carbon footprint (market-based) per m^2 of floor space	$kgCO_2e/m2$	**11.8**	12.9	17.7	27.9	26.7	37.8	-68.8%
Carbon footprint (market-based) per £ million turnover	tCO_2e/£m	**7.4**	7.9	10.6	16.3	16.9	26.1	-71.5%

Methodology

We calculate our greenhouse gas (GHG) emissions in line with the GHG Protocol: Corporate Accounting and Reporting Standard. The CO_2e includes the seven main greenhouse gases that contribute to climate change: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3).

We use the CO_2e emission factors published annually by the UK Government (DESNZ). The data, as of 2024/25, is calculated using the '2024 UK Government GHG Conversion Factors for Company Reporting', version 1.1 (expiry 10 June 2025). We record activity data (e.g. electricity consumption, 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 2023, Version 1.0, 30 May 2024).

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.

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 59.1% of global market-based emissions and UK energy use accounts for 57.1% of total energy use. Carbon footprint and energy intensity calculations are based on total floor area of occupied properties. 8,049,914 m^2 in FY 24/25 (FY 23/24: 7,916,231 m^2).This is because a significant component of our direct environmental impact derives from our property portfolio.

In FY 24/25, we continued to improve energy efficiency in our operations through key measures, such as optimising heating, cooling, and lighting controls, installing LED lighting, replacing gas heating with electric Air Source Heat Pumps (ASHPs), and expanding on-site renewables to reduce reliance on grid power. We have transitioned to all-electric heating at over 800 properties with ASHPs and invested in renewables, including biomass boilers and solar PV. These are in line with the three-year energy reduction plans for each banner (key energy efficiency measures in FY 23/24 included installing LED lighting, optimising existing heating, cooling, and lighting controls, replacing gas heating systems with ASHPs, and installing on-site solar PV system).

Since FY 16/17 our energy intensity has decreased by 37% due to continuous energy efficiency efforts, including those outlined above. Our overall energy consumption in FY 24/25 decreased year-on-year by 9% and has reduced by 32% since our FY 16/17 baseline.

In FY 24/25, 92% of our electricity came from zero-carbon and renewable sources, supported by Renewable Energy Certificates.

Table 5: Selected Scope 3 GHG emissions data [TCFD Metrics and Targets (b)]

Metric	Unit	2024/25	2023/24	2022/23	2021/22	2017/18 baseline
Scope 3 GHG Emissions: Category 1.1 – purchased goods and services	tCO_2e	**3,305,152**	3,117,463	3,415,939	3,589,851	3,838,277
Scope 3 GHG emissions: Category 11 – use of sold products	tCO_2e	**14,008,171**	13,640,218	15,618,779	17,658,668	21,032,118
Scope 3 GHG emissions	tCO_2e	**17,313,323**	16,757,681	19,034,718	21,248,519	24,870,395
Scope 3 footprint per £ million turnover	tCO_2e/£m	**1,354.30**	1,291.04	1,457.59	1,611.81	2,210.42

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-wise breakdown as per GHG protocol will be published in our Responsible Business Performance Data Appendix in June 2025.

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 6.

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 24/25.

Our response to the Task Force on Climate-related Financial Disclosures continued

Table 6: Progress on climate-related targets

Target	Performance	Variance in current year vs. interim target
Reach net zero emissions for our operations (Scope 1 and 2) by the end of 2040/41	Performance: **On track** We have reduced absolute Scope 1 and 2 emissions by 66.0% since 2016/17. We are currently exceeding our 2025 target and are on track to reduce emissions by 90% by 2040.	32.2 ppts higher performance for Scope 1 and 2 compared to interim target.
Reduce Scope 1 and 2 market-based emissions by 38% in absolute terms by 2025/26, compared to 2016/17 (science-based targets)	Performance: **On track** We have reduced absolute Scope 1 and 2 emissions by 66.0% since 2016/17. We are currently exceeding our target.	32.2 ppts higher performance for Scope 1 and 2 compared to interim target.
Reduce Scope 3 emissions by 40% per £million turnover by 2025/26, compared to 2017/18	Performance: **On track** We have reduced our Scope 3 emissions intensity from the supply chain and customer use of products by 38.7% since 2017/18.	3.7 ppts greater intensity reduction than interim target.
100% responsibly sourced wood and paper for our products and catalogues by 2025/26	Performance: **On track** 97.9% of wood and paper in our products was responsibly sourced (2023/24: 96.6%) and 100% of catalogue paper.	Products: -0.1 ppts performance against interim target. Catalogues: target met.
60% of Group sales to be from our Sustainable Home Products by 2025/26, including 70% of sales for Own Exclusive Brand (OEB) products	Performance: **On track** 53.4% of our total Group sales came from SHP in 2024/25 (2023/24: 49.4%). For our OEB ranges, we achieved 63.3% (2023/4: 60.1%).	Group: 0.4 ppts higher performance than interim target. OEB: 0.3 ppts higher performance than interim target.

Our science-based emissions reduction targets

We are currently delivering 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). In 2024/25 we have also set new science-based near-term targets for 2030 and net zero targets which we have submitted to the SBTi for validation. These include:

- By 2030, Kingfisher aims to reduce absolute Scope 1 and 2 emissions by 68% (from a 2016/17 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 ensure a strong foundation to be able to achieve our long-term net zero transition.

Much work has been done this year to develop and deliver our climate transition plan. This has included work across our banners to reduce Scope 1 and 2 emissions, including trialling the electrification of stores and energy efficiency measures, and moving to alternative fuels within our logistics fleet. For example, B&Q conducted a series of energy efficiency trials to find ways to reduce our carbon footprint such as installing light sensors in 17 stores, resulting in an energy saving of 30%. In Castorama Poland we saved 2,085 tonnes of CO_2 in one year by transporting 96% of our containers from ports to distribution centres by train rather than road. For Scope 3 we have also expanded our work with our suppliers and are working with Manufacture 2030 who are supporting us in calculating and reducing our carbon footprint. Over 493 of our suppliers (including over 600 supplier facilities) have joined Manufacture 2030's Low Carbon Manufacturing Programme (LCMP) to date.

We also continue to promote cross-sector climate action through a new collaborative task force, initiated by EDRA/GHIN (the global trade bodies for home improvement retailers), to help our sector reduce its Scope 3 emissions. The task force will find more consistent, simpler ways to help home improvement retailers measure our emissions, and learn from each other, to drive down our value chain emissions as fast as possible.

Our progress against these targets for the current year, and whether we are on track with our expected performance, has been outlined in the Table 6 above.

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.

Financial review

A summary of the reported financial results for the 12 months ended 31 January 2025 is set out below.

Financial summary	2024/25	2023/24	% Total change (reported)	% Total change (constant)	% LFL change
Sales	**£12,784m**	£12,980m	(1.5)%	(0.8)%	(1.7)%
Gross profit	**£4,763m**	£4,776m	(0.3)%	+0.5%	
Gross margin %	**37.3%**	36.8%	+50bps	+50bps	
Operating profit	**£407m**	£580m	(29.7)%		
Statutory pre-tax profit (PBT)	**£307m**	£475m	(35.4)%		
Statutory post-tax profit	**£185m**	£345m	(46.5)%		
Statutory basic EPS	**10.1p**	18.2p	(44.7)%		
Net cash flows from operating activities	**£1,302m**	£1,321m	n/a		
Total dividend	**12.40p**	12.40p	–		
Adjusted metrics					
Retail profit	**£696m**	£749m	(7.0)%	(6.6)%	
Retail profit margin %	**5.4%**	5.8%	(40)bps	(30)bps	
Adjusted pre-tax profit (PBT)	**£528m**	£568m	(7.0)%		
Adjusted post-tax profit	**£381m**	£415m	(8.4)%		
Adjusted basic EPS	**20.7p**	21.9p	(5.2)%		
Free cash flow	**£511m**	£514m	(0.6)%		
Net debt[1]	**£(2,015)m**	£(2,116)m	n/a		

1. Includes £2,253m of lease liabilities (FY 23/24: £2,367m), including £42m of lease liabilities held for sale (FY 23/24: £nil).

Sales

Total sales decreased by 0.8% on a constant currency basis, to £12,784m. This reflected resilient core category sales (supported by repairs, maintenance and existing home renovation activity). As expected, 'big-ticket' category sales were weaker, reflecting trends across the broader market, and seasonal category sales were impacted by unfavourable weather in Q2. Encouragingly, both 'big-ticket' and seasonal categories delivered improved sales performances in H2, with 'big-ticket' delivering sales growth in Q4. On a constant currency basis, UK & Ireland, Poland and Iberia all achieved year-on-year (YoY) growth, with improved underlying sales trends in H2 compared to H1. In the UK & Ireland, sales growth was driven by Screwfix along with B&Q's trade-focused banner, TradePoint, while growth in Poland was supported by an improved consumer environment. Sales in France were lower against a soft consumer backdrop throughout the year. Sales in Romania were slightly lower YoY, impacted by a weaker consumer environment in Q2 and Q3, before turning positive in Q4. On a reported basis, which includes the impact of exchange rates, total sales decreased by 1.5%.

Like-for-like sales

Like-for-like (LFL) sales of -1.7% excludes a +0.9% sales impact from a net increase in space, driven by Screwfix store openings in the UK & Ireland, and Castorama in Poland. During the year, we opened 50 stores – 33 stores in the UK, one in Ireland, 11 in France, of which 10 were Screwfix stores, and five in Poland. We closed five stores in the UK, one in France and one in Romania.

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

	2024/25 £m	2023/24 £m	Increase/ (decrease)
LFL sales (constant currency)	**12,606**	12,828	(1.7)%
Non-LFL sales	**178**	54	n/a
Total sales (constant currency)	**12,784**	12,882	(0.8)%
Impact of exchange rates	**–**	98	n/a
Total sales (reported rates)	**12,784**	12,980	(1.5)%

Financial review continued

Gross margin

Gross margin % increased by 50 basis points on a constant currency and reported basis, reflecting the effective management of product costs, supplier negotiations and retail prices, lower stock provisions driven by better inventory management, and logistics cost efficiencies. Group gross profit increased by 0.5% in constant currency.

Retail profit

In constant currency, retail profit decreased by 6.6% to £696m, reflecting lower profits in France and higher losses from our joint venture in Turkey, partially offset by higher profits in Poland and reduced losses in Romania. Profits in the UK & Ireland were supported by £33m of one-off business rates refunds at B&Q. On a reported basis, retail profit decreased by 7.0%. Operating costs increased by 1.8% on a constant currency basis. Excluding business rates refunds at B&Q and the retail loss of Koçtaş, operating costs increased by 2.0%, largely reflecting higher pay rates and technology investments, costs associated with new store openings and new business (including Screwfix France). The operating costs movement also reflects a favourable YoY impact from charges related to ineffective foreign exchange hedges in the prior year. This was partially offset through structural savings achieved by our cost reduction programme, lower energy costs and the flexing of staffing levels and discretionary spend. The Group's retail profit margin % decreased by 30 basis points on a constant currency basis to 5.4% (FY 23/24: 5.8%, at reported rates).

Adjusted pre-tax profit

Adjusted pre-tax profit decreased by 7.0% to £528m (FY 23/24: £568m), reflecting lower retail profit, partially offset by lower net finance costs and share of JV interest and tax.

Statutory pre-tax profit

Statutory pre-tax profit decreased by 35.4% to £307m (FY 23/24: £475m). This reflects lower operating profit, including higher adjusting items YoY (see page 49 for further detail).

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

	2024/25 £m	2023/24 £m	Increase/ (decrease)
Retail profit (constant currency)	**696**	746	(6.6)%
Impact of exchange rates	**–**	3	n/a
Retail profit (reported)	**696**	749	(7.0)%
Central costs	**(62)**	(60)	(2.7)%
Share of interest and tax of joint ventures & associates	**(6)**	(16)	n/a
Net finance costs	**(100)**	(105)	+4.4%
Adjusted pre-tax profit	**528**	568	(7.0)%
Adjusting items before tax	**(221)**	(93)	n/a
Statutory pre-tax profit	**307**	475	(35.4)%

Net finance costs of £100m (FY 23/24: £105m) consist principally of interest on lease liabilities. The YoY decrease was largely due to higher interest income on cash deposits.

Adjusting items after tax were a total charge of £196m (FY 23/24: charge of £70m), as detailed below:

	2024/25 £m Gain/(charge)	2023/24 £m Gain/(charge)
Net store asset impairment charges	**(94)**	(76)
Castorama France goodwill impairment	**(84)**	–
Impairments of Romania assets and other exit costs	**(22)**	–
Castorama France head office restructuring	**(15)**	–
Operating model restructuring	**(5)**	(11)
Loss on disposal of NeedHelp	**(3)**	–
UK guaranteed minimum pension equalisation	**2**	–
NeedHelp goodwill impairment	**–**	(8)
Profit on disposal of Crealfi associate investment	**–**	2
Adjusting items before tax	**(221)**	(93)
Prior year and other adjusting tax items	**25**	23
Adjusting items after tax	**(196)**	(70)

Against the context of our performance in FY 24/25, we have revised the future projections for a number of stores across the Group's portfolio. This has resulted in the recognition of £94m of net store impairment charges in the year. Impairment charges of £118m have been recorded principally in France and the UK, partially offset by impairment reversals of £24m (principally in France).

Following the Group's reassessment of operating and reportable segments (refer to note 2 to the Consolidated financial statements) and the resulting reallocation of goodwill balances to our retail banners, an impairment charge of £84m was recorded in relation to the goodwill associated with Castorama France, resulting from higher discount rates and revised financial projections.

In December 2024, the Group announced that it had reached an agreement to dispose of its 100% interest in its Brico Dépôt Romania business, for an enterprise value of €70m (equivalent to c.£58m). The sale is expected to complete during the first half of FY 25/26. Adjusting charges of £22m have been recognised in the year relating to this disposal, principally relating to impairment charges recognised on classification of the business as held for sale, and other exit costs.

During the year, the Group held formal consultations with employee representatives regarding a head office restructuring programme in Castorama France. Restructuring costs of £15m have been recognised related to this programme, primarily relating to redundancy costs. No additional adjusting costs are expected to be incurred relating to this programme.

In the prior year, the Group held formal consultations with employee representatives regarding the Group's technology operating model restructuring programme. Charges of £5m were recorded in FY 24/25 relating to this programme, which has now completed.

During the year, the Group completed the disposal of its c.80% interest in NeedHelp for nil proceeds, resulting in a loss on disposal of £3m. In addition, we updated the methodology under which the liability relating to guaranteed minimum pension equalisation is calculated for the UK defined benefit scheme, to reflect the methodology chosen by the Trustees, resulting in a £2m credit.

Prior year and other adjusting tax items relate principally to deferred tax credits recorded in respect of the impairment 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.

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 and the impact of future rate changes, is 28% (FY 23/24: 27%). The adjusted ETR is higher than the prior year rate primarily due to the increase in the UK statutory tax rate to 25%, which was enacted on 1 April 2023 and had a full effect in the current period. Other factors include higher losses from our joint venture in Turkey.

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 40%. This primarily reflects the applicable tax treatment of adjusting items.

	Pre-tax profit £m	**Tax £m**	**2024/25 %**	Pre-tax profit £m	Tax £m	2023/24 %
Adjusted effective tax rate	**528**	**(147)**	**28%**	568	(153)	27%
Adjusting items	**(221)**	**25**		(93)	23	
Statutory effective tax rate	**307**	**(122)**	**40%**	475	(130)	27%

In FY 21/22, Kingfisher paid £64m (including interest) to HM Revenue & Customs 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, with repayment expected in H1 25/26. As of 31 January 2025, the Group is recognising this amount, plus accrued repayment interest of £5m, as a current asset. Please refer to note 36 of the Consolidated financial statements.

The statutory tax rates applicable to this financial year and the expected statutory tax rates for next year in our main jurisdictions are as follows:

	Statutory tax rate 2025/26	Statutory tax rate 2024/25
UK	25%	25%
France[1]	26%	26%
Poland	19%	19%

1. On 13 February 2025 the French government approved a temporary one-year CIT surcharge. Taxable profits will be subject to tax at the headline statutory rate of 26% plus an additional one-off liability at 41% of the average relevant CIT liabilities in respect of the periods FY 24/25 and FY 25/26. The impact of the surcharge in FY 25/26 on Kingfisher's French operations is estimated to be c.£3m.

Adjusted basic earnings per share decreased by 5.2% to 20.7p (FY 23/24: 21.9p), which excludes the impact of adjusting items. Basic earnings per share decreased by 44.7% to 10.1p (FY 23/24: 18.2p).

	Earnings[1] £m	**2024/25 EPS pence**	Earnings[1] £m	2023/24 EPS pence
Adjusted basic earnings per share	**381**	**20.7**	415	21.9
Adjusting items before tax	**(221)**	**(12.0)**	(93)	(4.9)
Prior year and other adjusting tax items	**25**	**1.4**	23	1.2
Basic earnings per share	**185**	**10.1**	345	18.2

1. Earnings figures presented reconcile adjusted post-tax profits to statutory post-tax profits.

Tax contribution

Kingfisher makes a significant economic contribution to the countries in which it operates. In 2024/25 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 76,000 people, in environmental levies, in customs duties and levies as well as 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:

Total taxes paid as a result of Group operations	**2024/25 £bn**	2023/24* £bn
Taxes borne	**0.7**	0.7
Taxes collected	**1.6**	1.5
Total tax contribution	**2.3**	2.2

* 2023/24 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 2024 survey ranked Kingfisher 28th (2023: 28th) for its Total Tax Contribution in the UK. In 2024, 90 (2023: 92) 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 employees and suppliers. The Code 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.

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, and committed debt facilities), which is currently set at a minimum of £800m.

Net debt to Adjusted EBITDA

As of 31 January 2025, the Group had £2,015m (FY 23/24: £2,116m) of net debt on its balance sheet. Net debt includes £2,253m (FY 23/24: £2,367m) of total lease liabilities, including £42m of lease liabilities held for sale (FY 23/24: £nil). The ratio of the Group's net debt to Adjusted EBITDA was 1.6 times as of 31 January 2025 (1.6 times as of 31 January 2024). At this level, the Group has financial flexibility while retaining an efficient cost of capital. The Group's maximum net debt to Adjusted EBITDA is 2.0 times over the medium term. Net debt to Adjusted EBITDA is set out below:

	2024/25 £m	2023/24 £m
Retail profit	**696**	749
Central costs	**(62)**	(60)
Depreciation and amortisation	**656**	641
Adjusted EBITDA	**1,290**	1,330
Net debt	**2,015**	2,116
Net debt to Adjusted EBITDA	**1.6**	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. The credit facility expires in May 2027 and replaces a previous £550m facility, most of which was due to expire in May 2026. As of 31 January 2025, this RCF was undrawn.

Term loans

The Group has two existing fixed term loans with £50m maturing in June 2025 and £50m maturing in January 2026, with the latter linked to the Group's sustainability and community-based 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 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 2025, Kingfisher was compliant with this requirement.

Total liquidity

As of 31 January 2025, the Group had access to £986m in total liquidity, comprising cash and cash equivalents of £336m (net of bank overdrafts, and including cash held for sale) and access to a £650m RCF.

Free cash flow

A reconciliation of free cash flow is set out below:

	2024/25 £m	2023/24 £m
Operating profit	**407**	580
Adjusting items	**221**	93
Operating profit (before adjusting items)	**628**	673
Other non-cash items[1]	**703**	673
Change in working capital	**108**	118
Pensions and provisions	**(5)**	(5)
Net rent paid	**(512)**	(474)
Net interest received	**15**	9
Tax paid	**(109)**	(117)
Gross capital expenditure	**(317)**	(363)
Free cash flow	**511**	514
Ordinary dividends paid	**(228)**	(237)
Share buybacks	**(225)**	(160)
Share purchase for employee incentive schemes	**(26)**	(24)
Investment in joint venture	**(19)**	–
Disposal of NeedHelp	**(3)**	–
Disposal of Crealfi S.A. and acquisition of assets of Connect Distribution Services Limited	**–**	6
Disposal of assets and other[2]	**(19)**	(15)
Net cash flow	**(9)**	84
Opening net debt	**(2,116)**	(2,274)
Movements in lease liabilities	**107**	71
Other movement including foreign exchange	**3**	3
Closing net debt	**(2,015)**	(2,116)

1. Includes depreciation and amortisation, share-based compensation charge and pension operating cost.
2. Includes adjusting cash flow items (principally comprising restructuring costs), partially offset by proceeds from the issue of new shares.

Operating profit (before adjusting items) was £45m lower than last year, reflecting lower retail profit partially offset by lower share of JV interest and tax. The working capital inflow of £108m was primarily due to a net inventory decrease of £87m, driven by strategic reduction initiatives, a reduction in seasonal stock, product cost price deflation and improved stock health. Net payables increased by £21m, largely reflecting the timing of supplier payments and higher deferred income recognised in trade creditors.

Gross capital expenditure was £317m, decreasing by 12% (FY 23/24: £363m). Of this expenditure, 44% was invested in refreshing, maintaining and adapting existing stores (including renewable energy initiatives), 10% on new stores, 31% on technology and digital development, 8% on range reviews and 7% on other areas including supply chain investment.

Overall, free cash flow for FY 24/25 was £511m (FY 23/24: £514m). Net debt as of 31 January 2025 (including lease liabilities) was £2,015m (FY 23/24: £2,116m), including £33m net debt held for sale (FY 23/24: £nil).

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:

	2024/25 £m	2023/24 £m
Net cash flows from operating activities	**1,302**	1,321
Net lease rent paid	**(512)**	(474)
Net interest received	**15**	9
Gross capital expenditure	**(317)**	(363)
Operating cash flows relating to adjusting items[1]	**23**	21
Free cash flow	**511**	514
Ordinary dividends paid	**(228)**	(237)
Share buybacks	**(225)**	(160)
Share purchases for employee incentive schemes	**(26)**	(24)
Disposal of Crealfi S.A. and acquisition of assets of Connect Distribution Services Limited	**–**	6
Investment in joint venture	**(19)**	–
Disposal of NeedHelp	**(3)**	–
Disposal of assets and other[2]	**(19)**	(15)
Net cash flow	**(9)**	84
Arrangement fees paid	**(2)**	–
Net (decrease)/increase in cash and cash equivalents and bank overdrafts	**(11)**	84

1. Includes cash flows relating to adjusting items, principally comprising restructuring costs.
2. Includes operating cash flows relating to adjusting items, 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 23/24 final dividend: 8.60p). Taken alongside the interim dividend already paid of 3.80p, this results in a proposed total dividend per share of 12.40p in respect of FY 24/25 (FY 23/24: 12.40p). The final dividend is subject to shareholder approval at the Annual General Meeting on 23 June 2025, and if approved will be paid on 30 June 2025 to shareholders on the register at close of business on 23 May 2025. The shares will go ex-dividend on 22 May 2025.

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 9 June 2025.

Capital allocation priorities

The Group's objectives in managing capital are to:

- Invest in the business where economic returns are attractive.
- Maintain a solid investment grade credit rating.
- Safeguard the Group's ability to continue as a going concern and retain financial flexibility.
- Provide attractive returns to shareholders.

We allocate capital, subject to strict returns criteria, to organic and 'bolt-on' inorganic growth opportunities that accelerate our strategy. Our target gross capital expenditure is c.3% of total sales per annum, focused on delivering against attractive organic growth opportunities.

To maintain a solid investment grade credit rating, our maximum net debt to Adjusted EBITDA is 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. Total liquidity as of 31 January 2025 was £986m, including an undrawn revolving credit facility of £650m and cash of £336m (net of bank overdrafts, and including cash held for sale).

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, temporarily, 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 via a share buyback programme or special dividends.

Return on capital employed (ROCE)

In FY 24/25, Kingfisher's post-tax ROCE was 7.4% (FY 23/24: 7.8%). The decrease was driven by lower profits in France. Kingfisher's weighted average cost of capital (WACC) was 8.8% (FY 23/24: 8.8%). ROCE by geographic division is analysed below:

	Sales £bn	Proportion of Group sales	Capital employed (CE) £bn	Proportion of Group CE	**ROCE 2024/25**	**ROCE 2023/24**
UK & Ireland	6.5	50.5%	2.8	45.1%	**14.9%**	14.5%
France	3.9	30.4%	1.6	26.3%	**4.3%**	5.9%
Poland	1.8	14.0%	1.2	18.4%	**6.4%**	6.0%
Other International	0.7	5.1%	0.3	4.9%	**n/a**	n/a
Central			0.3	5.3%	**n/a**	n/a
Total	**12.8**		**6.2**		**7.4%**	7.8%

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 2024. Based on this exercise, on a sale and leaseback basis with Kingfisher in occupancy, the value of the property portfolio was £2.7bn (FY 23/24: £2.7bn). This is compared to a net book value of £2.2bn (FY 23/24: £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.

	2024/25 £bn	**2024/25 Yields**	2023/24 £bn	2023/24 Yields
France	**1.3**	**8.4%**	1.3	8.6%
UK	**0.5**	**7.5%**	0.5	7.5%
Poland	**0.7**	**8.3%**	0.7	8.3%
Other	**0.2**	**n/a**	0.2	n/a
Total	**2.7**		2.7	

Pensions

As of 31 January 2025, the Group had a net surplus of £101m (FY 23/24: £99m net surplus) in relation to defined benefit pension arrangements, of which a £202m surplus (FY 23/24: £212m surplus) was in relation to the UK scheme. The Group net surplus position has remained relatively stable with the movements in the UK net surplus scheme largely offsetting the reduction of the Overseas net deficit. As part of the funding valuation exercise completed in 2022, the Trustee and Kingfisher agreed to cease annual employer contributions from August 2022 to July 2025. The accounting valuation is sensitive to a number of assumptions and market rates which are likely to fluctuate in the future. Please refer to note 28 of the consolidated financial statements.

Trading review by division

UK & Ireland

£m	2024/25	2023/24	% Reported change	% Constant currency change	% LFL change
B&Q	3,820	3,849	(0.8)%	(0.7)%	(0.4)%
Screwfix	2,636	2,538	+3.9%	+4.0%	+1.0%
Total sales	**6,456**	**6,387**	**+1.1%**	**+1.2%**	**+0.2%**
Retail profit	**558**	**555**	**+0.6%**	**+0.6%**	
Retail profit margin %	**8.6%**	**8.7%**	**(10)bps**	**(10)bps**	

UK & Ireland sales increased by 1.2% (LFL +0.2%) to £6,456m, with market share gains at both banners (as measured by *BRC*, *Barclays* and *GfK*) supported by strong e-commerce sales and our progress in addressing trade customer needs. Gross margin % increased by 20 basis points, reflecting the effective management of product costs, supplier negotiations and retail prices, and a favourable channel mix reflecting the growth of B&Q's marketplace, partially offset by category mix.

Retail profit increased by 0.6% to £558m (FY 23/24: £555m, at reported rates), reflecting higher gross profit, largely offset by higher operating costs (up 2.1%). Operating cost increases were driven by year-on-year (YoY) increases in staff costs, higher costs associated with 29 net new store openings, and higher marketing and technology investment. Cost increases were partially offset by savings achieved by our structural cost reduction programme, lower energy costs and £33m of one-off business rates refunds at B&Q related to prior years. Retail profit margin % decreased by 10 basis points to 8.6% (FY 23/24: 8.7%).

B&Q

Total sales decreased by 0.7% (LFL -0.4%) to £3,820m, with LFL sales growth in core categories and seasonal sales offset by weakness in 'big-ticket'. Sales trends improved in Q4 within our seasonal and 'big-ticket' categories compared to Q3, while core categories remained slightly positive YoY. B&Q's total e-commerce sales increased by 17.2% YoY, driven by the continued strong performance of B&Q's marketplace which reached an e-commerce sales penetration of 43% in January 2025. B&Q's e-commerce sales penetration moved up to 15% for the year (FY 23/24: 13%; FY 19/20: 5%). The business closed one big-box and two medium-box stores in the year. B&Q opened one retail park store and one compact format store under the 'B&Q Local' banner. In Q4, B&Q announced the acquisition of eight former Homebase leasehold stores (five in the UK and three in Ireland). The acquisition of all the stores has completed, with conversion into B&Q stores taking place in the next few months. As of 31 January 2025, B&Q had a total of 310 stores in the UK & Ireland.

TradePoint

B&Q's trade-focused banner, TradePoint, delivered a strong performance with sales up 6.4%, now representing 23.4% of B&Q sales (FY 23/24: 21.8%). This was supported by strong performances across all categories except kitchens, although this category was much improved in Q4 following the successful launch of new ranges. TradePoint sales outperformed the rest of B&Q across all categories. TradePoint is present in 217 stores within the B&Q network (70% of stores), opening eight new counters in the year.

Screwfix

Total sales increased by 4.0% (LFL +1.0%) to £2,636m, reflecting robust demand from trade customers. In particular, Screwfix achieved LFL sales growth in its tools & hardware, building & joinery, outdoor and kitchen categories, together with sales growth in its Spares business. Screwfix sales growth was lower in Q4 compared to Q3, driven by the impact of milder weather in November on EPHC sales. Screwfix's e-commerce sales increased by 4.7% YoY, with e-commerce sales penetration of 58% (FY 23/24: 57%; FY 19/20: 33%). This was supported by several app-exclusive campaigns which drove a c. 7 ppts uplift in app sales participation in FY 24/25 to 22% (i.e., Screwfix app sales divided by Screwfix's total sales), and the extension of its Screwfix Sprint proposition to an additional 151 stores (i.e., one-hour home delivery now available in 485 stores, covering around 60% of the UK population).

Space growth and acquisitions contributed c.3.0% to total Screwfix sales. Screwfix opened 32 new stores – 31 in the UK (including seven Screwfix 'City' ultra-compact format stores) and one in Ireland. Screwfix also closed two stores in the year, bringing its total to 952 as of 31 January 2025.

The results for Screwfix France are captured in 'Other International' (see page 58 for further information).

France

£m	**2024/25**	2023/24	% Reported change	% Constant currency change	% LFL change
Castorama	2,014	2,219	(9.2)%	(6.8)%	(6.6)%
Brico Dépôt	1,869	2,027	(7.8)%	(5.3)%	(5.7)%
Total sales	**3,883**	**4,246**	**(8.6)%**	**(6.1)%**	**(6.2)%**
Retail profit	**95**	**139**	**(31.6)%**	**(29.8)%**	
Retail profit margin %	**2.4%**	**3.3%**	**(90)bps**	**(80)bps**	

France sales decreased by 6.1% (LFL -6.2%) to £3,883m. Despite challenging trading conditions, Castorama and Brico Dépôt both continued to deliver on their strategic priorities, with their respective sales ahead of the market (as measured by GfK). In H2, sales trends improved (H2 LFL -4.9% vs H1 LFL -7.2%) driven by an improved performance in core, seasonal and 'big-ticket' categories. Our new kitchen ranges continue to land well, delivering LFL growth in Q4. Underlying sales trends in core categories were slightly lower from Q3 to Q4, driven by the market backdrop. Seasonal sales were also lower, impacted by unfavourable weather conditions. Gross margin % increased by 80 basis points, reflecting the effective management of product costs, supplier negotiations and retail prices, lower stock provisions driven by better inventory management, and lower logistics costs. This was partially offset by channel mix, reflecting the growth of trade customer sales.

Retail profit decreased by 29.8% to £95m (FY 23/24: £139m, at reported rates), with lower gross profit partially offset by lower operating costs. Operating costs decreased by 1.6% as a result of structural cost savings, and swift action taken during the year to flex staff costs and discretionary spend in response to the weaker trading environment. The savings were partially offset by higher technology costs and cost inflation, including YoY increases in staff pay rates. Retail profit margin % decreased by 80 basis points to 2.4% (FY 23/24: 3.3%, at reported rates).

Castorama

Castorama total sales decreased by 6.8% (LFL -6.6%) to £2,014m. Sales trends improved in H2 across all categories, with LFL sales performance in the building & joinery, outdoor and tools & hardware categories better than the overall Castorama average. 'Big-ticket' sales trends saw an improvement in Q4 (vs Q3), driven by kitchen sales. Seasonal sales were lower in Q4, impacted by milder weather conditions in the latter part of the quarter. Castorama's total e-commerce sales increased by 13.4% YoY, with e-commerce sales penetration increasing to 7% (FY 23/24: 6%; FY 19/20: 2%), benefiting from positive early results from its marketplace (launched in Q1 24/25) and *Hello Casto*, an in-house-developed AI virtual assistant. As of 31 January 2025, Castorama had a total of 94 stores in France.

Update on Castorama's store restructuring and modernisation plan

Castorama is making rapid progress in the restructuring and modernisation of its lowest performing stores, completing or with work ongoing on a total of 13 stores in FY 24/25. Castorama completed four rightsizings in the year. Our previously rightsized stores (Gonesse and La Rochelle) have delivered low double-digit % sales density improvements on average vs FY 19/20, significantly higher than the Castorama France average. All rightsized stores, at the same time, benefit from a comprehensive store refit. Additionally, in FY 24/25, Castorama commenced work on one comprehensive store refit, similar to the concept successfully applied at the Castorama Englos store last year. The refitted Castorama Englos store delivered a c. 5 ppts higher LFL performance than the Castorama France average. Five more low-performing stores have also benefited from a lighter-touch refresh. The transfer to Brico Dépôt of one low-performing Castorama store is in motion, with the store closed in H2 and re-opening in H1 25/26 under the Brico Dépôt banner. The first two franchises are on track to begin in H1 25/26. The business is planning to commence work on 11 further stores in FY 25/26 across these four avenues.

Brico Dépôt

Brico Dépôt total sales decreased by 5.3% (LFL -5.7%) to £1,869m. Sales trends improved in H2 (LFL -4.5%) driven by the performance of 'big-ticket'. The kitchen category delivered LFL growth in Q4, driven by the implementation of new ranges. Despite this strong performance, overall LFL sales trends were softer in Q4, due to the weak market backdrop and the impact of unfavourable weather on seasonal category sales. E-commerce sales decreased by 6.8%, against strong prior year comparatives (FY 23/24 e-commerce sales: +14.7%). E-commerce sales penetration was maintained at 5% (FY 23/24: 5%; FY 19/20: 2%). The business made strong progress in the development of its trade customer proposition in the year, with service desks, dedicated colleagues and a new loyalty programme rolled out to all stores in February 2024, following successful trials. Brico Dépôt will recruit new trade sales partners in FY 25/26, following the success seen at TradePoint in the UK. Trade sales penetration reached 12.8% in January, up 4.2 ppts since the start of FY 24/25. Brico Dépôt opened one new store in the year, with a total of 126 stores in France as of 31 January 2025.

Trading review by division continued

Poland

£m	2024/25	2023/24	% Reported change	% Constant currency change	% LFL change
Total sales	**1,788**	**1,694**	**+5.5%**	**+3.2%**	**(0.1)%**
Retail profit	**90**	**82**	**+10.5%**	**+8.0%**	
Retail profit margin %	**5.1%**	4.8%	+30bps	+20bps	

Poland sales increased by 3.2% (LFL -0.1%) to £1,788m, supported by a stable consumer environment and market share gains (as measured by GfK) following strong progress in the development of initiatives to drive trade customer sales. 'Big-ticket' categories delivered LFL growth YoY, driving a sequential improvement in overall sales in H2 vs H1. 'Big-ticket' sales growth in Q4 was largely driven by the bathroom & storage category following improvements to the customer journey and marketing. Underlying core and seasonal category sales both improved in H2, with strong growth in Q4 driven by trade customer sales. Castorama's e-commerce sales increased by 4.3% YoY, supported by improved technology and stronger sales from its mobile app. Castorama successfully launched its e-commerce marketplace in January 2025, with positive early results. E-commerce sales penetration was 3% (FY 23/24: 3%; FY 19/20: 2%). The business continues to focus on developing its trade customer proposition through further roll-out of 'CastoPro' zones, now in 12 stores, and 54 specialised sales partners now in 40 stores. The business launched an app for its trade customers in December, with c.75k downloads since launch. Trade sales penetration reached 24.5% in January, up 19.1 ppts since the start of FY 24/25.

Space growth contributed c.3.3% to total Poland sales. Castorama opened five stores in the year (four big-boxes and one compact 'Castorama Smart' store), bringing its total to 107 stores in Poland as of 31 January 2025.

Gross margin % increased by 80 basis points, reflecting the effective management of product costs, supplier negotiations and retail prices, partially offset by higher promotional participation, clearance, and category mix. Retail profit increased by 8.0% to £90m (FY 23/24: £82m, at reported rates), with a higher gross profit partially offset by higher operating costs. Operating costs increased by 5.4%, reflecting the YoY increase in pay rates, higher staff bonuses, and higher costs associated with five new store openings. Cost increases were partially offset by savings achieved by our structural cost reduction programme, and the flexing of staff levels and discretionary spend. The operating costs movement also reflects a favourable YoY impact from charges related to ineffective foreign exchange hedges in the prior year. Retail profit margin % increased by 20 basis points to 5.1% (FY 23/24: 4.8%, at reported rates).

Other International

Sales (£m)	2024/25	2023/24	% Reported change	% Constant currency change	% LFL change
Iberia	**384**	371	+3.3%	+6.1%	+6.1%
Romania	**257**	269	(4.4)%	(1.4)%	+0.8%
Screwfix France & Other	**16**	13	n/a	n/a	n/a
Other International	**657**	**653**	**+0.8%**	**+3.7%**	**+4.1%**

Retail profit (£m)				
Iberia	**8**	6	+32.4%	+36.0%
Romania	**(11)**	(18)	+40.7%	+38.8%
Screwfix France & Other	**(35)**	(30)	n/a	n/a
Turkey (50% JV)	**(9)**	15	n/a	n/a
Other International	**(47)**	**(27)**	**(73.8)%**	**(69.1)%**

Total sales increased by 3.7% (LFL +4.1%) to £657m, driven by strong growth in Iberia. Retail loss increased to £47m (FY 23/24: £27m retail loss, at reported rates). This reflected losses in Turkey and Screwfix France & Other, partially offset by higher retail profits in Iberia and a reduced loss in Romania.

Iberia

Total sales increased by 6.1% (LFL +6.1%) to £384m. Sales trends were strong in H2 (LFL +10.6%) vs H1 (LFL +2.3%), with double-digit LFL sales growth in Q4 of core and 'big-ticket' categories. Seasonal sales were down for the year overall, though were much stronger in H2 (LFL +5.7%). The business saw encouraging results from the continued development of its trade customer proposition, resulting in double-digit YoY sales growth in its building & joinery category. Brico Dépôt also continued to scale its e-commerce marketplace, reaching an e-commerce sales penetration of 33% in January 2025. Retail profit increased to £8m (FY 23/24: £6m, at reported rates), reflecting higher gross profit partially offset by higher operating costs (up 8.2% YoY).

Romania

Total sales decreased by 1.4% (LFL +0.8%) to £257m. Sales trends slowed in H2 (LFL +0.1% vs H1 +1.5%), with much improved core and 'big-ticket' sales offset by the impact of unfavourable weather on seasonal category sales. The business achieved LFL sales growth in its building & joinery, bathroom & storage, outdoor and tools & hardware categories in the year. Romania's retail loss decreased to £11m (FY 23/24: £18m reported retail loss), reflecting slightly higher gross profit and lower operating costs. Operating costs decreased by 5.6%. In December 2024, we announced the sale of the entire Brico Dépôt Romania business including its network of 31 stores, distribution operations and head office to Altex Romania, for an enterprise value of €70m (equivalent to c.£58m). The sale is expected to complete in H1 25/26.

Screwfix France & Other

Screwfix France & Other consists of the consolidated results of Screwfix France, NeedHelp, and franchise and wholesale agreements. In line with our expectations, a combined retail loss of £35m (FY 23/24: £30m reported retail loss) was recorded, largely driven by Screwfix France as the business invested in the opening of new stores. Screwfix had a total of 30 stores in operation in France as of 31 January 2025, opening 10 new stores in the year. The business continues to see encouraging sales trends against the backdrop of market weakness in France, and remains focused on strengthening its brand awareness in the north of France (up three percentage points YoY) and further developing its customer proposition, including growing its Screwfix *Sprint* proposition and campaigns to attract and retain trade customers. Screwfix plans to open up to five stores in France in FY 25/26. On 18 July 2024, we completed a divestment of our c.80% equity interest in NeedHelp. Finally, we are focused on growing our franchise and wholesale business in new markets. We currently have six wholesale partners across 10 countries in Europe, Africa and the Middle East, whereby certain own exclusive brands (OEB) products are supplied to retailers.

Turkey

In Turkey, Kingfisher's 50% joint venture, Koçtaş, contributed a retail loss of £9m (FY 23/24: £15m retail profit, at reported rates) in a highly challenging and volatile macroeconomic and trading environment. Including our share of Koçtaş' interest and tax (FY 24/25: £6m loss vs FY 23/24: £16m loss), the overall contribution of Koçtaş to Group adjusted PBT was a net loss of £15m (FY 23/24: £1m net loss). This net loss was better than our expectations, primarily due to lower than anticipated hyperinflation adjustments. The financial performance largely reflects sales challenges, in addition to higher operating costs related to staff pay rates and costs of credit collection, together with the negative impact of accounting under high inflation. As a result of these challenges, Koçtaş swiftly initiated a comprehensive restructuring programme in the year, including a large reduction in headcount (c. 900 FTEs) and the net closure of 106 stores. As of 31 January 2025, the business had a total of 262 stores in Turkey.

Retail banner employees, store numbers and sales area

	Employees (FTE) at 31 Jan 2025	Store numbers at 31 Jan 2025	Sales area (000s m^2) at 31 Jan 2025
B&Q	**14,721**	310	2,191
Screwfix [1]	**9,801**	952	57
UK & Ireland	**24,522**	**1,262**	**2,248**
Castorama	**9,464**	94	1,143
Brico Dépôt	**7,744**	126	880
France	**17,208**	**220**	**2,023**
Poland	**11,680**	**107**	**889**
Iberia	**1,818**	31	194
Romania	**2,122**	31	232
Screwfix France & Other [2]	**267**	30	1
Other International	**4,207**	**92**	**427**
Total	**57,617**	**1,681**	**5,587**

1. Screwfix sales area relates to the front of counter area of an outlet.
2. 'Screwfix France & Other' consists of Screwfix France, and franchising and wholesaling.

Risks

Risk management

Effective risk management is critical to our ability to achieve our strategic and operational objectives. Our banners and Group Functions work with the Group Risk team throughout the year to ensure risk management processes are followed, which includes reviewing and assessing the management of their respective risks. While individual Group Executive members are accountable for managing risks in their own areas, the Group Executive collectively identifies, assesses and manages the Group's principal risks. The Board performed a robust risk assessment this year to understand our principal and emerging risks, 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 70.

To **identify our risks,** we consider our strategic objectives and what might stop us achieving them over the three-year period. We combine a top-down strategic view with a bottom-up operational view of risks. Our banners and Group Functions help us to identify changes to the risks within their operations. This starts with a workshop involving all of the local leadership team, discussing existing, new and emerging risks. These are consolidated and used as one of the inputs to identify and validate our principal risks. Discussions are also held with the Group Executive and non-executive directors, both individually and collectively.

To **assess our risks,** we consider the potential financial, reputational, regulatory or operational impact, as well as the probability of them materialising within our three-year outlook period. Using five different impact and likelihood levels, risks are plotted on a 5 x 5 matrix. This helps us to create the right actions and controls to manage our risks to an acceptable level. For each of the principal risks, we also assess any change 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 putting appropriate actions, controls, and procedures in place to manage and monitor their identified risks and to verify that the controls operate effectively. Mitigation plans are developed by individual risk owners, who are members of the local leadership team, before being validated by the respective Group Executive member. They are supported in this by dedicated risk and control managers.

To effectively **monitor our risks,** local management regularly reviews the effectiveness of its mitigation plans. The Group Executive and Board review the nature, likelihood and impact of the Group's principal risks twice a year, together with any changes since the previous review. This includes mitigating actions to ensure that these risks are proactively managed. During the year, the Audit Committee reviews the risk assessment process and receives presentations from banners and Group Functions on a rotating basis. These presentations cover risk assessments and mitigating actions, enabling the Audit Committee to monitor the risks and level of controls in place.

The Internal Audit team considers the risks at the operational and Group level as part of its quarterly audit planning cycle, to provide timely assurance of the most significant risks across the business. Insights from the risk management process support Internal Audit to deliver a risk-focused assurance programme.

The FRC Corporate Governance Code 2024 provision 29 asks boards to make a declaration in relation to the effectiveness of their material internal controls. This will apply to financial years beginning on or after 1 January 2026, and so will apply to the Group for the year ending 31 January 2027. The Group Internal Controls team has been working to enhance our controls framework, working with the Group Risk team to ensure alignment and coverage over our principal risks.

Further information on this is included in the Audit Committee report on page 86.

Risk appetite

The Group Risk team revalidated our risk appetite positions in early 2024 to understand where we actively choose to pursue opportunities that give rise to risks, where we balance risks with the cost of mitigation, and where we are unwilling to accept risks. This highlighted a small number of activities where risk reduction actions were necessary to ensure the level of risk we are exposed to is in line with our appetite. Later in the year, an assessment of these actions was performed to ensure plans are progressing as expected. The update was presented to both our Group Executive and Board.

Principal risks

Following a comprehensive review, our existing principal risks remain broadly unchanged. The risks have been updated to reflect progress made in delivering our strategy and changes in the external operating environment. These are included in the descriptions of risks and mitigating actions.

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.
- Responding to changing customer expectations.

The third risk above was renamed from 'customer preferences' to 'customer expectations' to clarify that this is primarily a risk related to continuously evolving customer expectations around product, service and sales channel performance.

Principal risks are shown on pages 61 to 65.

Emerging risks

As part of our risk management process, we identify and monitor emerging risks. These risks are currently difficult to fully assess and quantify or are expected to materialise outside our defined outlook period.

We have a thorough process to capture emerging risks across our banners and Group Functions. Alongside their risk identification process, each area was asked to consider what future risks they were concerned by, and what they were doing to better understand them. We also review what other companies are reporting and assess whether these are applicable to us.

The reviews highlighted several potential emerging trends. Where appropriate, these have been incorporated into our existing Group principal risks. Other trends are not deemed to be fully emerging risks, and we will continue to monitor these internally.

Risk trend: ▲ Increasing ◀▶ No movement ▼ Decreasing

1 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.

We have set ambitious inclusion and diversity targets to promote more innovation and creativity and ensure Kingfisher is an inclusive place to work. Failure to attract and retain colleagues to meet these targets could have a negative impact on delivering our business objectives and cause reputational damage.

Risk trend ▼

We have made strong progress on our Group-wide targets which we continue to drive through our banners' people strategies. Metrics around our people and culture have either stayed constant or have improved, reflecting high colleague sentiment and engagement (see the People and culture section on page 16 for further information).

Link to strategic priorities

- Grow by building on our different banners.
- Accelerate e-commerce through speed and choice.
- Build a data-led customer experience.
- Lead the industry in Responsible Business and energy efficiency.
- Agile 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 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.
- 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.
- Continue to embed our key leadership behaviours through our leadership development work. This will accelerate delivery of our strategy and embed our agile and inclusive culture led by trust.
- Each banner has a tailored inclusion and diversity plan. Areas of focus are our senior leadership, creating a culture of inclusion, our customer proposition and learning for life. Relevant targets are linked to the remuneration of senior leaders.
- Each banner closely monitors colleague sentiment through our listening platform 'Peakon' and creates associated action plans to improve colleague sentiment.

2 Supply chain resilience

A resilient supply chain is key to our business and the achievement of our strategic objectives. We are dependent on complex global supply chains and fulfilment solutions to deliver our products to our customers. We are also reliant on the ability of our suppliers to respond quickly to changes in demand and to be financially resilient, particularly to fluctuations in energy prices.

Major disruption to our supply chain, along with a failure to respond quickly and effectively, could result in reduced levels of product availability, with an adverse financial and reputational impact.

Risk trend ◀▶

This risk has been managed well over the past year, with increased lead times being factored into supply chains as the situation in the Red Sea remains uncertain. We continue to engage regularly with our suppliers to understand how the current economic volatility is managed to ensure it does not affect operations.

Link to strategic priorities

- Develop our trade business.
- Accelerate e-commerce through speed and choice.
- Differentiate and win through own exclusive brands (OEB).
- Agile and lean.

How we manage and monitor the risk

- Our supply and logistics three-year roadmap was updated in 2024/25. 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.
- Business continuity plans cover our internal points of failure and key partner service-continuity plans.
- Established partnerships with key transportation and logistics suppliers to align planning and secure capacity.
- Continue to improve our demand forecasting to better anticipate future sales requirements and worked with suppliers to ensure product availability. Invested in supply chain visibility tools to be able to better monitor products as they move through the supply chain and react to events.
- Continued the implementation of store-based fulfilment for customer orders.
- For our OEB suppliers, we have an agreed supplier strategy including initiatives to diversify our 'sourcing footprint' and exploit alternative sources where possible, and guidance on choosing which regions to source from and when to use more than one factory or supplier to increase resilience.
- Robust process for selecting individual suppliers. This includes checks on financial strength, ethical and environmental risks and their ability to manufacture the products to the agreed specification.
- Continually review key suppliers by category to establish capacity and volumes and assess the impact of an interruption in supply.

Risks continued

Risk trend: Increasing / No movement / Decreasing

3 Competitor behaviour

Our competitors include both traditional store-based and pure-play online retailers. In recent years, we have seen an increase in online penetration in the home improvement market, including through e-commerce marketplaces, and a growth of home improvement offerings in other retailers (such as grocers and homeware stores). Competitors are also developing their offers, including more products, services and fulfilment options.

Targeted actions or disruptive behaviour by competitors could negatively impact our market shares, the value of our assets and our financial results.

Risk trend

Despite the evolving competitor landscape, our banners in the UK, France and Poland have performed in line or ahead of their respective markets.

Link to strategic priorities

- Grow by building on our different banners.
- Develop our trade business.
- Accelerate e-commerce through speed and choice.
- Build a data-led customer experience.
- Differentiate and win through own exclusive brands (OEB).
- Roll out compact store formats.

How we manage and monitor the risk

We are building a differentiated offer and trialling new store formats to serve customers even better through:

- Clear positioning for each of our banners, with different operating models to address diverse customer needs, such as general DIY needs, trade-focused and discounters.
- Leveraging the autonomy of local banners by allowing local ranges, services and store formats that are tailored to customers' needs.
- Tailoring trading actions to local markets, through distinct customer communications, promotions and loyalty schemes, to increase sales and brand loyalty.
- Increased our online sales and are continuing to extend our online presence; we have successfully launched e-commerce marketplaces in the UK, Iberia, Poland and France.
- Pursuing new revenue streams such as growing our retail media proposition, currently in France and the UK, across the wider Group.
- Competing on price by using the scale of our Group to benefit from volume and lower purchase prices.
- Centrally developing our OEB brands, with clearly defined range principles and customer projects to create a differentiated and compelling offer at each of the consumer price points (including opening price points).

We regularly monitor our market share, our performance and that of our competitors, to react quickly to disruptive behaviour via:

- Comparison of price indices versus competition in our key categories, and measuring customer price perception on a regular basis.
- Customer trend monitoring in all our markets to anticipate and develop an appropriate offer.
- Monitoring net promoter scores (NPS) with targets to improve the customer experience and satisfaction.

4 Geopolitical instability creating macroeconomic volatility

Kingfisher operates in eight countries across Europe[1] and relies on a global supply base, exposing us to both geopolitical uncertainty and local volatility. Strikes or challenges to international trade could impact our ability to receive products, limit the availability of certain raw materials or increase costs. Failure to anticipate events or respond appropriately could disrupt day-to-day operations and/or our ability to meet our strategic objectives.

Spending pressure and reduced consumer confidence as a result of a continuing difficult economic environment and political volatility could negatively impact the demand for our products and services. This could also impact our level of investments in our strategic priorities. If governments try to reduce their budget deficits through further taxation, this could create additional burdens on businesses.

Risk trend

Political uncertainty remains high, especially following the US election and risk of global tariffs being imposed. The UK and French governments have imposed higher taxes on businesses and this could increase further. The economic environment will remain challenging across all our markets, with continued inflationary pressure.

Link to strategic priorities

- Grow by building on our different banners.
- Accelerate e-commerce through speed and choice.
- Differentiate and win through own exclusive brands (OEB).

1. The sale of Brico Dépôt Romania is expected to complete during first half of FY 25/26, as announced on 18 December 2024.

How we manage and monitor the risk

Monitoring and engagement activities

- Our Group Corporate Affairs team actively monitors the political and economic situations in the countries in which we operate or which may impact our operations. This is supported by membership of key business trade associations in every market. We also continuously monitor our exposure to financial institutions to ensure our risk is minimised.
- Strategies are in place to identify, monitor and engage with proposed changes to legislation that may impact our business.
- Incident and crisis management processes and teams are in place to monitor and manage situations as they arise.
- We actively monitor our sourcing from and dependency on large suppliers by region.

Mitigation activities

- Our banner and Group sourcing offices 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 product available from alternative sources through periods of potential disruption.
- 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, which represent 44% of our sales, offer particularly great value for customers in all our banners.
- Access to significant committed liquidity facilities and debt funding, through drawn term loans and the ability to issue debt into the capital markets through its European Medium-Term Note (EMTN) programme.
- Cash holdings are diversified across a number of financial institutions (for which credit risk is closely monitored).
- An appropriate and prudent mix of hedging policies, cash deposits and debt financing to minimise the impact of foreign exchange currency volatility on the company.

Risk trend: Increasing No movement Decreasing

5 Cyber and data security

Cyberattacks and security incidents continue to present a risk for all organisations, including both Kingfisher and our vendors. Threats can arise both externally and internally and could compromise sensitive data or access to key operational systems.

Whilst Generative AI tools present opportunities for innovation and growth, they could be used maliciously by bad actors to create more compelling phishing attacks. If public Generative AI services are used, commercially sensitive information may be inadvertently made public, increasing the risk of data loss.

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

Risk trend

Despite our high focus on security, this risk remains one of our top three risks due to the current geopolitical situation with increased state-backed activity. The sophistication and organisation of cyberattacks also continues to evolve, with a wide range of tools and techniques available to cause disruption to our business. In particular, Generative AI tools are being used more in this sphere.

Link to strategic priorities

- Accelerate e-commerce through speed and choice.
- Build a data-led customer experience.

How we manage and monitor the risk

- Cyber security continues to receive Group Executive-level sponsorship and Board focus.
- Continue to make investments in support of our IT security roadmap.
- Assessments and exercises held to prepare for security incidents up to and including Board-level.
- Recognising the importance of the role our colleagues play in protecting the organisation, we deliver mandatory training and phishing awareness tests are run for all colleagues to test effectiveness.
- All technology development goes through a secure by design process to ensure data, information and systems are secure and adhere to compliance and regulation requirements.
- Perform security assurance of third parties that process our data across all functions and banners.
- Regular review of the cyber threats facing Kingfisher and work with security partners to evaluate and implement appropriate controls.
- Increased use of AI to strengthen existing technology capability (e.g. end point protection and automated password management) to protect us against phishing, malware and other threats.
- Robust major incident management process in place, and we maintain a third party retainer for incident response, breach, and forensic expertise.
- Commissioned continuous independent assurance to monitor progress against our strategy and alignment to Cyber Security best practice standards, to ensure we meet our maturity milestones.

6 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 regulation continues to emerge. A major corporate issue or crisis, a significant fraud or material non-compliance with legislative or regulatory requirements would impact our brands and reputation, could expose us to significant fines or penalties, and would require significant management attention.

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

- Lead the industry in Responsible Business and energy efficiency.

How we manage and monitor the risk

Policies and procedures

- Policies and procedures are in place, clearly stating our expectation to carry out our business fairly and with complete integrity.
- Due diligence processes are in place over our third parties, covering risks such as sustainability, business integrity, data protection and information security as applicable. Internal audit conduct periodic reviews of these processes.
- A whistleblowing policy and hotline, facilitated by an independent third party, are in place across the Group. Speak Up Champions have been appointed in all banners to ensure that all ethical concerns raised via our whistleblowing system are followed up and investigated appropriately.

Training and communication

- Targeted Group-wide mandatory compliance training is refreshed annually, with modules on our Code of Conduct (including anti-bribery and corruption), GDPR, Competition Law and Market Abuse Regulation.

Oversight and reporting

- Our legal and compliance network enables teams in the Group and banners to work and communicate together, and to monitor for legislative changes that would impact our business, so that we can respond appropriately.
- 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 (LECC) have been implemented in all banners to ensure a consistent approach across the Group.
- The Disclosure Committee is in place to address our Market Abuse Regulation obligations.
- Whistleblowing statistics and trends are monitored in each LECC and reported to the GECC, Audit Committee and Board annually.

Risks continued

Risk trend: Increasing No movement Decreasing

7 Reputation and trust

Our customers, colleagues, suppliers, investors and the communities we source from and operate in expect us to conduct our business in a way that is responsible 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, covering topics such as how we help our customers' homes become more sustainable, responsible sourcing, how we bring greater diversity into the business and support our local communities. We are also promoting more sustainable products with less environmental impact.

We expect everyone working for us or with us to carry out our business professionally, fairly and with complete integrity. For further details see pages 26 to 29 of the Responsible Business section.

Failure to deliver on our obligations and commitments, material breaches of our policies or controls, or unintentional controversial statements, 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 and lean.

How we manage and monitor the risk

Governance

- Our Code of Conduct establishes the core behaviours we expect of ourselves and others, including our suppliers.
- The Responsible Business Committee leads and oversees the delivery of the Responsible Business strategy. It is chaired by a non-executive director and includes the CEO.
- We are evolving our framework for responding to societal and geopolitical issues and also have specific policies relating to corporate affairs and external communications.

Stakeholder dialogue

- Monitoring of external stakeholders' views of the Group and all banners through traditional and digital media.
- For all colleagues we have regular engagement surveys, strong relations with relevant social partners and colleague fora with elected representatives, including a collective forum that meets with the CEO and members of the Board. This is in addition to our I&D affinity networks that facilitate debate and discussion on sensitive issues.
- Externally, we 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.

Due diligence and external assurance

- Our due diligence of suppliers and partners covers a range of ESG issues, from environment to modern slavery.
- Selected ESG data in our annual Responsible Business Report and our Modern Slavery Transparency Statement is independently audited by DNV.
- Independent ratings agencies also monitor and rate our ESG performance throughout the year, including MSCI, CDP, Sustainalytics and ISS ESG.

8 Climate change

Climate change will have negative consequences on society and businesses without concerted mitigation efforts. We have identified several climate-related transitional and physical risks in our TCFD section (see page 36), which demonstrate a limited impact on our activities over our three-year planning horizon. However, if climate change solutions are not effective, these could present longer-term negative consequences to our strategy and affect our ability to serve our customers (including challenging our product availability, supply chain, reputation and cost to operate).

In response to these challenges, we have a number of mitigating actions, including setting ambitious climate change commitments. Failure to deliver on our commitments could negatively impact our operations and profitability over time, as well as causing reputational damage.

Risk trend

We have announced our new net zero target for Scope 3 by 2050 and near term 2030 targets for Scope 1, 2 and 3. Scrutiny on the validity and reliability of our response to climate-related risks remains high and the risk position has not changed.

Link to strategic priorities

- Differentiate and win through own exclusive brands (OEB).
- Lead the industry in Responsible Business and energy efficiency.

How we manage and monitor the risk

- We have a longstanding commitment to reduce our emissions, with science-based targets for FY 25/26 across all Scopes. We have also set new science-based targets for near term emission reductions by 2030, and net zero by 2040 for Scope 1 and 2 and 2050 for Scope 3[1], which is supported by a climate transition plan.
- For governance the Group Climate Committee, chaired by the CEO, has oversight of the company's approach to developing and delivering its net zero roadmap and related supporting targets and opportunities, and the Board's Responsible Business Committee supports and oversees the delivery of the Group's Responsible Business strategy, including how we tackle climate change.
- Decarbonisation planning is integrated into each banner's capital investment plans.
- We have aligned our climate-related ambitions with our financial performance by linking the delivery of our sustainability targets (including our Scope 1 and 2 targets) to our £650 million Revolving Credit Facility, and to the outturn of our Performance Share Plan.
- We have a Sustainable Home Products (SHP) sales target, to maximise business opportunities from the transition to a net zero future. We have set a target for SHP to account for 60% of Group sales by the end of FY 25/26 and 70% of sales of OEB products.
- We support a number of industry initiatives to tackle climate change, including helping to launch a critical new collaborative Scope 3 task force, initiated by EDRA/GHIN (the global trade bodies for home improvement retailers).

For further information on how we continue to understand and respond to these risks, see pages 36 to 41 of the TCFD section.

1. Our new near term and net zero targets have been submitted to the Science Based Carbon Initiative (SBTi) for validation.

Risk trend: Increasing No movement Decreasing

9 Responding to changing customer expectations

The pace of change remains high, with greater use of e-commerce solutions for click & collect and home delivery, and increasing customer demand for greater choice and experience. To make our products available to customers where and when they want them, we need innovative digital channels supported by an agile and reliable infrastructure, a robust logistics capability and an optimised property portfolio, located where consumers want to shop, with in-store services. We are also seeing increased demand for more sustainable products, with greater attention to their energy and water-saving features and their overall environmental impact.

Failure to identify and respond to new trends effectively and with pace could affect our ability to stimulate spend and adversely impact the value of our assets and our financial results.

Risk trend

Our commercial operating model affords banners autonomy, enabling them to rapidly identify and react to changes in customer trends. However, the risk remains if we do not deliver the required changes fast enough or that they are not sufficiently compelling for our customers. We continue to invest in our technology (including generative AI) and other solutions to help the banners to adapt at pace to meet the ever-changing demands in customer expectations.

Link to strategic priorities

- Grow by building on our different banners.
- Develop our trade business.
- Accelerate e-commerce through speed and choice.
- Build a data-led customer experience.
- Differentiate and win through own exclusive brands (OEB).
- Roll out compact store formats.
- Lead the industry in Responsible Business and energy efficiency.
- Agile and lean.

How we manage and monitor the risk

- The Customer and Market Intelligence team continuously monitors and gathers insights, with regular updates to the Group Executive, the Board and the wider business. We also have teams focused on customer data and digital experience, so that we can better understand the behaviour of our customers and provide them with personalised omnichannel experiences.
- Based on customer and banner feedback, we extend and refresh our OEB ranges, particularly in the area of sustainability and energy efficiency.
- A Group digital and data strategy has been developed and approved by the Board, with various priority programmes underway.
- Our Technology Product board meets quarterly to monitor financial and project portfolio performance and to prioritise upcoming digital initiatives.
- Launched numerous strategic programmes to accelerate e-commerce, focusing on putting stores at the centre of our fulfilment model. We continue to expand the range of do-it-for-me services available to customers to help them complete projects, including offering energy diagnostic and project support services in the UK, France and Poland.
- Our marketplaces in the UK, Iberia, Poland and France offer more product choice to customers, reduce risks to availability and follow consumer trends as part of the overall online marketplace growth strategy.
- Retail media enables us to better understand and respond to changing customer expectations. Through targeted advertising and data-driven insights, retail media helps us identify trends in customer behaviour, optimise digital touchpoints and enhance engagement.
- Monitoring of Customer NPS through targeted feedback surveys and AI-driven sentiment analysis, capturing insights at key points in the customer journey. This data is combined with KPI dashboards to identify opportunities for improvement, enabling us to respond quickly to evolving customer expectations and enhance their experience across digital and in-store touchpoints.
- Created a Group Centre of Excellence for online marketing and digital trading that monitors digital consumers' demand. Through exhaustive benchmarking of our e-commerce platforms capabilities against our competitors, key areas of opportunity are identified including to site speed, distribution order management (DOM) and customer recommendations.
- Continued to develop our understanding of compact store formats, with a variety of test concepts live in a range of locations across the UK, France and Poland. As of 31 January 2025, we had 25 compact store tests across four banners, providing us with strong learnings for format optimisation and conceptualisation.
- Our product offer serves both tradespeople and home improvers, which helps us proactively guard against any shifts in consumer behaviour across both DIY and DIFM sectors.
- We continue to invest in our Sustainable Home Products to meet changed customer preferences.

For further information on our approach to sustainable products see the climate change risk on page 64.

Viability statement

Assessment period

The directors consider three years to be appropriate given the fast pace of change in both consumer and retail markets. This is consistent with the Group's strategic planning period and the period over which the principal risks are considered. The period to full implementation and impact for new ranges, stores and technology investments is up to three years. In addition, there are no major renewal or investment commitments expected that go above the current investment level (at most around 3.5% of revenues) beyond the 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, its recent and historical financial performance, and forecasts against the strategy, business model and principal risks described on pages 61 to 65. In addition, the directors regularly review the financing position of the Group and its projected funding position and requirements, including sensitivity analyses.

The Group is operationally and financially strong and has a long track record of consistent profit and cash generation, which is expected to continue in 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.** We continue to deliver against our strategic and operational objectives and to invest for growth. We have increased penetration of trade sales across all our banners, supported by dedicated in-store trade teams, the strengthening of our e-commerce proposition and the launch of TradePoint's first mobile app. E-commerce sales penetration increased, supported by the continued strong growth of our marketplaces, allowing us to offer more choice to customers and increase digital market share. We have a low-cost fulfilment model utilising our store-based picking, and a low returns rate. Our strong omnichannel proposition aligns with how customers want to shop. We remain confident in both our long-term growth and cash generation opportunities.
- **The inherent resilience of the Group's activities.** The Group operates in diverse geographies and customer segments, with a strong competitive position. Many of our products are of an essential nature. We have balanced exposure to both do it yourself (DIY) and do it for me (DIFM) sides of the market and a significant proportion of our sales is linked to repairs and maintenance. Our geographic spread provides us with the ability to withstand political instability or economic downturn in a particular country. We have a diverse product portfolio, including own exclusive brands (OEB) which form a signification proportion of total sales, and have a diversified sourcing footprint (both near and far sourcing).
- **Expectations of the future economic environment.** Recent political and macroeconomic developments have layered incremental uncertainty onto the near-term outlook across our markets. Governments have put additional burdens on businesses to recoup fiscal deficits through increased employers' social charges and taxes. Interest rates remain high and there is a risk of continued inflationary pressure. Despite the impact of increased consumer uncertainty, all our banners in the UK, France and Poland performed in line with or ahead of their respective markets. Demand from tradespeople remains robust, with more work in the trade pipeline. As a Group, we are strongly positioned to benefit as the home improvement market inflects. Industry trends, including investments in sustainability, working from home and a greater interest in the market from younger generations, 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 2025, Kingfisher had access to £986 million of liquidity, comprising cash and cash equivalents (net of bank overdrafts and including cash held for sale) of £336 million and access to an undrawn Revolving Credit Facility (RCF) of £650 million (which expires at the end of May 2027). The RCF has two one-year extension options and the modelling assumes this is renewed at a similar level (deemed highly likely). This level of liquidity is deemed sufficient for all of the viability scenarios analysed. The Group has low levels of debt and proven robust performance and cash generation in previous recessions. The Board considers this headroom, coupled with the highly cash generative nature of the business, to provide a strong degree of financial resilience and flexibility.
- **Supplier and supply chain resilience.** The Group's supply chain has remained resilient through recent geopolitical uncertainty, and product availability continues to improve. While we have some dependency on far-sourced products from Asia, we reduce this risk through dual-sourcing key OEB products whilst also ensuring business continuity plans are updated regularly, covering internal points of failure and key partner service-continuity plans. Our supply chain visibility tool provides upstream visibility of our supply chain and we continually look to optimise lead times and inventory levels.
- **Climate change.** We have continued to see strong sales of energy efficient products, helping our customers reduce their carbon footprints. Our Green Star initiative helps customers identify products with a reduced environmental impact. The Group has set ambitious targets as part of our Responsible Business agenda, including our new net zero target for Scope 3 by 2050. We continually analyse the risk of climate change on our operational activities and take appropriate action where necessary.

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.

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 6 to 15.

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.

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 taken account of 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
Scenario 1 – Demand/operational shock 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). **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), followed by a two-week period of recovery 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.	**Risk 4:** Geopolitical instability creating macroeconomic volatility. **Risk 5:** Cyber and data security. **Risk 7:** Reputation and trust.
Scenario 2 – Production and supply chain disruption Our suppliers and supply chain continue to be affected through 2025/26 and into 2026/27 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. **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.	**Risk 2:** Supply chain resilience. **Risk 4:** Geopolitical instability creating macroeconomic volatility. **Risk 8:** Climate change.
Scenario 3 – Further economic downturn 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. **Assumptions** **Sales:** Year-on-year sales reduction of 5% for a period of 12 months 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.	**Risk 4:** Geopolitical instability creating macroeconomic volatility.
Scenario 4 – Failure to execute our strategy 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. **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.	**Risk 1:** Our people. **Risk 3:** Competitor behaviour. **Risk 9:** Responding to changing customer expectations.
Scenario 5 – A combination of scenarios 1, 3 and 4 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.	As indicated in the above scenarios.

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 61 to 65. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial review on pages 47 to 55. 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 24 March 2025 and signed on its behalf by:

Thierry Garnier
Chief Executive Officer

24 March 2025

Chair's statement

Dear Shareholder,

I am pleased to be introducing our Governance Report for the first time since becoming Chair in June 2024. On behalf of the Board, I would like to thank Andrew Cosslett for his outstanding leadership as Chair and his extensive contributions to Kingfisher during his seven-year tenure, through what was a period of important change for the company. You can read more about the succession process, led by Catherine Bradley, our Senior Independent Director, on pages 77 and 78.

Whilst the market environment for retail remains challenging, we as a Board are continuing to focus on what is in our control and supporting Thierry and his team in the execution of our strategic initiatives. Against this backdrop, it is vital that we maintain the right balance of skills and experience to deliver on our priorities. Therefore, a key focus area for the Board and the Nomination Committee during the year was on succession-related activities and we are pleased to have made some high-calibre appointments to the Board during the year.

As announced in December, Rakhi Goss-Custard has now served as a director for nine years and will step down from the Board at the AGM in 2025. I would like to thank Rakhi for her many contributions and valuable insights to Kingfisher over the last nine years, and in particular for stepping in as Remuneration Committee chair last year and overseeing the review of our remuneration policy. At the same time, I was delighted to welcome Lucinda Riches to the Board as a non-executive director and successor to Rakhi as Remuneration Committee chair from the conclusion of our AGM later this year. Lucinda is highly experienced, having served in several roles as a non-executive director, board chair and remuneration committee chair across multiple sectors, following a distinguished senior executive career in investment banking. Her experience will be invaluable as we continue to support our management team to drive Kingfisher's strategy forward, as well as making her an excellent choice as Remuneration Committee chair.

In addition, Catherine Bradley has decided not to stand for re-election at the AGM in order to reduce her governance portfolio and dedicate additional time to her other roles, including as non-executive chair of interactive investor (ii). Whilst Catherine will be remaining on the Board until our AGM in June, I would like to thank her for her many contributions to the company over the past four years, both as Senior Independent Director and as the Board representative on the Kingfisher Colleague Forum. Catherine led the Chair succession process and played a pivotal role in ensuring that the company had continuity of leadership at an important time in our strategic journey. As announced on 21 March 2025 the Board was pleased to confirm that Lucinda Riches will succeed Catherine as Senior Independent Director at the conclusion of the AGM and views that the appointment will be complimentary to her role as Remuneration Committee Chair.

In January, we were also very pleased to welcome Ian McLeod as a non-executive director. Ian is a seasoned retail executive with over 40 years of experience across various different international markets, including as CEO of a number of listed businesses. Ian has had a long and distinguished career in retail, and the depth of experience that he will bring will help support the execution of our strategic initiatives. We are delighted to be welcoming Ian to our Board and look forward to benefiting from the new and valuable perspectives he will bring to the Board's discussions.

During the year, we also announced that our CFO, Bernard Bot, would retire from the Board in January 2025. Bernard has been integral to the transformation of our business under the 'Powered by Kingfisher' strategy and played a key role in leading us through the challenges of the pandemic. He has helped us to become a more agile and productive company, reducing costs and unlocking efficiencies, while investing for growth and delivering attractive shareholder returns. He will leave a very strong legacy to build on. After a thorough search process, we were pleased to announce Bhavesh Mistry as Bernard's successor. Bhavesh has extensive finance and retail experience, along with a strategic mindset and an outstanding record of achievement. Additionally, his people-centric leadership will align well with our organisational culture. We are privileged to welcome someone of Bhavesh's calibre to our Board, where he will undoubtedly be a valuable asset.

As a Board, we firmly believe that a better world starts with better homes, and we are committed to supporting the business as it strives to help make that happen through our 'Powered by Kingfisher' strategy. Fundamental to the execution of that strategy and delivery of our purpose is a good governance structure that enables the right decisions to be taken at the right time and by the right people. On the following pages, we set out how the company is run to serve our customers, to look after our colleagues as a responsible employer, to support the communities in which we operate, and to protect our business for the long-term. I believe that we have a great business, with differentiation across our retail banners which acts as a unique strength for us in a volatile and uncertain world. Combined with leading-edge technology, digital and data capabilities, and buying scale, we are well positioned to invest for growth in multiple areas, underscoring our confidence in the medium to longer-term outlook.

Finally, I would like to thank all of our customers, suppliers, communities and investors that make Kingfisher such a great company, but above all thank you to our colleagues for their continued hard work, passion and dedication to what we do.

Claudia Arney
Chair of the Board

24 March 2025

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.

Audit Committee

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

Report can be found from page 83.

Disclosure Committee

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

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 77.

Remuneration Committee

Ensures rewards are linked to our wider strategy and recognises success.

Report can be found from page 88.

Responsible Business Committee

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

Report can be found from page 81 with additional reporting from page 26.

Group Executive

Comprises the CEO and his direct reports, including the CFO, banner CEOs, and certain functional leads. This group meets monthly, excluding August, to support and advise our CEO 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 CFO, 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 CEO.

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.

Board attendance

Directors' attendance at Board meetings during the year is set out below. Directors who are unable to attend scheduled meetings 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	Board
Claudia Arney	8/8
Catherine Bradley	8/8
Jeff Carr	8/8
Thierry Garnier	8/8
Sophie Gasperment	8/8
Rakhi Goss-Custard	8/8
Bill Lennie	8/8
Ian McLeod[1]	1/1
Bhavesh Mistry[1]	1/1
Lucinda Riches[1]	1/1
Former directors who served during 2024/25	
Bernard Bot[2]	7/7
Andrew Cosslett[3]	3/3

1. Ian McLeod, Bhavesh Mistry and Lucinda Riches were appointed to the Board in January 2025.
2. Bernard Bot stepped down from the Board on 13 January 2025.
3. Andrew Cosslett stepped down from the Board on 20 June 2024.

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

Compliance with the UK Corporate Governance Code

Kingfisher complied with the Financial Reporting Council (FRC) 2018 UK Corporate Governance Code (the Code) during the year ended 31 January 2025. Legacy Delivering Value Incentive awards, which predate the current Directors' Remuneration Policy adopted at the 2022 AGM, do not have phased vesting and did not comply with Provision 36 at the time of grant.

Further details of these awards can be found within the 2019 Notice of AGM and the Annual Report and Accounts published from 2018/19 onwards. The Code is available to view at www.frc.org.uk

At the company's 2024 AGM, the Board was pleased to see a high level of engagement from shareholders with nearly 90 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 20.76% of votes cast against Resolution 15 (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 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, as well as profiles for the Chair, non-executive director, and other relevant roles.

1. Board leadership and company purpose	Page no. or document
Effective and entrepreneurial Board	19 – 25, 30-31, 60 – 68 CGS, Matters Reserved
Purpose, value and strategy	6 – 7, 14 – 15, CGS
Resources and controls	CGS
Engagement with stakeholders	19 – 24, CGS
Workforce policies and practices	16 – 18, 28 – 29, CGS
2. Division of responsibilities	
Role of the Chair	CGS, role profiles
Composition of the Board	72 -73, CGS
Role of the non-executive director	CGS, role profiles
Board information, time and resource	70, 76, 77-80, CGS
3. Composition, succession and evaluation	
Appointment to the Board	77 – 80, CGS
Board composition	72 – 74, 77 – 80, CGS
Board evaluation	76, CGS
4. Audit, risk and internal control	
Internal and external audit functions	85 – 87, CGS
Fair, balanced and understandable	83, 123, CGS
Risk management	60 – 65, 86 – 87, CGS
5. Remuneration	
Aligning remuneration to strategy	88 – 119, CGS
Policy for executive remuneration	93 – 101, CGS
Independent judgement	103, CGS

Board of Directors

Claudia Arney,
Chair of the Board, June 2024

Appointed: November 2018

N

Skills and experience: Claudia brings a wealth of experience of business transformation and building digital capabilities to the Board having previously held non-executive roles, including 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 non-executive director 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: Claudia is currently chair of Deliveroo plc, serves as a member of the Panel on Takeovers and Mergers and is the lead non-executive board member for the Department for Digital, Culture, Media and Sport.

Thierry Garnier,
Chief Executive Officer

Appointed: September 2019

RB

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: Thierry is a non-executive director of Tesco plc and the president of EDRA/GHIN, the European DIY Retail Association and the Global Home Improvement Network.

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

Catherine Bradley CBE,
Senior Independent Director

Appointed: November 2020

A N R

Representative to the Kingfisher Colleague Forum: From June 2022

Skills and experience: Catherine provides substantial expertise to the Board in the fields of finance, risk management and corporate governance, having previously been a non-executive director of the Financial Conduct Authority, the UK financial regulator, where she chaired its audit committee. Catherine also served as a non-executive director of abrdn plc until April 2024 and as an independent member of the supervisory board of Peugeot S.A. where she chaired its finance and audit committee. Prior to embarking on her non-executive career, Catherine had a 30-year career in investment banking based in the US, the UK and Asia. She has French and British citizenship and was appointed a Commander of the Order of the British Empire (CBE) in June 2019.

Catherine will step down from the Board at the conclusion of the 2025 AGM.

External appointments: Catherine is a non-executive director of easyJet plc where she chairs its finance committee. She is also currently a non-executive director and chair of the nomination and corporate governance committee at Johnson Electric Holdings Limited, a Hong Kong listed company. Catherine also serves as chair of interactive investor (ii), a wholly owned subsidiary of abrdn plc. She is a non-executive director of Worldpay (UK) Limited.

Jeff Carr,
Non-Executive Director

Appointed: June 2018

A N R

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: Jeff is a non-executive director of Tate and Lyle plc.

Key: Chair A Audit Committee N Nomination Committee R Remuneration Committee RB Responsible Business Committee

Sophie Gasperment,
Non-Executive Director

Appointed: December 2018

RB N R

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 Committee.

External appointments: Sophie is a senior advisor at the Boston Consulting Group. She is also a non-executive director of Givaudan S.A., and an independent director of Cimpress plc, a NASDAQ-listed technology company.

Rakhi Goss-Custard,
Non-Executive Director

Appointed: February 2016

R N A RB

Skills and experience: Rakhi is an experienced non-executive director, with expertise in digital retailing, strategy, analytics, and operational execution. She spent 12 years at Amazon in various senior leadership positions running many of Amazon's key categories, including high-growth, mature and digital categories, in addition to being responsible for pricing across the UK. Prior to joining Amazon, Rakhi held roles at TomTom and in management consultancy in the United States. She was previously a non-executive director of Intu Properties plc and Rightmove plc.

Rakhi will step down from the Board at the conclusion of the 2025 AGM.

External appointments: Rakhi is a non-executive director of Schroders plc. She is also a non-executive director of Trainline plc where she chairs the remuneration committee.

Bill Lennie,
Non-Executive Director

Appointed: May 2022

A N

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

Lucinda Riches,
Non-Executive Director

Appointed: January 2025

A N R RB

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 CRH plc, ICG Enterprise Trust plc, the British Standards Institution, Diverse Income Trust plc and UK Financial Investments Ltd.

External appointments: Lucinda is currently the independent non-executive chair of Greencoat UK Wind plc and Peel Hunt Limited. She is also a non-executive director of Ashtead Group plc, where she chairs the remuneration committee. Lucinda has confirmed that she will be stepping down from one of her other listed positions in autumn 2025. Please see page 80 for further details of Lucinda's time commitment.

Ian McLeod,
Non-Executive Director

Appointed: January 2025

N

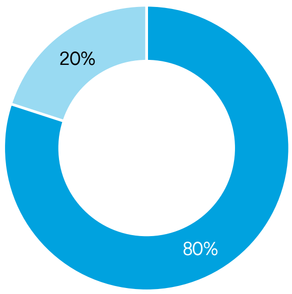
Skills and experience: Ian has over 40 years' retail experience, including 20 years in CEO positions leading multi-billion dollar publicly traded or private equity-owned companies around the world, developing specialist expertise in leading business transformation and change management programmes globally.

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: Ian is an operating partner with Quadria Capital, a private equity firm specialising in healthcare business investments.

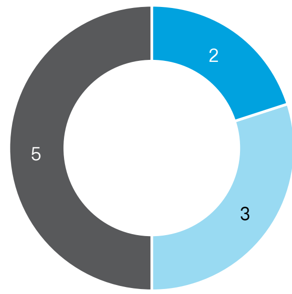
Board composition

Board independence



- Independent non-executive directors
- Executive directors

Board nationality



- US
- French
- British

Board diversity

Board diversity and ethnicity is set out on pages 79 and 80.

Board tenure

Current directors	Tenure at 31 January 2025
Claudia Arney	6 years, 3 months
Catherine Bradley	4 years, 3 months
Jeff Carr	6 years, 8 months
Sophie Gasperment	6 years, 2 months
Rakhi Goss-Custard	9 years
Thierry Garnier	5 years, 4 months
Bhavesh Mistry	1 month
Bill Lennie	2 years, 9 months
Lucinda Riches	1 month
Ian McLeod	1 month

Board biographies are set out on pages 72 and 73.

Director sector experience[1]

Retail	9
Home improvement sector	4
Digital	8
International markets	7
Former CEO	3
Brand/marketing	5
Listed market experience	6
Remuneration/HR	7
Finance	4
Sustainability	4
Matrix-model business[2]	6

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 decisions taken 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 pages 19 and 20.

Key activities of the Kingfisher plc Board in the year

Topic	Board activity	Key decisions
Strategy	– Reviewed progress against the 'Powered by Kingfisher' strategic objectives and priorities, considering performance of strategic KPIs and agreeing subsequent actions and focus areas. – Discussed a broad selection of potential longer-term strategic options and growth drivers to build on the 'Powered by Kingfisher' strategy and drive financial performance. – Considered the trends and factors that are driving change across home improvement and retail more broadly. – Considered the level of ambition in e-commerce and data, including marketplace and retail media. – Continued to review opportunities, including franchise operating models, new trade propositions and developments in our OEB product ranges and store portfolios. – Kept in focus the performance of our operations in France including the ongoing expansion of Screwfix.	– Approved the sale of the Brico Dépôt Romania business. – Approved the acquisition of certain former Homebase leasehold stores in the UK and Ireland. – Endorsed the divestment of NeedHelp. – Endorsed the strategic priorities for 2025/26 for banners and Group Functions. – Approved the appointment of Claudia Arney, an established non-executive director on the Board, as the new Chair, to support continuity of leadership at a critical time in Kingfisher's strategic delivery.

Finance and performance	– Reviewed Kingfisher's progress through CEO and CFO reports, including:
	  – market and trading updates and guidance, including store and category performance;
	  – performance against budget and forecasts;
	  – dividend cover, and interim and final dividends; and
	  – cash flow, funding requirements, credit rating and leverage targets.
		– Approved the annual budget.
		– Endorsed the three-year plan and capital allocation policy.
		– Approved the UK tax strategy and required disclosures.
		– Approved the acceleration of the third share buyback programme.
		– Approved the revised determination of operating segments for FY 24/25.

People, culture, vision and values	– Non-executive directors spent time with colleagues in stores and in banner offices to enhance their understanding and see firsthand the culture embedded across the Group. – Reviewed progress against the 2024/25 People and Culture plan, with regular culture updates through the culture dashboard. – Received regular reports and monitored the level of health and safety incidents across the business. – Received feedback from colleagues through the Kingfisher Colleague Forum (KCF). – Received an update on the community investments made during 2023/24.	– Approved the refreshed company purpose. – Approved the 2023/24 Responsible Business Report for publication. – Approved the Scope 3 net zero and emission reduction targets. – Endorsed the key priorities for 2025/26 for the People and Culture Plan. – Approved projected charitable donations to the B&Q Foundation and Shelter for 2024/25 and 2025/26. – Approved the Modern Slavery Transparency Statement.
Governance and risk	– Received Group valuation updates supported by our brokers and corporate advisors. – Reviewed feedback from investor and governance roadshows and an independent investor perception survey conducted during the year. – Held an in-person AGM and engaged with major shareholders on their reasons for voting against certain authorities requested to allot shares. – Reviewed the results and action plans resulting from the annual supplier survey. – Considered capital expenditure and investment decisions taken by the Group Investment Committee. – Received annual updates on the Group's pensions and insurance arrangements. – Considered whistleblowing reported across the Group. – Reviewed the Board's performance in 2024/25 and progress against the 2023/24 review actions. – Received the annual information security update.	– In addition to the new Board Chair, approved appointments of Bhavesh Mistry as the new CFO, and Lucinda Riches and Ian McLeod as non-executive directors. – Approved changes to Board committee membership, including the appointment of Lucinda Riches as Remuneration Committee Chair from the 2025 AGM. – Approved the Group's principal and emerging risks and risk appetite statement.

Board effectiveness

2024/25 Board performance review

The Board and each of its committees conducts an annual effectiveness review and, in line with the Code, this is externally facilitated every third year. These reviews are conducted in accordance with the Code and, among other things, include consideration of the effectiveness of the Board to leverage individual directors' skills and experience, the collective value from the Board's overall composition, and the organisation and running of Board and committee meetings to support the directors in reaching a view of Board and committee effectiveness during the year. In 2023 and 2024, the Board performance reviews were conducted internally using the Better Boards platform. In each year, the questionnaire was tailored by the Chair and Company Secretary, and covered the effectiveness of the Board, its committees and individual directors. Responses were benchmarked against data available through the platform and, in 2024, included a comparison against the average scores from the 2023 review.

A detailed report was prepared by the Company Secretary and considered by the Board along with progress against the actions from the 2023 review. Directors concluded that the Board continues to operate effectively and benefits from the trusted relationship between the Board and executive leadership, and that overall, Board discussions are open and constructive. The Board determined to make small adjustments to further refine the approach and future focus of the Board and increase the depth of strategic discussion to ensure that the Board consistently makes the most efficient use of non-executive directors' time and derives maximum value from the significant expertise they bring to Kingfisher. The Board agreed the following actions for 2025:

Actions to deliver in 2025/26
– Further refine our approach and preserve Board meeting time for deep focus on items critical to the business, value creation and strategic performance. – Introduce different perspectives to the Board's consideration of key strategic topics to include more frequent dialogue with the Group Executive and relevant external perspectives. – Implement an annual programme of immersion visits to support non-executive directors to get closer to the business, more effectively.

As part of the process, the Chair met with each director, supported by the tailored reporting following the Board review, to drive further improvements in Board performance in 2025. Catherine Bradley received separate reporting regarding the outcome of the Chair's review. Based on the review and discussion with other Board members, it was concluded that in her initial months as Board Chair, Claudia Arney had operated effectively and that there were no concerns regarding her performance.

The table below outlines progress against actions agreed during the 2023/24 internal Board review.

Actions delivered in 2024/25	
Joint vision and alignment around the goals and focus of the Board	– A revised Board schedule and forward agenda were developed with the Chair and CEO, informed by the views of non-executive directors and approved in October 2024 for adoption from 2025. – In May 2024, the mid-year strategy review included more targeted presentations and consistent progress reporting, with all relevant areas of the business presenting management roadmaps. – In May and July 2024, Board meetings held offsite included management presentations focussed on key strategic priorities, in addition to store, office, and product design studio visits, and both informal and formal colleague engagement sessions.
Further refine the structure and organisation of the work of the Board	– In addition to the revised Board schedule and forward plan, it was agreed to introduce annual non-executive director immersion visits where, in pairs, the directors will visit a chosen area of the business for a full day. – Each Board meeting in 2024/25 concluded with a non-executive director only discussion. – Non-executive directors' optional teach-ins took place in 2024/25, including on retail franchises, and a teach-in schedule for 2025/26 has been agreed. – In May and July 2024, the Board meetings included visits to Brico Dépôt HQ in Longpont, France, and Screwfix head office in Yeovil, respectively. In line with the revised Board schedule, from 2025/26 one Board meeting will be held offsite each year.

Nomination Committee report

Dear Shareholder,

I am pleased to present my first Nomination Committee report as Chair. As I have set out in my introduction to the Corporate Governance Report, it has been a busy year for the Committee, with both executive and non-executive succession processes rightly dominating the Committee's time. Having a Board that has the right balance of experience, skills and knowledge is crucial to ensuring that the company is led in a way that will enable it to deliver on its strategic priorities and adapt with agility to the trends and factors that can impact long-term success. I firmly believe that the quality of the directors who have joined the Board during the year is testament to the depth and thoroughness of the succession and selection processes that the Committee has led. You can read more about this on the coming pages, along with our priorities for ensuring we have appropriate succession plans in place for the future. The Committee will continue to keep the composition of our Board and Committees at the fore as we prepare for both Catherine Bradley and Rakhi Goss-Custard to step down from the Board and their respective roles at the conclusion of the 2025 AGM. Catherine and Rakhi will be succeeded by Lucinda Riches who was appointed to the Board in January (see page 78 for further information).

Claudia Arney
Chair of the Nomination Committee

24 March 2025

Membership and attendance

	Eligible	Attended
Claudia Arney[1]	3	3
Catherine Bradley	3	3
Jeff Carr	3	3
Sophie Gasperment	3	3
Rakhi Goss-Custard	3	3
Bill Lennie	3	3
Ian McLeod[2]	1	1
Lucinda Riches[2]	1	1
Andrew Cosslett[3]	1	1

1. Chair of the Committee.
2. Lucinda and Ian were appointed to the Committee with effect from 1 January 2025 and 20 January 2025 respectively.
3. Andrew stepped down from the Board and the Committee on 20 June 2024.

In addition to the scheduled meetings reflected in the table above, seven ad-hoc Committee meetings were held during the year.

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 Committee Chair reports on its activities during each subsequent Board meeting.

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 immediate concern.

Further detail on the evaluation process can be found on page 76.

Non-executive director succession

In April 2024, the company announced that Claudia Arney would succeed Andrew Cosslett as Chair of the Board from the conclusion of the Company's AGM. Claudia was appointed after careful consideration and a thorough process, led by our Senior Independent Director, with all Board members participating in the discussions where it was appropriate to do so. Egon Zehnder was appointed to facilitate the process which involved agreement by the Committee on a role specification and extensive consideration of a longlist of external and potential internal candidates. Having considered the merits of both, including with regard to time commitment, tenure under the UK Corporate Governance Code and the composition of the Board more broadly, the Board concluded that Claudia was the standout choice. She is a highly experienced non-executive director and a practiced Chair. Further, Claudia's existing service on the Kingfisher Board is considered to be an advantage, giving her an existing depth of knowledge and an institutional understanding of the business, its markets and strategic imperatives which, together with her wider experience, leadership and judgement, will be crucial as we drive our strategy forwards.

As we disclosed in our 2023/24 Annual Report, the Committee prioritised search processes for non-executive directors to bolster the breadth of skills and knowledge on the Board, taking account of the current size of the Board, the skills, tenure, and diversity of its makeup, as well as the experience and competencies that may be additive in the context of the 'Powered by Kingfisher' strategy. These processes are underpinned by our skills and experience matrix which capture and monitor the combined strategic and committee experience considered relevant and appropriate for Kingfisher, as a UK-listed company and an international, matrix-model retail business.

Following Claudia's appointment to the role of Chair of the Board, Rakhi Goss-Custard assumed the role of Remuneration Committee Chair at the conclusion of the Company's 2024 AGM. In view of this, the Committee agreed to redefine the search criteria for non-executive directors in favour of an experienced Remuneration Committee Chair, given that Rakhi reached the end of her nine-year term in January 2025. Following this process, which was facilitated by Egon Zehnder, and consideration by the Committee of a diverse range of candidates, the Board approved the appointment of Lucinda Riches to the Board at the start of the year. Lucinda brings with her extensive experience in both executive and non-executive roles, including as a remuneration committee chair, and she will succeed Rakhi in the role at the conclusion of the 2025 AGM. As subsequently announced on 21 March 2025, Lucinda will also succeed Catherine Bradley as Senior Independent Director at that time.

Taking into account the assessment of skills on the Board, the Committee also determined to recruit a non-executive director to bring experience from across the consumer sector and someone with recent CEO experience. Facilitated by Russell Reynolds, who led an extensive search and selection process, Ian McLeod was appointed to the Board on 20 January 2025 as a non-executive director. Ian is a seasoned retail executive with over 40 years' of experience across various international markets, including a number of years as a CEO in a UK-listed company. The Board looks forward to the new and valuable perspectives that both Lucinda and Ian will bring to the Board.

Following these changes, both Ian and Lucinda are receiving a full induction programme, and you can read more about this below along with a summary of our approach to non-executive director searches.

CFO succession

In June, we announced that Bernard Bot would retire from the Board to further pursue his non-executive career, having spent five years as the Company's CFO. Supported by Egon Zehnder, the Committee drew up a role profile for a highly capable and well-rounded CFO candidate to build on the very strong legacy that will be left by Bernard. Following a thorough search process, Bhavesh Mistry was appointed as CFO with effect from January 2025. Bhavesh was the outstanding candidate in this process, bringing a wealth of finance and retail experience, combined with a strategic mindset and an excellent track record of delivery. He is also a people-focused leader who will be a strong fit for our culture.

The skills of our directors are summarised on page 74.

Overview of our search process

1. Board composition review
The Committee evaluates the structure, size and composition of the Board and its committees, including the balance of skills, knowledge, experience, diversity, and tenure of the directors, taking into account the company's business model, strategy, and external environment. We then agree the search criteria and engage with a search consultant to support.

2. Role brief development
A comprehensive role brief is prepared that is aligned to the desired Board and Committee composition, our Board Inclusion and Diversity Policy, and any other relevant corporate governance requirements, including the time commitment expected. All role briefs should be free from bias.

3. Shortlisting
The company's retained search consultants prepare an initial longlist of candidates from a broad range of backgrounds for discussion with the Committee. The Chair and Company Secretary then coordinate with the search consultants to refine this into a shortlist for further consideration by the Committee. We then agree the candidates for interview based on merit and against objective criteria, whilst considering all types of diversity and the time available to devote to the position. Where appropriate, the Committee challenges the scope of the search and breadth of the pool from which the longlist has been drawn.

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.

Egon Zehnder and Russell Reynolds are accredited firms 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. Egon Zehnder and Russell Reynolds do not have any other relationship with the company or its directors.

Induction

Each new director receives a tailored induction to help establish a clear understanding of the company's operations and challenges, aspirations, governance and culture. Delivery is phased so that the induction can be customised at each step based on the individual director's feedback. As well as tailored features, each induction programme includes:

- Individual one-to-one meetings with all directors, the General Counsel and the Company Secretary.
- Meetings with members of the Group Executive, senior members of Group Functions and banners, and may also include the external auditors, brokers, legal advisers, and some investors.
- Briefing on the activities of each of the Board's committees.
- Introduction and ongoing access to the Board's online resources, including meeting minutes, key governance and reference materials, and briefings on market status and competition.
- Support to visit the company's stores, office locations, and key sites across the business, as helpful.

Board inclusion and diversity

The Kingfisher Board believes in the value of inclusion and diversity throughout the company. Kingfisher's Group-wide People and Culture Plan is set out on pages 16 to 18, including the gender diversity of senior management and colleagues; the Committee supports the work undertaken by management to strengthen gender and ethnic diversity in leadership, which continues to be a priority for the company.

The Kingfisher Board believes that it is in the company's best interests to have a diverse board that reflects the communities in which we operate. A diverse board champions a culture that is fully inclusive and benefits overall board composition, board effectiveness and decision-making.

As part of the new director search process, including the searches concluded during the year, the Committee considers the search pool to ensure it is sufficiently wide and covers candidates with a mix of backgrounds and diversity that may include race, disability, gender, sexual orientation, beliefs, and age, as well as culture, personality, professional and educational background, and work style. Appointments to the Board are based on merit, while complementing and enhancing the existing diversity of skills, knowledge, and experience of the Board as a whole. The Committee always considers the current and desired composition of both the Board as a whole, along with each of its Committees, bearing in mind these considerations when making a determination to conclude the search in favour of a preferred candidate for the Board to consider. Kingfisher's Board Inclusion and Diversity Policy (the 'Policy'), which is available on our website, supports the Board in achieving this aim and we believe the results below demonstrate our commitment to diversity and provide clear evidence of our Policy delivering the desired outcomes. The Committee will continue to keep the Policy under review and monitor progress against our stated objectives to ensure that we are able to maintain a diverse leadership structure that reflects our customers and communities.

Statement on Board diversity targets

The Policy objectives align with the targets set out in UK Listing Rule 6.6.6(9)R and the Committee is pleased to confirm that as at 31 January 2025, all three of the targets set out within the Policy and the UK Listing Rules have been met, as outlined below.

- Maintain at least 40% female directors on the Kingfisher plc Board. **Target met; 50% of Board directors are women.**
- Maintain at least one woman in a senior Board position (Chair, Chief Executive Officer, Senior Independent Director, or Chief Financial Officer). **Target met; our Board Chair and Senior Independent Director are women.**
- Maintain at least one Board director from an ethnic minority background. **Target met; two Board directors are from an ethnic minority background.**

Following the changes to the Board announced in December and January and explained on pages 77 and 78, the Committee is mindful of the fact that, as at the 2025 AGM, the percentage of female directors on the Board will fall below 40%, to 37.5%. The Committee will continue to keep this target firmly in mind in its consideration of Board composition and succession plans in 2025, and for future appointments to the Board. The changes did not affect compliance in the accounting period being reported on.

In accordance with the UK Listing Rules, numerical data on the gender[1] and ethnic diversity of the Board and executive management[2] 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 2025. 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.

Gender (sex) as at 31 January 2025

	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	50.0%	2	9	69.2%
Women	5	50.0%	2	4	30.8%
Not specified/ prefer not to say	–	–	–	–	–

1. The data reported is on the basis of sex.
2. Per the definition within the UK Listing Rules, executive management is defined as the Group Executive and the Group Company Secretary.

Nomination Committee report continued

Ethnic background as at 31 January 2025

	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)	7	70.0%	3	8	61.5%
Mixed/ Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	2	20.0%	1	2	15.4%
Black/African/ Caribbean/ Black British	–	–	–	–	–
Other ethnic group	–	–	–	–	–
Not specified/ prefer not to say	1	10.0%	–	3	23.1%

Our approach to collecting data more broadly for employees, including senior leadership across the Group, is set out in the people and culture section on page 18.

As well as the UK Listing Rule Board diversity targets, the Board continued to meet the targets of the FTSE Women Leaders Review and, since 2016, the Parker Review targets on ethnic diversity (as required for the relevant year). The Committee continues to support the recommendations of the Parker Review.

In alignment with the Parker Review, we have set a milestone target of 12.5% ethnic diversity in 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 2024, this group is 6.4% ethnically diverse, based on self-identification against UK ONS categories.

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

New directors are advised of the time commitment expected from them on appointment. During the year, the Committee conducted its annual review of the non-executive directors' independence and time commitments, taking into account the recommended guidance from investor bodies and our larger shareholders, as well as their attendance rate 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 for re-election to the Board those directors who wish to stand at the 2025 AGM. The Committee believes that each non-executive director remains independent and is not overextended or unable to fulfil their duties to the Board. Directors have demonstrated a strong commitment to their roles in their attendance at Board and Committee meetings set out on pages 71, 77, 81, 83 and 88 of this report.

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. In relation to Lucinda Riches' appointment to the Board and her subsequent appointment as Senior Independent Director, the Board considered her total external time commitments, and noting she has confirmed that she will be stepping down from one of her other listed positions in autumn 2025, was satisfied that her appointment as Senior Independent Director would be complementary to her role as Remuneration Committee Chair and would not compromise her commitment to her role on our Board and Committees (see page 73 for Lucinda's biography).

All directors are subject to annual re-election 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 2025/26

- Remain focused on succession planning to appropriately anticipate the evolution of skills and experience on the Board in the coming years and continue to monitor the development of the Group's pipeline for Group Executive level and senior leadership roles.
- Continue to support Board-level inclusion and diversity throughout the succession planning process, keeping in mind the FTSE Women Leaders and Parker review recommendations.

Responsible Business Committee report

Dear Shareholder,

The Responsible Business Committee supports and 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 26 to 29 and in the Responsible Business Report available on the company's website.

The Committee champions Kingfisher to deliver on our ambition to lead the industry in Responsible Business practices, ensuring that our strategy is robust, transparent, accountable, and integrated into our governance. This includes monitoring performance against the Responsible Business priorities and providing frequent support and advice to the Group Executive and the Board on all Responsible Business matters. During the year, the Committee continued to prioritise tracking progress on our customers, colleagues, communities and planet pillars to drive positive change, colleague and customer communication, and also discussed how to shape the framework for the future Responsible Business strategy, whilst remaining cognisant of the impact of a changing ESG reporting landscape on all our stakeholders. The Committee was kept updated on Kingfisher's approach to ESG regulation and actions being taken by the business to respond to these topics.

Meeting materials are structured to support the Committee to oversee the delivery of our Responsible Business priorities and to help in its role as it supports and guides executive leadership, to maximise stakeholder engagement and maintain meaningful focus on the Responsible Business fundamentals. In 2024, this included a session with an external speaker from Ricardo, a consultancy firm which has supported Kingfisher in developing its net zero roadmap, to stimulate debate and share learnings. Board and Committee members also receive a variety of reports on a regular basis, including Responsible Business KPI performance tracking. The Committee monitors key areas of focus within Kingfisher's net zero roadmap and delivery plan, investor engagement and ESG ratings, and through the Group Climate Committee, the actions and decisions being taken by executive leadership to support the business to drive the Group's climate agenda.

Sophie Gasperment
Chair of the Responsible Business Committee

24 March 2025

Membership and attendance

	Eligible	Attended
Sophie Gasperment[1]	3	3
Rakhi Goss-Custard	3	3
Thierry Garnier	3	3
John Mewett	3	3
Lucinda Riches[2]	1	1
Kate Seljeflot	3	3
Henri Solère	3	3

1. Chair of the Committee.
2. Lucinda was appointed to the Committee with effect from 1 January 2025.

The Committee has three scheduled meetings each year, one of which is convened to consider the output of the Committee's annual performance review.

Following the appointment of Lucinda Riches from January 2025, the Responsible Business Committee comprises three independent non-executive directors, our CEO and other members of the Group Executive. Lucinda's appointment will ensure we maintain consistent non-executive director membership when Rakhi steps down as a Committee member with effect from the conclusion of the 2025 AGM (further detail on non-executive director succession is set out on pages 77 and 78).

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.

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 immediate concern.

Further detail on the evaluation process can be found on page 76.

Colleagues

The Committee continued to track colleague sentiment on our Responsible Business agenda through the analysis of data and insights gathered through the colleague engagement survey, and the evaluation of actions taken to support strong employee engagement on this topic across Kingfisher. The Committee remains close to the outputs of the colleague engagement survey and heard regular updates on developments across Responsible Business colleague activations and initiatives to promote the colleague experience of Responsible Business and best practice sharing across the Group. This included progress on the roll out of 'Together. Stronger', the multi-year Group-wide allyship campaign aimed to support an inclusive and diverse culture, and a banner update on the launch of the campaign in Screwfix.

During the year, the Committee also reviewed colleague communications and engagement campaigns, including feedback from the Inclusion and Diversity colleague forum, and engagement campaigns on Kingfisher's Scope 3 emissions and net zero roadmap, which sought to simplify and support deeper understanding of the topics for both colleagues and suppliers.

Customers

The Committee reviewed the impact of the Customer pillar of the Responsible Business strategy as part of its appraisal of the company's Scope 3 plan. The review included the actions required to deliver Scope 3 carbon reductions including our actions to engage customers on greener homes. This was supported by a deep dive on supplier engagement and industry partnerships to support the Sustainable Home Products (SHP) roadmap to deliver Scope 3 decarbonisation.

Planet

The Committee shaped the Planet pillar of the Responsible Business strategy, through an appraisal of the development and implementation of Kingfisher's net zero roadmap and delivery plan, including draft Scope 3 targets and KPIs, and the next set of interim targets for Scope 1 and 2. This included reviewing feedback from suppliers on their decarbonisation plans and working with industry partnerships to accelerate the retail sector's progress. The Committee suggested areas for further consideration and analysis, including opportunities for Kingfisher to amplify the impact of its positive work and further engage its stakeholders, and subsequently noted the delivery actions taken, including in communication, engagement, disclosure and reporting. Through the Group Climate Committee, the Committee also oversaw the actions and decisions taken to deliver the net zero roadmap and prepare for future reporting requirements.

The Committee guided Kingfisher's approach to wood and paper sourcing practices.

Communities

The Committee monitored the impact and breadth of community projects and investment across banners, including the banner foundations and the success and reach of the communities programme to date. This covered our response to disasters, such as the flooding in Romania and Poland, and the wildfires in northern Portugal.

The Committee also received deep dives on projects undertaken by the Group and the banner foundations with our charity partners during the year, including opportunities for colleague and customer engagement in community programming through the Castorama Poland Foundation and its volunteering programme. The Committee provided guidance on the approach to volunteering opportunities for colleagues.

Our areas of focus in 2025/26

In 2025/26, the Committee will continue to support and guide the business in the delivery of the current Responsible Business priorities across the four pillars of our strategy, in line with the Group's strategy, as well as shape and direct the future Responsible Business priorities, beyond 2025/26. This will include, but is not limited to, reviewing delivery plans against targets, engagement and activation with our key stakeholders around our Responsible Business agenda, and appraising progress against Kingfisher's net zero roadmap.

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 our 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 Group's preparedness for changes to the UK Corporate Governance Code (the Code) concerning the effectiveness of internal controls and the mechanisms in place to monitor them.
- The control environment within our banners and the measures implemented to protect the profitability of the business model.
- The control environments for various functions, including Offer & Sourcing, IT and Human Resources.
- An evaluation of forthcoming ESG reporting changes and, specifically, management's proposed approach to the new Corporate Sustainability Reporting Directive.

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 appropriateness of the Group's operating and reportable segments, the assumptions underlying store and goodwill impairment reviews, provisions for uncertain tax positions 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.

Jeff Carr
Chair of the Audit Committee

24 March 2025

Membership and attendance

	Eligible	Attended
Jeff Carr[1]	4	4
Catherine Bradley	4	4
Rakhi Goss-Custard	4	4
Bill Lennie	4	4
Lucinda Riches[2]	1	–

1. Chair of the Committee.
2. As Lucinda only joined the board in 2025, due to an existing scheduling commitment, she was unable to attend one Committee meeting during the year.

The Audit Committee is comprised solely of independent non-executive directors. Jeff Carr is a qualified chartered accountant and former CFO with experience in both the retail sector and UK-listed companies. His financial experience makes him the right person to fulfil the Committee's responsibilities and the Code requirements.

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 immediate concern.

Further detail on the evaluation process can be found on page 76.

Financial statements and reporting

All company financial statements and results announcements are reviewed by the Committee with the support of the Disclosure Committee. The Disclosure Committee consists of the CFO, Group Company Secretary, Group General Counsel, and 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 2024/25 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 company's published financial statements to ensure that each is treated appropriately. For 2024/25, 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 124.

Matter considered	Role of the Committee	Conclusion
What are the appropriate **operating and reportable segments**?	The Committee reviewed management's reassessment and subsequent change in determination of operating segments. This included consideration of the organisational changes leading to the reassessment, as well as the criteria for identifying operating segments included within IFRS 8 – Operating segments. We also reviewed management's approach to determining the appropriate reportable segments, based on the relevant IFRS 8 quantitative thresholds and aggregation criteria.	The Committee endorsed management's change in determination of operating segments, with each retail banner now determined to be an operating segment (operating segments were previously determined based on geographical area). The Committee also endorsed management's approach to determining reportable segments, with reportable segments continuing to be aggregated by geographical area. Refer to notes 2 and 5 to the consolidated financial statements.
Does the carrying value of **stores and goodwill** require any **impairment** charges or reversals?	We examined the results of management's year-end impairment exercise 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. Our review included consideration of actual trading during the year, expectations for the future market environment, and the impact of Kingfisher's strategy. We reviewed the long-term growth rates, based on inflation expectations, and the discount rates, which take into account the cost of equity and debt. We also assessed management's approach to identifying impaired stores. Sensitivity analyses were reviewed for the impact of changes in operating cash flows and discount rates on both store impairments and the level of goodwill headroom.	The Committee endorsed the recognition of store net impairment charges of £94 million (recorded as adjusting items), principally in the UK and France, and an £84 million impairment of goodwill, relating to Castorama France, and the associated disclosures. Refer to notes 3, 6, 13, 15 and 17 to the consolidated financial statements.
What should the treatment of liabilities and contingent liabilities be in relation to **uncertain tax positions**?	We reviewed various tax positions and audits across the Group's jurisdictions. These included transfer pricing arrangements and the European Commission state aid investigation, including the latest proceedings and expected decisions regarding the latter. This review included the appropriate recognition, measurement and presentation of assets and liabilities recorded, and the classification and disclosures of contingent liabilities.	The Committee endorsed management's accounting judgements relating to uncertain tax positions. In relation to the state aid case, a current asset of £69 million is recorded on the balance sheet, reflecting the amount paid to the UK tax authorities in 2021/22 plus accrued interest. This amount is expected to be repaid in 2025/26 and is no longer considered to be a 'Critical accounting judgment' as a result. Refer to notes 3, 10 and 36 to the consolidated financial statements.
Are **adjusting items** appropriately presented and disclosed in the financial statements?	The Committee reviewed the appropriateness 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 judgments relating to the recognition of a net post-tax charge of £196 million within adjusting items. Refer to note 6 to the consolidated financial statements.
What are the principal judgements relating to **inventory provisioning**?	We closely monitored the levels of inventory in each banner as well as the performance of the Group's OEB products, and 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, the reduction in inventory levels, new ranges and the impact of inflation on cost and selling prices. The key consideration was the appropriateness of the Group's inventory provisions and policy, which considers factors including stock turn, range or de-listed 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.	The Committee endorsed management's accounting estimates relating to inventory valuation (£2.7 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 notes 3 and 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 £11 million of net remeasurement losses. Refer to notes 3 and 28 to the consolidated financial statements.

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 66 to 68.

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. The Committee is grateful for the work of Nicola Mitchell, as the outgoing audit engagement partner, in leading an independent, objective and effective audit process over the last five years and for ensuring a smooth transition to Dave Griffin, incoming partner, who led the half-year and year-end audit processes.

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 company's 2023/24 audit was selected by the FRC for Audit Quality Inspection, with the assessment focusing primarily on: impairment of store-based assets, inventory provisioning, revenue recognition and inventory existence. The Committee received and reviewed the final report from the Audit Quality Review team which identified no key findings, and noted one area of good practice. The Committee reviewed the FRC's findings and discussed the outcome and associated actions of the inspection with the external auditor.

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 2024/25, 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 project timetable.

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 the adequacy of the resources allocated by Deloitte to meet the plan and the team structure proposed. In March, the Committee assessed the outcomes of the audit against the priorities. The Committee was pleased to see the continued improvements in the effectiveness of the audit process and, in particular, the prominence of the IT audit process given the criticality of IT infrastructure to the Group's operations and key controls.

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 2024/25, non-audit fees were 9 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 2024/25, which was approved at the 2024 AGM. The Board also expects to propose Deloitte's reappointment at the 2025 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 2024/25 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 2024/25, 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. Given Deloitte's understanding of the company's business and their continued effectiveness as external auditor, the Committee believes that it is in shareholders' best interests to continue to recommend Deloitte as auditor and that a competitive tender process should be conducted no later than the end of the 2026/27 financial year.

Accountability, risk management and internal control

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

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. This work continues to build on the company's existing Internal Controls over Reporting (ICR Programme) and the outputs of an external assurance review of the ICR Programme which the Committee reviewed in June. The Committee has also approved core definitions for material controls and effectiveness, which now form the foundation of our global control framework and are being utilized by management to define the relevant controls for the declaration.

In September, the Committee evaluated the initial list of material controls designed to mitigate principal risks to a level aligned with the company's risk appetite and, in the second half of the year, management conducted a gap analysis of the control framework and presented the findings, along with proposed remedial actions. Over the course of the next year, a 'dry run' exercise will be conducted, which will include an assessment of the effectiveness of the agreed material controls, to ensure that 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 company'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, with a particular focus being on awareness of compliance policies and achieving consistency in reporting across the organisation. To achieve this, in late 2024 a 'Speak Up' awareness campaign was launched with the following objectives:

- Remind colleagues about the importance of speaking up when they have an ethical concern.
- Raising awareness of the channels available, and how and when to use the Speak Up channel.
- Ensuring people leaders are equipped to guide colleagues with ethical concerns.
- Encourage non-anonymous reporting, promoting a culture of openness and transparency.
- Building an inclusive, ethical culture, in line with our Code of Conduct.

More information on the company's Code of Conduct and the role of the Group Ethics and Compliance Committee can be found on page 29.

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 company's assessment of its principal and emerging risks and uncertainties, discussed on pages 60 to 65. 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 company faces as part of its operations.

The company's approach to risk management is also discussed on page 60.

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 CEOs and Group Function directors certify compliance with the Company'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, the Committee, and the Board. Furthermore, full substantive testing of financial reporting controls is in the process of being rolled out 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 company'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: Marketplace Roll-Out in Castorama France, Sustainable Home Products, TradePoint Sales Partners.
- Financial risks: Assurance over Internal Control over Financial Reporting Programme, IT Financial Controls, Screwfix Spares and Screwfix France Foundational Controls.
- Operational risks: Business Continuity Plans, Distribution Centre Third-Party Logistics Management of Stock, GFR Purchase Order Approvals, GNFR Process Governance, New Range Implementation, Payroll, Digital Product Model, as well as technology risk areas such as Core Cloud Controls, Website Security, and IT General Controls.
- Compliance risks: Pricing Control and Omnibus Directive Compliance, Timber Chain of Custody, Buyer Independence and Whistleblowing Policy Compliance.

The remit, organisation, and resources of the Internal Audit function were reviewed as part of the internal effectiveness evaluation that was conducted internally by the Company Secretary 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, including co-ordination of risk, controls and internal audit in light of the amendments to Provision 29 of the Code.

Directors' remuneration report

Dear Shareholder,

As Chair of Kingfisher's Remuneration Committee, I am pleased to present the Directors' remuneration report for 2024/25. I succeeded Claudia Arney as Chair of the Committee on 20 June 2024, having served as a member of the Committee since 2018. In this statement, I describe the key items considered by the Committee during the financial year, including:

- Our proposed Directors' Remuneration Policy (Policy) which will be put forward to shareholders at the 2025 AGM for their approval; and
- The incentive outcomes for the year as well as the broader context of remuneration at the company. These are also contained within our Annual Report on Remuneration which describes how our current Directors' Remuneration Policy (current Policy) was implemented during 2024/25, and how the new Policy will be implemented in 2025/26 (subject to approval). The Annual Report on Remuneration, together with the Annual Statement, will be put to an advisory vote at the 2025 AGM.

Performance during the year

We have continued to make progress on our strategic priorities within the continuingly challenging macroeconomic and consumer environment.

We have delivered sales and profit at £12,784m and £528m respectively, which is in line with our initial guidance. We have also delivered strong free cash flow of £511m, which is ahead of our initial guidance.

We are committed to leading our industry as a responsible business as shown in the Responsible Business section on pages 26 to 29. Our Scope 1 and 2 carbon emissions have reduced by 66.0% since 2016/17 exceeding our FY 25/26 target of 37.8%. Good progress has been made on wood and paper targets with now 97.9% of wood and paper being responsibly sourced for our products and catalogues. We also made further progress on gender representation, with 30.1% women in our senior leadership team (FY 23/24: 28.6%).

This has been possible due to the hard work and dedication of our colleagues across the Group and whom I thank.

Our wider workforce

Kingfisher is committed to creating a workplace where everyone is treated fairly. Store colleagues' pay rates have been reviewed as part of the April 2025 pay review. As per prior years, increases proposed for these colleagues are generally above or in line with proposals for management colleagues. In light of the UK Government's announcement of an increase in the rate of National Living Wage and National Minimum Wage effective 1 April 2025, B&Q and Screwfix store colleagues' pay rates will increase to £12.71 and £12.64 per hour respectively (an increase of c. 4% from 1 April 2024).

The Committee has also been updated on the progress of implementation of the new EU Pay Transparency Directive which impacts the majority of our locations. This directive aims at increasing pay transparency and will be taken into consideration by the Committee as part of their review of wider workforce conditions.

In this report

88	Remuneration Committee Chair's Annual Statement
92	Remuneration at a glance
93	Directors' Remuneration Policy
102	Annual Report on Remuneration
118	Statement on the Implementation of the Remuneration Policy for 2025/26

About this report

The Directors' remuneration report, on pages 88 to 119, has been prepared in compliance with the remuneration disclosures required under the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and include the items required to be disclosed under 6.6.6R of the Financial Conduct Authority's UK Listing Rules. Where information disclosed has been subject to audit by the Group's auditor, Deloitte LLP, this is highlighted.

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 immediate concern. Further detail on the evaluation process can be found on page 76.

Committee composition

The Committee comprised the following members during the year:

	Eligible	Attended
Rakhi Goss-Custard[1]	3	3
Claudia Arney[2]	3	3
Catherine Bradley	3	3
Jeff Carr[3]	3	2
Sophie Gasperment	3	3
Lucinda Riches[4]	1	1

1. Chair of the Committee.
2. Claudia Arney stepped down as Chair and from the Committee on 20 June 2024 and was succeeded as Chair by Rakhi Goss-Custard from the same date. Lucinda Riches will succeed Rakhi as Remuneration Committee Chair with effect from the conclusion of the 2025 AGM.
3. Jeff was unable to attend one Committee meeting during the year due to a personal commitment.
4. Lucinda was appointed to the Committee with effect from 1 January 2025.

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

Non-executive directors, who are not members, may also attend Committee meetings. This includes the Chair. CEO, CFO, CPO, Group Company Secretary, Group Reward Director, Head of Executive Reward and the Committee's remuneration advisers were regular attendees at Committee meetings held during the year. No individual was present when his or her own remuneration or benefits were discussed.

The Committee continues to oversee Kingfisher's gender pay report, which we publish on our corporate website. As evidenced in our People and culture, and Responsible Business sections on pages 16 to 18 and 26 to 29 respectively, we remain committed to developing more inclusive leaders and improving gender representation across our business. Work is also underway to ensure readiness for future other pay reporting requirements.

Executive director changes

Bernard Bot retired as Chief Financial Officer and stepped down as a director on 13 January 2025. In order to ensure a smooth handover Bernard remained employed in a below Board role until 28 February 2025, following which he ceased employment with Kingfisher. Further details on the remuneration arrangements for Bernard's departure are provided on pages 106 and 107.

As announced on 17 June 2024, Bhavesh Mistry was appointed as Chief Financial Officer and a Board director and commenced in role on 13 January 2025. In setting Bhavesh's remuneration, the Committee considered his wealth of experience as a FTSE 100 CFO, market data in respect of FTSE 51-100 companies and other FTSE 350 retailers, the previous CFO's remuneration package, our current Policy and proposed Policy and the pay and conditions of the wider workforce. Taking these factors into account, Bhavesh's salary was set at £645,000. His pension contributions and variable remuneration opportunities (annual bonus and Performance Share Plan (PSP)) are in line with his predecessor and the current Policy and proposed Policy. Bhavesh will also receive buyout awards to compensate him for awards forfeited from his previous employer in connection with his appointment at Kingfisher. Further details are set out on pages 107 and 108.

Chair of the Board change

Andrew Cosslett stepped down from his role as Chair of the Board at the AGM on 20 June 2024. He received a pro-rated fee up to and including 20 June 2024, including pro-rated contributions for administrative support. No other remuneration payment was made by the company to Andrew after ceasing to be a non-executive director nor any payment for loss of office.

Claudia Arney was appointed to the role of Chair of the Board from 20 June 2024. She receives a Chair fee of £496,500 (in line with her predecessor), and contributions of up to £24,830 for administrative support (which is 50% of that provided to Andrew on the basis that Claudia already had part-time administrative support in place at the time of appointment). Further details on the Chair (and other non-executive director) fees are set out on page 117.

Remuneration Policy review

During the year we undertook an extensive review of our current Policy. Kingfisher's current Remuneration Policy, consisting of a market aligned reward structure of an annual bonus with deferral into shares and a PSP granted annually, was approved by our shareholders at the 2022 AGM with over 93% support, and has operated as intended since. The current Remuneration Policy was chosen after a thorough review by the Committee as it was the most suitable structure to support our 'Powered by Kingfisher' strategy.

There has been no fundamental change to our strategy since the current Policy was approved by shareholders, we believe it is operating as intended, and therefore, we are not proposing any significant changes to the structure of the Policy for approval at the 2025 AGM. The Committee is proposing to make two minor changes which improve the flexibility of the Policy and reflects the new Investment Association's Principles of Remuneration.

Firstly, to the wording of the pensions section. The new wording provides flexibility to ensure executive director contributions continue to be aligned to the UK wider workforce rates if the UK wider workforce contribution rate were to change either upwards or downwards, rather than remaining at 14% of salary pension contribution or 12.5% of salary cash alternative. It is not expected that the level of pension provision available to the wider workforce will change in the near term (and thus to the executive director level), however the new wording ensures continued alignment with the wider workforce.

The second proposed change relates to the Annual Bonus. The Investment Association's 2025 Principles of Remuneration has stated that a reduction in level of deferral of the bonus may be suitable if shareholding requirements have been met and the Committee has the ability to exercise malus and clawback provisions. Therefore, an amendment is being proposed to give the Committee the flexibility to scale down bonus deferral (currently anything earned over 100% of salary is deferred for three years) if an executive director has suitably met their shareholding requirement. This flexibility will only be implemented by the Committee after careful consideration. This includes ensuring continued significant long-term alignment of the interests of the executive directors (executives) to that of shareholders and that malus and clawback provisions can be implemented if required.

Remuneration Policy implementation

To ensure that the remuneration structure continues to reinforce our strategic priorities, we are proposing amendments to the performance measures used in future bonus and PSP cycles. These changes are already permitted within the remit of the current Policy and thus will be within the remit of the Policy that we will submit for approval at the 2025 AGM.

Annual Bonus

For the last three years, 80% of the Annual Bonus for the executive directors has been measured on financial measures which are: adjusted pre-tax profit (40%), like-for-like sales growth (40%) with the remainder on strategic measures. For 2024/25, the strategic measure was free cash flow (FCF).

For 2025/26, 80% will continue to be measured on financial measures and 20% of the bonus will be based on individual measures. These individual measures will directly support the achievement of our key strategic objectives for the year. It is also the approach used for colleagues further down the organisation so this change will drive a consistent approach across annual bonus participants.

Details on these measures including targets and outcomes against these will be published retrospectively in the remuneration report.

Performance Share Plan (PSP) measures

The Committee also reviewed the performance measures used in the PSP. It concluded that Earnings Per Share (EPS), Relative Total Shareholder Return (TSR) and a basket of Environmental, Social and Governance (ESG) measures remain appropriate for Kingfisher and continue to provide strong alignment to Kingfisher's medium to longer-term aims and value creation. The Committee concluded that FCF was more suitable as a long-term measure and is a key Group financial priority and commitment to the market. Return on Capital Employed (ROCE) also tends to follow the same trajectory as EPS due to relative stability in capital employed at Kingfisher. Therefore Cumulative FCF will replace ROCE as a measure. The FCF measure used will be cumulative: measuring the cash flow generated over the three-year performance period. ROCE remains an important measure and will continue to be monitored by the company and the Board.

Relative TSR will continue to be measured against a combined group of the constituents of the FTSE 350 Retailers, FTSE 350 Drug and Grocery Stores as well as STOXX 600 Drug and Grocery Stores. The Committee continues to consider the majority of these comparators to be relevant in terms of sector, geographies of operation and brand recognition.

The four measures will continue to be weighted equally at 25% each for the 2025 PSP award.

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 approved current Policy as follows:

2024/25 Annual Bonus outturn

The 2024/25 Annual Bonus for the executive directors was assessed against adjusted pre-tax profit (40% weighting), like-for-like (LFL) sales growth (40% weighting) and FCF (20% weighting). In line with the Policy, the Committee reviewed the outcome of each measure and also undertook a holistic view of the outturn versus underlying performance and value delivered to our shareholders.

Between threshold and target performance was achieved for adjusted pre-tax profit and LFL sales growth while performance at maximum was achieved for FCF. Collectively this resulted in a formulaic outturn of 44.13% of total bonus opportunity for executive directors. The Committee determined this level of outturn was appropriate given the performance over the year, the value delivered to shareholders and the treatment of the wider workforce and therefore no discretion was applied to the outturn.

Full details on the performance against each of the 2024/25 measures can be found on page 104.

Vesting of the 2022 Performance Share Plan

The 2022 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 across a three-year performance period, between 1 February 2022 and 31 January 2025. In March, the Committee reviewed the performance during the period ahead of the award vesting in June 2025, resulting in a formulaic outturn of 14.6% 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. The Committee also assessed the impact of the increase in share price from the point of grant and no discretion was applied to the outturn.

Full details on the performance against each of the measures can be found on page 105.

Key remuneration decisions for 2025/26

The Committee also made a number of decisions relevant for 2025/26 during the year which are as follows:

Salary increases

A salary increase of 2% will be awarded to Thierry Garnier effective from 1 April 2025. This increase is in line with the standard increase proposed for the wider UK workforce based in head offices. As Bhavesh Mistry only joined in January 2025, no salary increase will be awarded.

2025/26 Annual Bonus

As detailed earlier, the Committee reviewed our annual bonus measures. As a result of the review, the 2025/26 Annual Bonus will be assessed against adjusted pre-tax profit and LFL sales growth (with a 40% weighting each) and individual measures (with a 20% weighting).

2025 PSP measures and targets

The Committee also reviewed the performance measures used in the PSP. The Committee determined that the 2025 PSP measures will 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 page 114.

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

The Board reviewed the non-executive directors' fees and agreed, effective 1 February 2025, that the base fee, Senior Independent Director, and committees' chair and member fees will be increased by 2%.

Separately, in respect of the Chair fee, a 2% increase effective 1 February 2025 was agreed by the Committee.

These increases reflect the significant time commitment required for these roles and are in line with the increase being implemented for the wider UK workforce.

Committee changes

As announced on 12 December 2024, I will be stepping down from the Board and as Chair of the Committee at the conclusion of the 2025 AGM. I will be succeeded as Committee Chair by Lucinda Riches and I would like to take this opportunity to wish her every success. It has been a privilege to serve as Committee Chair and I would like to thank the members of the Committee, both past and present, for their support and guidance.

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 implementation of the current Policy in 2024/25, our revised 2025 Policy and how we intend to implement that Policy in the coming year, or any other relevant topics. I look forward to receiving your support for our Annual Report on Remuneration and our revised Remuneration Policy at the 2025 AGM.

Rakhi Goss-Custard
Chair of the Remuneration Committee

24 March 2025

Remuneration at a glance

The following page provides our simplified Remuneration principles, a summary of the new Remuneration Policy and its proposed implementation in 2025/26 and a summary of the implementation of the current Policy in 2024/25.

Remuneration principles

Simple, transparent and relevant	Supports long-term value creation	Fully supports Kingfisher's purpose and values	Rewards for strategy delivery and performance

Summary of policy and implementation for 2025/26

	Summary	Measures	Alignment to strategy
Base salary	For 2025: CEO: £936,190 (2% increase) CFO: £645,000 (No 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 24/25 performance highlights

Adjusted pre-tax profit	LFL sales growth	FCF	Adjusted EPS	ROCE
£528m	(1.7)%	£511m	20.7p	7.4%

Basket of ESG measures

Reduction in Scope 1 and 2 carbon emissions	Wood and paper responsibly sourced	Percentage of women in senior leadership
66.0%	97.9%	30.1%

Remuneration in 2024/25

	Fixed pay	Annual Bonus outcome			Performance Share Plan outcome		Total single figure
	£'000	% of max	% of salary	£'000	% of max	£'000	£'000
CEO	1,075.8	44.1%	88.3%	804.9	14.6%	404.2	2,284.9
CFO (Bhavesh Mistry)[1]	41.2	44.1%	83.8%	29.4	N/A	N/A	1,908.9
Former executive director							
CFO (Bernard Bot)[2]	717.2	44.1%	83.8%	510.5	14.6%	241.6	1,469.3

1. Bhavesh's total single figure amount includes remuneration received from the date he joined the Board on 13 January 2025 and includes buyout awards made to replace incentives forfeited on cessation from his previous employer. These are set out in detail on page 108 of this report.
2. Bernard Bot served as CFO until 13 January 2025. The figures in the table above reflect his time served as an executive director only.

Directors' Remuneration Policy (to be submitted for shareholder approval at the 2025 AGM)

Shareholders approved the current Policy at the AGM held on 22 June 2022, with a vote of 93.11% in favour. The full version of the current shareholder-approved Policy can be found in the 2021/22 Annual Report.

As required under the Companies Act 2006, a new Policy will be presented to shareholders for approval at the 23 June 2025 AGM which is detailed in full in the following section. If approved, the Policy will take effect from the date of the AGM. The new Remuneration Policy will also be available on the company's website following the AGM.

In developing the 2025 Remuneration Policy, the Committee considered the 'Powered by Kingfisher' strategy, market practice and best practice corporate governance guidelines. It also took into account guidelines issued by the Investment Association, Institutional Shareholder Services and Glass Lewis. Whilst colleagues have not been formally consulted on the proposals, we will take the opportunity to talk to our colleagues on the new Remuneration Policy and executive director arrangements at a future colleague forum.

There has been no fundamental change to our strategy since the current Policy was approved by shareholders and therefore, we are not proposing any significant changes to the structure of the new Policy for approval at the 2025 AGM. There are two minor changes to the Policy which improve the flexibility allowed within the Policy. Both changes are aligned to the Investment Association's 2025 Principles of Remuneration and Glass Lewis' Benchmark Policy Guidelines.

- Pensions: The previous wording limits the level of executive director employer pension contribution to 14% of salary (or a 12.5% of salary cash equivalent). The revised wording details that executive director contributions are to be aligned to the UK wider workforce rates. As such, if the UK wider workforce contribution rate were to change either upwards or downwards, the rate for executive directors will also change accordingly.
- Annual Bonus: Under the current Policy, bonus earned above 100% of salary is delivered in shares which are deferred for three years. Additional wording has been included to provide the Committee with flexibility to scale down the level of deferral, including the option to take down to nil, if an executive director has suitably met their shareholding requirement.

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.

Change

None.

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.

Change

None.

Directors' remuneration report continued

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.

Change

Removal of explicit limit of 14% of base salary or cash alternative of 12.5% of base salary to provide the flexibility for executive director maximum contributions to align with any movements in the UK colleague maximum.

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.

Change

New Policy permits flexibility to scale down bonus deferral where an executive director has met their shareholding requirement.

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 not 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 2025 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.

Change

None.

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.

Change

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. **Change** 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, remaining unchanged from previous policy.

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 2025/26 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 2025 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 2025 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 leadership roles.

The targets are set each year to ensure they are appropriately stretching taking into account short and long 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, legacy Alignment Shares and DVI 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).

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 proposals.

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.

Section 40 disclosures

When considering the Policy and its implementation, the Committee took into account Provision 40 of the current UK Corporate Governance Code and considers the framework meets the factors under the provisions as follows:

- Clarity: The Committee has provided transparent disclosures regarding the Remuneration Policy and structure. Changes have been explained in the context of alignment to the strategy and market practice. The Remuneration Committee Chair has engaged with our shareholders on the Remuneration Policy. The Company has explained and continues to explain the remuneration structure with the relevant broader population through a variety of methods including group and one-on-one meetings and guides.
- Simplicity: The Committee has retained the simplified arrangements adopted in 2022. Specifically there remains only one core share award plan available to executive directors (and other employees), the KPSP, which is market-aligned in structure and granted annually.
- Risk: The Committee believes that the incentive structures under the Remuneration Policy do not encourage inappropriate risk taking. The targets set for the Annual Bonus and KPSP are stretching and set in line with strategic priorities and sustainable value creation. All incentive arrangements have malus and clawback provisions including in the event of serious reputational damage and for material misconduct. The Committee can also override formulaic outcomes if it concludes that incentive outcomes are not representative of underlying performance.
- Predictability: The Annual Bonus and KPSP have maximum levels of opportunity with vesting/payment outcomes dependent on achievement of performance measures. The range of vesting/payment outcomes is set out in the scenario charts on page 101 which also demonstrate the impact of a 50% share price increase from date of grant to vesting.
- Proportionality: Performance conditions attached to the Annual Bonus and PSP are directly and clearly linked to the achievement of Kingfisher's strategic priorities in both the short and the longer term. The level of stretch in the performance conditions have been and continue to be set to compensate participants accordingly. Bonus deferral, KPSP holding periods and shareholding requirements (including post-exit) ensure significant alignment to long-term value creation.
- Alignment to culture: As discussed above, there is a strong alignment of the incentive arrangements under the Remuneration Policy with Kingfisher's strategic priorities.

Approach for recruitment remuneration

Area	Policy and operation
Overall	When hiring a new executive director, or making internal promotions to the Board, the Committee will apply the Remuneration Policy. The rationale for the package offered will be explained in the following Annual Report on Remuneration. 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. The Policy below is consistent with the principles of the previous Recruitment Policy.
Base salary	Base salary would be set at an appropriate level to recruit the best candidate based on their skills, experience and current remuneration.
Benefits	Benefits provision would be in line with the normal Policy. 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.
Pension	Pension provision would be in line with the normal Policy.
Incentive awards	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. 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.
Buyout awards	In addition to normal incentive awards, buyout awards may be made to reflect value forfeited through an individual leaving their previous employer. If a buyout award is required, the Committee would aim to reflect the nature, timing and value of awards forgone 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. 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. 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. 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.

Policy for payment for loss of office

Area	Policy
Notice period	12 months' notice by either the director or the company.
Non-compete	During employment and for 12 months after cessation of active employment.
Executive directors' contractual termination payment	**Resignation** No payments on departure will be made on termination, even if by mutual agreement the notice period is cut short. **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. **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.
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	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. Deferred Bonus awards vest on the normal date in full. 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. 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.
Performance Share Plan for good leavers	Awards will vest on the normal date, pro-rated for time, and will take into account performance achieved. The Committee retains discretion to further reduce the awards granted to reflect any personal performance issues or accelerate vesting. 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. The Committee may decide, acting fairly and reasonably, that any adjustment set out above to reduce the vesting of the award would be inappropriate.
Shareholding requirements	Upon leaving the company, the shareholding requirement will continue to apply for two years. The shareholding requirement will be 100% of the shareholding requirement for two years after departure. 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.
Chair and non-executive directors' contractual termination payment	Non-executive directors are appointed under letters of engagement. 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. 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. The company has no obligation to pay compensation when the appointment terminates.

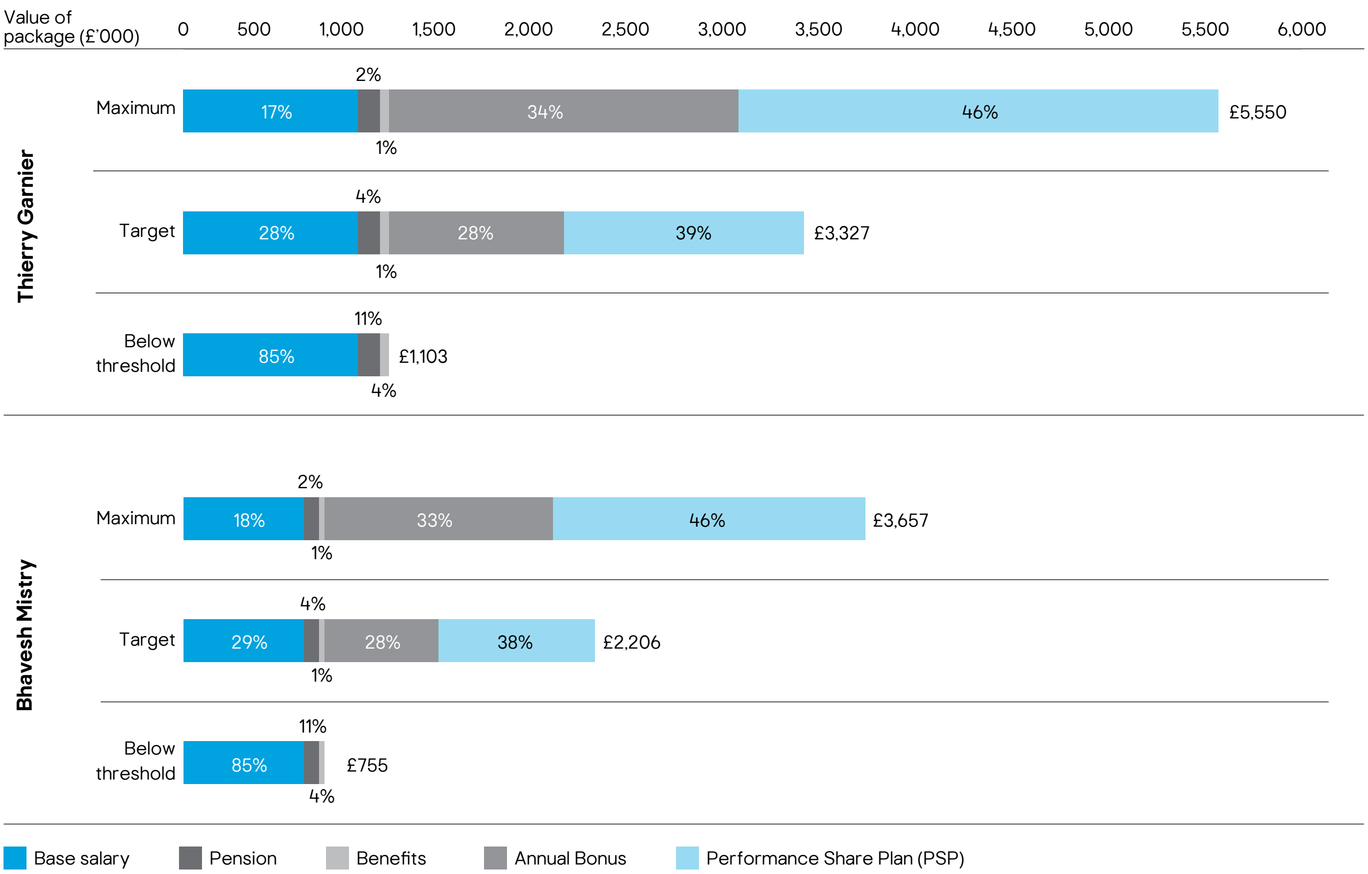
Leavers will be treated for all-employee share plans in line with the plan rules of the relevant share plan. Good leaver is defined under the plan rules, and relates to individuals who leave as a result of:

- 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 2025/26. 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. Minimum performance targets for the Annual Bonus and PSP are not achieved, therefore no payments are made, and awards will lapse.	Fixed pay elements plus target Annual Bonus are received and target PSP vest. Annual Bonus on-target performance is achieved, 50% of the bonus paying out (100% of salary for CEO, 95% of salary for CFO). PSP vesting at 50% of maximum (137.5% of salary for CEO, 130% of salary for CFO).	Fixed pay elements plus maximum Annual Bonus are received and full vesting under the PSP. Annual Bonus maximum performance achieved, resulting in a bonus of 200% and 190% of salary for the CEO and CFO respectively. 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 2025.

Benefits: estimate based upon benefits received during 2024/25 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 £6,837k for Thierry Garnier's package and £4,496k for Bhavesh Mistry's package.

Annual Report on Remuneration

This section of the report outlines how the Committee implemented the current 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 2025 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.

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
Directors' Remuneration Policy	Determined the Directors' Remuneration Policy for approval by shareholders at the 2025 AGM.
Salary review and remuneration decisions	Reviewed and approved the salary and fee proposals in respect of the executive directors, Group Executive, Chair of the Board and Company Secretary. Reviewed and approved remuneration arrangements of the Group Executive and new CFO, and retirement arrangements of the former CFO.
Annual Bonus	Assessed performance against the 2023/24 strategic measures and approved the 2023/24 Annual Bonus outturn and final level of payment for the members of the Group Executive and executive directors. Approved target ranges for the 2024/25 Annual Bonus. Assessed performance against the 2024/25 Annual Bonus measures and reviewed the year-end forecast. Agreed the framework for the 2025/26 Annual Bonus.
Alignment Shares	Determined the vesting outcome of the 2021 Alignment Share awards.
Delivering Value Incentive	Determined the performance of the second performance period of the 2019 Delivering Value Incentive (DVI) award alongside a quality of earnings test to determine overall vesting.
Performance Share Plan	Approved the target ranges for the 2024 PSP and the subsequent grant of awards. Assessed performance to date of the 2022, 2023 and 2024 PSP awards which will vest in 2025, 2026 and 2027 respectively. Approved the measures for the 2025 PSP.
Governance and other areas of focus	Kept under review the company's approach to wider workforce remuneration. Monitored developments in corporate governance and market practice in respect of executive remuneration. Reviewed the output of the annual evaluation of the Committee. Reviewed and recommended the 2023/24 Directors' remuneration report to the Board for approval. Received updates on and considered Kingfisher's gender pay gap reporting.

Advisers to the Committee

During the financial year ended 31 January 2025, PricewaterhouseCoopers LLP (PwC) provided services to the Committee. The advice received from PwC by the Committee was considered, and it was determined that PwC provides objective and independent advice to the Committee. The Committee is satisfied that the PwC engagement partner and team, who provide remuneration advice to the Committee, do not have connections with the Group and individual directors that may impair their objectivity and independence.

PwC was appointed by the Committee as its principal adviser on 1 February 2013, following a robust tender process. PwC is a member of, and adheres to, the Code of Conduct for Remuneration Consultants (which can be found at www.remunerationconsultantsgroup.com). During the year, PwC provided the Committee with executive remuneration advice. PwC also provided Kingfisher with reward advice for below-Board staff, tax advice, accounting advice, and legal advice during the year. For services provided to the Remuneration Committee, the fees paid to PwC were £201,050. These fees were incurred through a retainer, and on a time and expenses basis, and reflect that the year included a review of the Remuneration Policy.

Voting at the 2024 Annual General Meeting (AGM)

The following table shows the results of the advisory vote on the Annual Report on Remuneration at the 2024 AGM and the binding vote on the Remuneration Policy at the 2022 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 (2024 AGM)	1,392,800,765 (89.91%)	156,289,797 (10.09%)	83.50%	97,236,214
Directors' Remuneration Policy (2022 AGM)	1,620,253,983 (93.11%)	119,882,346 (6.89%)	86.57%	195,473

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 2025 and the comparative figures for the financial year ended 31 January 2024. 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	Alignment Shares £'000[3]	Delivering Value Incentive £'000[4]	Performance Share Plan £'000[5]	Buyout awards £'000[6]	Pension £'000	Total Fixed pay £'000	Total Variable pay £'000	Total pay £'000
Thierry Garnier	**2024/25**	**911.9**	**49.9**	**804.9**	**–**	**–**	**404.2**	**–**	**114.0**	**1,075.8**	**1,209.1**	**2,284.9**
	2023/24	875.5	63.3	364.9	511.8	3,982.3	–	–	109.4	1,048.2	4,859.0	5,907.2
Bhavesh Mistry[1]	**2024/25**	**35.1**	**1.7**	**29.4**	**–**	**–**	**–**	**1,838.3**	**4.4**	**41.2**	**1,867.7**	**1,908.9**
	2023/24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Former executive director												
Bernard Bot[2]	**2024/25**	**608.8**	**32.3**	**510.5**	**–**	**–**	**241.6**	**–**	**76.1**	**717.2**	**752.1**	**1,469.3**
	2023/24	618.3	33.8	244.8	361.5	2,176.6	–	–	77.3	729.4	2,782.9	3,512.3
Total	**2024/25**	**1,555.8**	**83.9**	**1,344.8**	**–**	**–**	**645.8**	**1,838.3**	**194.5**	**1,834.2**	**3,828.9**	**5,663.1**
	2023/24	1,493.8	97.1	609.7	873.3	6,158.9	–	–	186.7	1,777.6	7,641.9	9,419.5

1. Bhavesh Mistry served as CFO from 13 January 2025.
2. Bernard Bot served as CFO until 13 January 2025. The figures in the table above reflect his time served as an executive director only.
3. The value of the 2021 Alignment Share award included in 2023/24 for Thierry Garnier and Bernard Bot has been updated using the share price at the date of vesting (22 April 2024) of 248.2p and includes values of dividend equivalents accrued from the date of grant to the date of vesting. No value was attributable to share price growth. No discretion has been exercised as a result of the share price change.
4. The value of the Delivering Value Incentive awards included in 2023/24 for Thierry Garnier and Bernard Bot has been updated using the share price at the date of vesting (30 July 2024) of 275.1p 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 2019 DVI shares (of 215.4p) and the share price on vest is 59.7p which means £864.2k and £472.3k is attributable to share price growth respectively. No discretion has been exercised as a result of the share price change. The DVI was structured as a consolidated award that combined three years worth of incentive into one long term incentive plan.
5. 14.6% of the 2022 Performance Share Plan award for Thierry Garnier and Bernard Bot will vest on 24 June 2025. These awards in the table above have been valued based on the average share price during the three-month period to 31 January 2025 of 258.4p. Values include dividends accrued since the date of grant. The difference between the share price at the date of grant of the 2022 KPSP shares (of 243.3p) and the three-month share price average (of 258.3p) is 15.1p which means £23.7k and £14.1k is attributable to share price growth. No discretion has been exercised as a result of the share price change.
6. Bhavesh Mistry received a number of buyout awards to compensate for those forfeited at his previous employer, full details of which are set out on page 108. The elements of the buyout not subject to further Kingfisher performance conditions are included in the total shown in the table above. As some of the buyout awards will be granted after the finalisation of this Directors' remuneration report, the total figure will be restated in next year's report to reflect the final amounts awarded.

Notes to the single total figure of remuneration table

Base salary (audited information)

A 4% salary increase was awarded to the executive directors for the 2024/25 financial year which was in line with the increase awarded to the wider UK workforce based in head offices.

Name	**As at 1 April 2024 £'000**	As at 1 April 2023 £'000	% increase
Thierry Garnier	**917.8**	882.5	4%
Bhavesh Mistry	**645.0**[1]	N/A	N/A
Former executive director			
Bernard Bot	**648.2**	623.3	4%

1. 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 2024/25 and 2023/24 included car benefit (or cash allowance), private medical insurance, life assurance, tax support.

Name	Car benefit[1] £'000	Medical £'000	Tax and legal support[2] £'000	Life assurance £'000	**Total 2024/25 £'000**	Total 2023/24 £'000
Thierry Garnier	25.0	9.9	11.0	4.0	**49.9**	63.3
Bhavesh Mistry	1.4	0.1	0.0	0.2	**1.7**	N/A
Former executive director						
Bernard Bot	23.6	6.0	0.0	2.7	**32.3**	33.8

1. All directors opt for a cash allowance.
2. This benefit relates to tax assistance provided to the CEO during the year. These items are considered reasonable and appropriate by the Committee.

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 2024/25 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% Free cash flow (FCF)

The following table sets out the targets that were set in respect of each of these measures, the corresponding achievement against those targets during the year ending 31 January 2025, and the resulting payout.

	Targets				
Measure	Threshold (10% of max)	Target (50% of max)	Stretch (100% of max)	Achievement	Outturn
Adjusted pre-tax profit (40%)	£475m	£545m	£615m	£526.7m	39.63%
LFL sales growth (40%)	(2.7)%	0.8%	4.3%	(1.8)%	20.70%
FCF (20%)	£348m	£407m	£462m	£513.6m	100%
Total Outturn					**44.13%**

At the Remuneration Committee meeting in March 2025, the Committee considered performance against all measures and targets set at the beginning of the year and concluded that all remain relevant over the performance period. Note for adjusted pre-tax profit, LFL sales growth and FCF for bonus purposes, these are calculated on a constant currency which is why these values slightly differ from the rest of the Annual Report.

This means that the total outturn under the 2024/25 Annual Bonus for executive directors is 44.13% of maximum. The final payout equates to 88.3% of earned salary for Thierry Garnier and 83.8% of earned salary for Bernard Bot and Bhavesh Mistry, which are £804.9k, £510,5k and £29.4k respectively (applying time pro-rating for Bernard Bot and Bhavesh Mistry as appropriate for their period of service as an executive director within the year). As described in more detail on page 106, Bernard Bot was also eligible for an Annual Bonus in respect of the time he will serve as an employee between 13 January 2025 to 31 January 2025, which was earned to the value of £29.5k. In line with the current Policy and proposed Policy, as the total bonus is less than 100% of salary, it was wholly delivered in cash.

In determining whether the level of bonus outturn is appropriate, the Committee has considered a wide range of factors including financial performance, the value delivered to shareholders, and the treatment of wider workforce as well as other stakeholders. The Committee did not exercise any discretion in determining the incentive outcomes for the year being reported on, concluding that a bonus of 44.13% of maximum for 2024/25 is appropriate. The level of performance against relevant measures will also apply to our bonused colleagues throughout the Group as appropriate.

Performance Share Plan (audited information)

The Kingfisher Performance Share Plan was approved by shareholders at the 2022 AGM, with the first awards made directly following shareholder approval on 24 June 2022 (maximum of 275% of salary for Thierry Garnier and 260% of salary for Bernard Bot). The performance period for the first awards (i.e. the 2022 PSP grant) ended on 31 January 2025.

The 2022 PSP award is dependent on 2024/25 EPS, 2024/25 ROCE, Relative TSR and ESG performance. The targets, performance and resulting formulaic outturn is detailed in the following tables:

Target	2024/25 EPS (25% weighting)	2024/25 ROCE (25% weighting)	TSR Percentile vs. relative TSR peer group (25% weighting)
Threshold (25% vesting)	36.5p	12.85%	50th
Stretch (100% vesting)	47.5p	16.30%	75th
Outturn	18.9p*	7.38%	40th
Formulaic outturn (% of maximum)	0.0%	0.0%	0.0%

* The EPS used to assess the 2022 PSP differs from the rest of the annual report due to removal of impact of any share buyback programmes which was 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)	31.0%	95.0%	30%
Target (50% vesting)	34.0%	98.0%	33%
Stretch (100% vesting)	37.8%	99.5%	35%
Outturn	66.0%	97.9%	30.1%
Formulaic outturn (% of maximum)	100%	49.2%	25.8%

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 2022.

For Thierry Garnier the total formulaic outturn (% of maximum) was therefore 14.6%. The 2022 PSP will vest on 24 June 2025, following which Thierry Garnier will receive 156,417 shares. The Committee believes this outturn is appropriate and is reflective of performance over the performance period. The PSP value in the single figure table therefore reflects this number of shares, using Kingfisher's share price of 258.4p which is the average share price during the three-month period to 31 January 2025. Details of Bernard Bot's 2022 PSP vesting are set out in the Payments for loss of office section on page 107.

The number and value of shares vested for Thierry Garnier is therefore as follows:

Name	Number of shares vested[1]	Number of dividend equivalents[2]	Value of shares vested £'000
Thierry Garnier	140,005	16,412	404.2

1. The number of shares shown represents the proportion of the 2022 PSP which is expected to vest on 24 June 2025.
2. Based on dividends accrued to date of publication of the report.
3. Calculated using the three-month average share price to 31 January 2025 of 258.4p. The difference between the share price at the date of grant of the 2022 KPSP shares (of 243.3p) and the three-month share price average is 15.1p which means £23.7k is attributable to share price growth. 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 all 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 Remuneration Policy on page 94.

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%
Former executive director				
Bernard Bot	14%	No	Yes, in full	12.5%

Pension benefits paid during the year

Name	Employer contributions into DC Scheme £'000	Cash alternative £'000	**Total 2024/25 £'000**	Total pension benefit as a % of base salary
Thierry Garnier	n/a	114.0	**114.0**	12.5%
Bhavesh Mistry	n/a	4.4	**4.4**	12.5%
Former executive director				
Bernard Bot	n/a	76.1	**76.1**	12.5%

Payments to past directors (audited information)

There were no payments made to past directors.

Payments for loss of office (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.

Salary and benefits

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.

Payment in lieu of notice

Following the cessation of his employment, the company agreed to make a lump sum payment to Bernard of £187,777 in lieu of the residue of his notice period of c. 3.5 months' salary, subject to statutory deductions.

Annual Bonuses

As detailed elsewhere in the Directors' remuneration report, Bernard's 2024/25 Annual Bonus was subject to the performance conditions and rules of that scheme. The Committee agreed that Bernard will be 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. Following performance assessment, as set out on page 104, Bernard's 2024/25 Annual Bonus outcome was 44.13% of maximum, totalling £510.5k for his time served as a director, and a further £29.5k in respect of the time he served as an employee after he retired as a director (i.e. between 14 January and 31 January 2025). The full value was paid in cash.

Share Awards

The Remuneration Committee determined that Bernard will be treated as a 'good leaver' under both the Kingfisher Alignment Share and Transformation Incentive Plan (the "KASTIP") and the Kingfisher Performance Share Plan (the "KPSP"). Accordingly, vested awards under the KASTIP will continue to be subject to the holding periods under the plan and any unvested awards under the KPSP will vest on the normal vesting dates and remain subject to holding periods. Unvested KPSP awards will remain subject to the achievement of performance conditions and pro-rating to reflect time served over the vesting period. As at the point of cessation of employment, Bernard's outstanding KPSP awards included grants made in 2022, 2023 and 2024. He will not be eligible for a 2025 KPSP award.

Bernard's 2022 KPSP award will vest on 24 June 2025, with the performance period having ended on 31 January 2025. As detailed in the notes to the single figure table, the outturn for this award was 14.6% of maximum, which after pro-rating for time, will result in 93,477 shares vesting to Bernard. Based on Kingfisher's share price of 258.4p which is the average share price during the three-month period to 31 January 2025, the forecast value of the award is £241.6k. The number and forecast value of shares vesting is therefore as follows:

Name	Number of shares vested[1]	Number of dividend equivalents[2]	Value of shares vested £'000[3]
Bernard Bot	83,669	9,808	241.6

1. The number of shares shown represents the proportion of the 2022 PSP which is expected to vest on 24 June 2025. This has also been pro-rated for departure date.
2. Based on dividends accrued to date of publication of the report.
3. Calculated using the three-month average share price to 31 January 2025 of 258.4p. The difference between the share price at the date of grant of the 2022 KPSP shares (of 243.3p) and the three-month share price average is 15.1p which means £14.1k is attributable to share price growth. No discretion has been exercised as a result of the share price change.

The vested awards are subject to a two-year holding period.

Shareholding Requirement

In accordance with the Policy, Bernard is required to maintain a shareholding of 270% of salary for two years post-employment.

Malus and clawback provisions will continue to apply in respect of Annual Bonuses, KASTIP awards and KPSP awards, as set out in the Policy.

Remuneration arrangements for new executive director

Bhavesh Mistry

Bhavesh Mistry was appointed as Chief Financial Officer and Board director, and commenced in role on 13 January 2025. In setting Bhavesh's remuneration, the Committee considered his wealth of experience as a FTSE 100 CFO, market data in respect of FTSE 51-100 companies and other FTSE 350 retailers, the previous CFO's remuneration package, our Remuneration Policy and the pay and conditions of the wider workforce. Taking these factors into account, Bhavesh's salary was set at £645,000.

Pension and variable remuneration opportunities have been set in line with his predecessor and the Remuneration Policy, as set out in the Statement on the implementation of the Remuneration Policy for 2025/26 on page 118. Bhavesh was eligible to participate in the 2024/25 Annual Bonus, with a maximum opportunity of 190% of salary, pro-rated for time in role for the 2024/25 financial year.

In line with the Policy, the Committee also approved buyout awards to compensate Bhavesh for awards forfeited from his previous employer in connection with his appointment. Buyout awards have been approved to reflect the value forfeited, aiming to reflect the nature, timing and value of awards, such that the replacement value is being provided on a like-for-like basis as far as possible. We set out a summary of the buyout awards below. Details of the actual awards granted during 2025/26 will be disclosed fully in next year's Directors' remuneration report. The buyout awards column of the 2024/25 single total figure table includes the face values/estimated values of all buyout awards in the below table, except for the 2023 LTIP and 2024 LTIP grants which will be included in the single total figure for the year in which their respective performance periods end.

Award forfeited at previous employer	Actual or expected date granted/paid	Type of buyout award granted by Kingfisher	Face value/estimated value of award (£)	Details
Annual Bonus – 2023/24 cash	July 2024	Cash	£420,583	To replace the cash element of the 2023/24 annual bonus award forfeited.
Annual Bonus – 2023/24 shares	April 2025	Nil-cost options	£210,292	To replace the shares element of the 2023/24 annual bonus award forfeited. Holding period of three years commencing on 28 June 2024 applies (the date Bhavesh would have been granted the shares at his previous employer).
Annual Bonus – 2024/25	Bhavesh forfeited participation in this scheme. He will receive a pro-rated value calculated from 1 April 2024 to his last day at his previous employer (31 December 2024). The value of this award will be finalised using the disclosed outcomes from previous employer's 2024/25 annual report which is expected to be published in June 2025. The bonus will be paid 2/3rds in cash and 1/3rd in Kingfisher plc shares with a three-year deferral period on the shares. The estimated value of this award, assuming 50% of maximum performance outcome, is £284,063. Full details of the final award will be provided in the 2025/26 Directors' remuneration report.			
2021 previous employer Buyout	April 2025	Nil-cost options	£35,042 – estimate[1]	To replace the 2021 buyout award that Bhavesh received on joining previous employer, and subsequently forfeited on cessation. The award was subject to continued employment only. Vesting on 26 May 2025, no performance conditions attached. Two year holding period applies.
2021 LTIP	January 2025	Cash	£387,856	To replace the 2021 LTIP forfeited. This value reflects a 40% performance outturn under this incentive, as disclosed in previous employer's 2023/24 annual report. The award was paid in cash as it would have vested on 2 August 2024. Bhavesh is required to repay this amount if he leaves Kingfisher before 2 August 2026.
2022 LTIP	October 2025	Nil-cost options	£500,489 – estimate[1]	To replace the 2022 LTIP forfeited. The value of this award will be based on the outcome of the previous employer's 2022 LTIP, as disclosed in their 2024/25 annual report, which is expected to be published in June 2025. The value will be based on the share price at the expected vesting date of 19 July 2025. Kingfisher shares of equal value will then be granted in October 2025, in line with the scheduled mid-year grant date, vesting immediately with a holding period until 19 July 2027 (in line with that at the previous employer). An estimate is included in this table assuming 50% of maximum payout (note that the actual payout could range from 0-100% of maximum).
2023 LTIP	April 2025	Nil-cost options	£1,391,157 – estimate[1]	To replace the 2023 LTIP forfeited. An award will be granted under the KPSP with an equivalent maximum value, and will align with the existing targets, vesting date and holding period of the 2023 KPSP.
2024 LTIP	April 2025	Nil-cost options	£1,261,750	Bhavesh forfeited participation in the 2024 LTIP at his previous employer, which would have been granted in June 2024 with a maximum value of 250% of his then salary. An award will be granted under the KPSP with an equivalent maximum value, and will align with the existing targets, vesting date and holding period of the 2024 KPSP.

1. Estimated value based on the number of shares forfeited at the previous employer and the previous employer's three-day average share price to 31 January 2025.

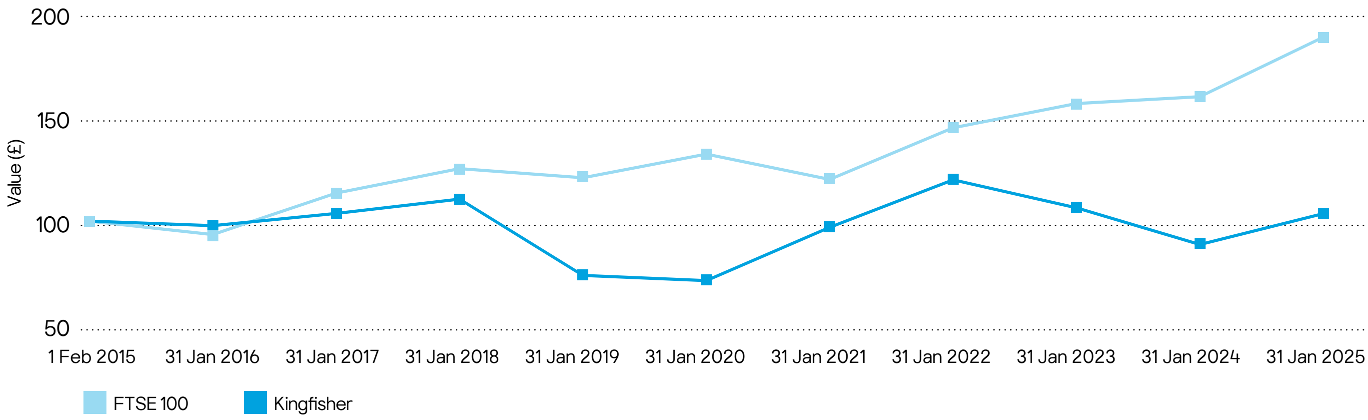
Outside appointments for executive directors

Subject to the rules governing conflicts of interest, Kingfisher is supportive of its executive directors holding one external non-executive position. The exercise of such roles can provide valuable insight for the executive directors, which can be of benefit to Kingfisher. Subject to the Committee's agreement, the individual may retain any fees applicable for these roles.

Thierry Garnier was appointed a non-executive director of Tesco plc on 30 April 2021 and he is currently a member of its Nomination and Governance Committee and Sustainability Committee. Thierry receives £121,500 per annum for fulfilling this role. He retains this fee.

Performance graph

The graph below shows Kingfisher's total shareholder return for the 10 years to 31 January 2025, which assumes that £100 was invested in Kingfisher on 1 February 2015. 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.



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 2015 to 31 January 2025.

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
2015/16	Véronique Laury	69.1	967.4	–	–	–	n/a	n/a	n/a	1,983.0
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[9]	100	706.2	n/a	n/a	n/a	1,964.4
2023/24	Thierry Garnier	20.8	364.9	80[10]	100	511.8[11]	840[12]	39.8	3,982.3[13]	5,907.2
2024/25	Thierry Garnier	44.1	804.9	n/a	n/a	n/a	275	14.6	402.2	2,284.9

1. The maximum bonus opportunity was 200% of base salary up to the end of the 2015/16 financial year. 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 grant shows 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. The PSP grant shows the award level at point of grant, three 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 figure for 2021/22 represents 100% of the 2019 Alignment Share Award granted to Thierry Garnier vesting based on performance against the underpins as detailed in this Remuneration report. 100% of the Alignment Share award granted to Thierry Garnier (equivalent to 80% of salary) in 2021 is subject to performance against the underpin measures set out in the corresponding remuneration report.
9. The figure for 2022/23 represents 100% of the 2020 Alignment Share Award granted to Thierry Garnier vesting based on performance against the underpins as detailed in this remuneration report.
10. The figure for 2023/24 represents 100% of the 2021 Alignment Share Award granted to Thierry Garnier, vesting based on performance against the underpins as detailed in this remuneration report.
11. The value of the 2021 Alignment Share award for Thierry Garnier has been updated using the share price at date of vesting (22 April 2024) of 248.2p and includes values of dividend equivalents accrued from date of grant to vesting.
12. 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 this remuneration report.
13. This represents the combined final vesting values of main DVI award and recruitment award (£3,603k and £379k respectively). The values have been updated using the share price at date of vesting (30 July 2024) of 275.1p and includes values of dividend equivalents accrued from date of grant to vesting. The DVI award was structured as a consolidated award that combined three years worth of incentive into one award.

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 2020/21 and 2024/25 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				
	2024/25	2023/24	2022/23	2021/22	2020/21	**2024/25**	2023/24	2022/23	2021/22	2020/21	**2024/25**	2023/24	2022/23	2021/22	2020/21
Executive directors															
Thierry Garnier[2]	**4.2%**	4.7%	2.8%	8.9%	(6.7%)	**(21.2%)**	21.6%	20.1%/ 1.2%[3]	(85.8%)/ (10.9%)[3]	112%/ 15.2%[3]	**120.6%**	37.6%	(58.2%)	24.2%	n/a
Bhavesh Mistry[4]	**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	n/a
Former executive director															
Bernard Bot[2,5]	**4.2%**	4.7%	2.8%	8.9%	(6.7%)	**1.0%**	0.3%	(4.5%)	(1.0%)	1.0%	**120.6%**	37.6%	(60.3%)	24.2%	n/a
Non-executive directors															
Claudia Arney[6]	**297.2%**	3.1%	0.0%	12.8%	17.7%	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Catherine Bradley[7]	**2.9%**	2.5%	23.2%[8]	47.3%	n/a	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Jeff Carr	**2.9%**	2.8%	11.6%[8]	12.8%	(10%)	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Sophie Gasperment[9]	**7.5%**	9.8%	0.0%	47.5%	(10%)	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Rakhi Goss-Custard[10]	**9.3%**	2.8%	45.2%[8]	13.3%	(10%)	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Bill Lennie[11]	**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	n/a
Lucinda Riches[12]	**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	n/a
Ian McLeod[13]	**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	n/a
Former non-executive director															
Andrew Cosslett[14]	**2.7%**	4.0%	3.0%	10.0%	9.1%	**7.0%**	(0.6%)	6.6%	1.1%	8.6%	**n/a**	n/a	n/a	n/a	n/a
All Kingfisher plc employees	**3.7%**	8.2%	7.4%	(2.6%)	(13.8%)	**(0.5%)**	4.6%	27.4%	(31.8%)[15]	(33.0%)	**(12.0%)**	58.6%	(60.8%)	70.1%	97.7%
All UK employees[16]	**6.0%**	5.7%	11.0%	7.1%	(0.6%)	**3.2%**	4.1%	12.5%	(6.3%)	(19.1%)	**0.0%**	98.1%	(55.6%)	3.4%	128.8%

1. 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.
2. Joined on 25 September 2019 and 19 October 2019: percentages between 2020/21 and 2019/20 have been calculated on a full-time basis. No bonus was paid for 2019/20 so percentage change between 2020/21 and 2019/20 could not be calculated.
3. First figure includes relocation paid during 2022/23, 2021/22 and 2020/21, the second excludes it.
4. Joined on 13 January 2025.
5. Stepped down from Board on 13 January 2025: percentages between 2023/24 and 2024/25 have been calculated on a full-time basis.
6. 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.
7. Joined on 2 November 2020 and became Senior Independent Director on 29 January 2021. Fee for this role was £20,000, and £20,600 from 1 February 2024, on top of non-executive director fees. Percentages for 2021/22 have been calculated assuming full-time basis.
8. 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.
9. 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.
10. Became Remuneration Committee Chair on 20 June 2024.
11. Joined on 1 May 2022. The percentage change for 2023/24 is calculated using full time equivalent fees for 2022/23.
12. Joined on 1 January 2025.
13. Joined on 20 January 2025.
14. Stepped down from his role as Chair of the Board at the AGM on 20 June 2024. Percentage for 2024/25 is calculated assuming full-time basis.
15. 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.
16. Includes all UK employees including those in B&Q, Screwfix and Screwfix Spares.

Relative importance of spend on pay

The table below shows the relative importance of spend on employee remuneration when compared with distributions to shareholders.

	2024/25 £m	2023/24 £m	Percentage change
Overall expenditure on pay	**2,125**	2,068	2.8%
Share buybacks undertaken during the year[1]	**225**	160	40.6%
Total dividends paid in the year	**228**	237	(3.8%)

1. During the year, the Group purchased 83 million of the company's own shares for cancellation at a cost of £225 million as part of its capital returns programme.

Pay ratio analysis

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024/25	Option B (i.e. 25th percentile, median and 75th percentile individual identified from our April 2024 gender pay gap analysis)	**98:1**	**91:1**	**82:1**
2023/24	Option B[1]	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 2023/24 have been restated using actual share price at vesting of 2021 Alignment Share Award and Delivering Value Incentive awards of 248.2p and 275.1p respectively.

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 £23.4k, £25.0k and £28.0k respectively comprising salary and employer contribution to pension. The salaries for these employees were £23.0k, £24.2k and £26.8k 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. 2024/25 was the first year of vesting of the PSP. Prior to this, the DVI was in operation (as set out in full detail in last year's Directors' remuneration report), which was a one-off award that combines three years' worth of long-term incentive opportunity into a single grant. This therefore inflated the single year figure in which the award vested (2023/24) and resulted in greater volatility in our historic pay ratio analysis. 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 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 2025. Calculations are based on a share price of 246.2p per share (being the closing price of a Kingfisher share on 31 January 2025).

	Shares held		Awards over nil-cost options				
Name	Number of shares held outright		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 25 (% of base salary)[4]
	31 Jan 25	31 Jan 24					
Thierry Garnier[5]	487,357	100,000	867,408	–	3,161,121	350%	254.0%
Bhavesh Mistry[5]	0	–	–	–	–	270%	0%
Former executive director							
Bernard Bot[6]	80,000	80,000	1,291,878	–	2,110,753	270%	290.4%

1. 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 and Bernard Bot, these awards include the 2019, 2020 and 2021 Alignment Share awards and 2019 Delivering Value Incentive awards which vested in 2022, 2023 and 2024 (both for the 2021 Alignment Share and 2019 Delivering Value Incentive award) respectively.
2. These awards include nil-cost options to Thierry Garnier and Bernard Bot in respect of the 2022, 2023 and 2024 Performance Share Plan awards.
3. Shareholding requirement as of 31 January 2025.
4. Between 1 February 2025 and the date of this report, there were no changes in the beneficial interests of the executive directors' shareholdings.
5. 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 11,488,097 ordinary shares at 31 January 2025.
6. Bernard Bot served as CFO until 13 January 2025. The figures in the table above reflect his time served as an Executive Director only.

Share awards made during the financial year (audited information)

Options and awards over shares were made during the year ended 31 January 2025 under the Kingfisher Performance Share Plan rules (KPSP) in respect of the 2024 Performance Share Plan (PSP) award.

2024 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	25 Apr 24	1,015,571	2,509	31 Jan 27	25 Mar 34
Bernard Bot	25 Apr 24	678,121	1,676	31 Jan 27	25 Mar 34

1. Vesting date of 25 April 2027.
2. 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 247.1p per share, for 25 April 2024.
3. The shares will vest subject to performance against the performance conditions over the period to the end of the 2026/27 financial year.
4. 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 2024 Performance Share Award are as follows:

Target	2026/27 EPS (25% weighting)	2026/27 ROCE (25% weighting)	TSR percentile vs. relative TSR peer group (25% weighting)
Threshold (25% vesting)	23.0p	8.20%	50th
Stretch (100% vesting)	30.1p	10.15%	75th

	ESG (25% weighting)		
Target	Climate change (reduction in Scope 1 and 2 emissions)	Sustainable Home Products (% of total Group sales)	Gender diversity (% of women in senior leadership)
Threshold (25% vesting)	52.0%	53.0%	31.0%
Target (50% vesting)	55.0%	58.0%	34.0%
Stretch (100% vesting)	62.0%	61.0%	37.0%

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, FTSE 350 Drug and Grocery Stores as well as the STOXX 600 Drug and Grocery Stores as at 1 February 2024.

Any vested awards will be subject to a two-year holding period.

2025 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 2025). These grants will also be in line with the proposed Remuneration Policy once approved.

The measures for the 2025 grant will be mostly consistent with those adopted for the 2024 award, however we have replaced the ROCE measure with a Cumulative FCF measure. Further detail on rationale for Cumulative FCF inclusion can be found on page 90.

The measures and targets attached to the vesting of the 2025 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	50th
Stretch (100% vesting)	30.8p	£1,535m	75th

	ESG (25% weighting)		
Target	Climate change (reduction in Scope 1 and 2 emissions)	Sustainable Home Products (% of total Group sales)	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%

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 which in itself takes into account the continued uncertainty in the external operating environment. 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 last year. Cumulative FCF is a sum of the FCF in 2025/26, 2026/27 and 2027/28.

For ESG measures, targets have been set using our long-term public commitments, internal targets as well as 2024/25 outturns.

- For climate change (reduction in Scope 1 and 2 carbon emissions from a 2016/17 baseline), the target took into account our significant progress to date against our SBTi approved targets including the long term sustainability of targets to date as well as future targets aligned with our net zero commitments.
- Improving the % of women in our senior leadership population (top c. 300) remains an important and ongoing area of focus. The range set takes into account our current outturn and the progress required to achieve our long-term aims.
- 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 as well as the STOXX 600 Drug and Grocery Stores as at 1 February 2025.

Any vested awards will be subject to a further two-year holding period.

Scheme interests exercised during the financial year (audited information)

On 25 September 2024, Thierry Garnier exercised 1,447,573 nil-cost options which had been granted to him in 2019 as Delivering Value Incentive (DVI) awards, under the Kingfisher Alignment Shares and Transformation Incentive Plan (KASTIP).

Name and Scheme	Number of shares exercised	Exercise price per share (p)	Total exercise price (£'000)	Date of exercise	Market value of shares at date of exercise (p)	Gain on exercise of options (£'000)
Thierry Garnier (Delivering Value Incentive)	1,447,573	Nil	Nil	25 September 2024	325.9	4,718

682,743 vested shares were then sold on the same day, to satisfy tax and National Insurance liabilities.

As indicated in the Company's 2023/24 Annual Report released in April 2024, and in accordance with the approved Directors' Remuneration Policy, on 26 September 2024, Thierry subsequently sold 50% of the resulting shares (382,415 shares sold at a share price of 323.6p) and retained the remaining 50% (382,415).

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 2025.

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 2025 and the comparative figures for the year ended 31 January 2024. 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 2024/25 £'000	Fees 2023/24 £'000	Taxable benefits 2024/25 £'000	Taxable benefits 2023/24 £'000	Total 2024/25 £'000	Total 2023/24 £'000
Claudia Arney[2]	Chair, Nomination Committee Chair	N	353.5	89.0	–	–	353.5	89.0
Catherine Bradley	Senior Independent Director	A, R, N	112.2	109.0	–	–	112.2	109.0
Jeff Carr	Audit Committee Chair	A, R, N	101.9	99.0	–	–	101.9	99.0
Sophie Gasperment[3]	Responsible Business Committee Chair	R, N, RB	101.9	94.8	–	–	101.9	94.8
Rakhi Goss-Custard[4]	Remuneration Committee Chair	A, R, N, RB	108.2	99.0	–	–	108.2	99.0
Bill Lennie		A, N	81.3	79.0	–	–	81.3	79.0
Lucinda Riches[5]		A, R, N, RB	8.5	–	–	–	8.5	–
Ian McLeod[6]		N	2.6	–	–	–	2.6	–
Former directors								
Andrew Cosslett[7]	Former Chair		217.4	530.3	0.5[8]	1.3[8]	217.9	531.6
Total			**1,087.5**	**1,100.1**	**0.5**	**1.3**	**1,088.0**	**1,101.4**

1. Indicates which directors served on each committee on 31 January 2025: Audit Committee = A; Nomination Committee = N; Remuneration Committee = R; Responsible Business Committee = RB.
2. Claudia Arney became Chair at the AGM on 20 June 2024. For her role as Chair she receives a fee of £496,500 with a contribution of up to £24,830 towards the cost of an assistant. For 2024/25, she received £13,912 towards the cost of an assistant. Prior to her appointment as Chair, Claudia chaired the Remuneration Committee.
3. Sophie Gasperment joined the Remuneration Committee in June 2023.
4. Rakhi Goss-Custard became Remuneration Chair in June 2024.
5. Lucinda Riches was appointed as a Non-Executive Director and to the Remuneration, Audit, Nomination and Responsible Business Committees effective from 1 January 2025.
6. Ian McLeod was appointed as a Non-Executive Director and to the Nomination Committee effective from 20 January 2025.
7. Andrew Cosslett stepped down from his role as Chair of the Board at the AGM on 20 June 2024. He received a pro-rated fee up to and including 20 June 2024. The fees paid to Andrew Cosslett include a contribution towards the costs of an assistant.
8. These relate to private medical cover for Andrew Cosslett and his family.

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 2024/25 and 2023/24 are shown below. No benefits are provided except for a store discount card of up to 20%.

	Fees £'000		
	As at 1 February 2024	As at 1 February 2023	% increase
Chair[1]	546.2	530.3	3%
Non-executive director fee[2]	71.0	69.0	3%
Senior Independent Director	20.6	20.0	3%
Audit Committee Chair	20.6	20.0	3%
Remuneration Committee Chair	20.6	20.0	3%
Responsible Business Committee Chair	20.6	20.0	3%
Audit Committee member	10.3	10.0	3%
Remuneration Committee member	10.3	10.0	3%
Responsible Business Committee member	10.3	10.0	3%

1. The Committee reviewed the fee for the company Chair in 2024 and agreed to increase the fee by 3%. Andrew Cosslett subsequently stepped down from his role as company Chair at the AGM on 20 June 2024. Claudia Arney was appointed to the role from 20 June 2024, receiving a fee of £496,500 (consistent with the fee received by the former Chair), and a contribution of up to £24,830 for administrative support.
2. The Board reviewed the non-executive fees in 2024 and agreed to increase the fee by 3%.

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 2025. 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 2025	Number of shares held outright as at 31 January 2024
Andrew Cosslett	388,556	388,556
Catherine Bradley	20,000	20,000
Claudia Arney	27,762	27,460
Jeff Carr	210,000	210,000
Sophie Gasperment	10,110	10,110
Rakhi Goss-Custard	6,124	6,124
Bill Lennie	170,000	170,000
Lucinda Riches	0	n/a
Ian McLeod	0	n/a

The shareholding set out above for Andrew Cosslett is as at 20 June 2024 when he stepped down as a Director. There have been no changes to the beneficial interests of the non-executive directors between 1 February 2025 and 24 March 2025.

Statement on the implementation of the Remuneration Policy for 2025/26

Implementation of the Policy for executive directors for the year ahead

Base salary	A 2% salary increase will be awarded to Thierry Garnier effective from 1 April 2025, and his new salary will therefore be £936,190. No salary increase has been awarded to Bhavesh Mistry. The salaries are in line with the Policy and the increase is in line with that offered to the wider UK head office workforce.
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	Will be awarded in line with the Policy. The 2025/26 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: – 40% LFL sales growth – 40% Adjusted pre-tax profit – 20% Individual measures A holistic assessment of Group performance will also be taken into consideration. Any bonus earned over 100% of salary will be deferred into shares for three years subject to the shareholding requirement being met. In the opinion of the Committee, the details of the Annual Bonus measures and targets for 2025/26 are commercially sensitive as they closely align with annual business priorities and accordingly are not disclosed. These will be disclosed in the 2025/26 Annual Report and Accounts.
Performance Share Plan	Will be awarded in line with the Policy. The 2025 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: – 25% EPS – 25% Cumulative FCF – 25% Relative TSR – 25% ESG measures (Climate change, Sustainable Home Products, Gender diversity) Details of the target ranges for the 2025 PSP are detailed on pages 114 and 115. 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.

Implementation of the Remuneration Policy for non-executive directors for the year ahead

	Fees £'000		
	As at 1 February 2025	As at 1 February 2024	% increase
Chair[1]	531.7	521.3	2.0%
Non-executive director fee	72.4	71.0	2.0%
Senior Independent Director fee	21.0	20.6	2.0%
Audit Committee Chair	21.0	20.6	2.0%
Remuneration Committee Chair	21.0	20.6	2.0%
Responsible Business Committee Chair	21.0	20.6	2.0%
Audit Committee member	10.5	10.3	2.0%
Remuneration Committee member	10.5	10.3	2.0%
Responsible Business Committee member	10.5	10.3	2.0%

1. Part of the Chair's fee relates to a contribution to the cost of her assistant per annum. Fee for 2024 relates to current Chair fee as at 20 June 2024.

The Board reviewed the non-executive directors' fees in 2024/25 and agreed, effective 1 February 2025, that the base fee will increase by 2% to £72,400. It was also agreed that the Senior Independent Director, Committee Chair and member fees would increase by 2% to £21,000, £21,000 and £10,500 respectively.

Separately, in respect of the company Chair's fee, the Committee has agreed to award a 2% increase to the total current combined fee of £521,330 (comprising a core £496,500 fee plus up to £24,830 towards the cost of an assistant). This increases the combined fee to £531,700 (core fee of £506,400 plus up to £25,300 towards an assistant).

The increases for non-executive directors and Chair are in line with the increase being implemented for the wider UK 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
Catherine Bradley	2 November 20	1 November 26
Jeff Carr	1 June 18	31 May 27
Thierry Garnier	25 September 19	12 months rolling
Sophie Gasperment	1 December 18	30 November 27
Rakhi Goss-Custard	1 February 16	23 June 25
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:

Rakhi Goss-Custard
Chair of the Remuneration Committee

24 March 2025

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 2018 (the Code). This report should be read in conjunction with the Strategic Report on pages 2 to 68 and the Corporate governance report on pages 69 to 123. 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 Rule 4.1.5R of the DTRs.

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 122.

Disclosure	Page
Allotment of equity securities (UKLR 6.6.1R)	120
Annual General Meeting (AGM)	203
Corporate Governance report, including reports from Board committees	69 – 123
Directors' interests	102 – 119
Directors' statement of responsibility	123
Diversity and inclusion	16 – 18, 79 – 80
Details of the directors who served during the year	71
Employee share schemes	note 31
Equal opportunities including disabled employees	18
Financial instruments and financial risk management	note 24, note 25
Financial review (UKLR 6.6.1R)	47 – 55
Future developments	2 – 68
Viability statement and going concern	66 – 68
Governance and risk management for climate change	30 – 46
Interest capitalised by the Group (UKLR 6.6.1R)	note 7
Important events since the end of the financial year	note 38
Key performance indicators	12 – 13
People and development	16 – 18
Risk management and internal control	60 – 65, 86 – 87
Statement on engagement with employees	16 – 18, 22, 81
Statement on engagement with external stakeholders	21 – 24
Streamlined Energy and Carbon Reporting	44 – 46
Waiver of dividends (UKLR 6.6.1R)	121

Articles of Association (Articles)

The Articles of the company may only be amended by special resolution at a meeting 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 72 and 73. Details of the directors' interests in the shares of the company can be found in the Directors' remuneration report on pages 113 and 117. 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 2024 AGM to allot shares, as permitted by the company's Articles. During the year, 1,228,412 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 2025 AGM, or if earlier, until close of business on 19 September 2025. The company will seek to renew this standard authority at the 2025 AGM.

Purchase of own shares

The Group's objectives in managing capital are: to invest in the business where economic returns are attractive; maintain a solid investment grade credit rating; safeguard the Group's ability to continue as a going concern and retain financial flexibility; and provide attractive returns to shareholders. If surplus capital remains after having achieved all these objectives, the Board will return surplus capital to shareholders via a share buyback programme or special dividends.

In September 2023, 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 2024 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 82,708,323 ordinary shares, with a nominal value of $15^{5/7}$ pence per share, were repurchased under the Programme at an average price of £2.71 per share, for a total consideration of £224m (excluding stamp duty). This represents 4.6% of the company's issued share capital for the year ended 31 January 2025.

The Programme completed on 19 March 2025. Between 1 February 2025 and 19 March 2025, 10,140,768 ordinary shares of $15^{5/7}$ pence per share were purchased, bringing the total shares purchased to 92,849,091 as at 19 March 2025, at an average price of £2.69 per share, and for a total consideration of £250 million (excluding stamp duty). The total shares purchased between 1 February 2024 and 19 March 2025 represent 5.2% 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 2025 AGM, or if earlier, until close of business on 19 September 2025. The company will seek to renew this standard authority at the 2025 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 72 and 73.

Dividends

The interim dividend of 3.80p per ordinary share was paid on 15 November 2024. 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 2025 based on the issued share capital as at 31 January 2025 is expected to be c. £154 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 2025 AGM, the final dividend will be paid on 30 June 2025 to shareholders on the register on 23 May 2025.

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 2023/24 (paid June 2024)	17,357,979 100%	£1,492,786.20
Interim 2024/25 (paid November 2024)	12,280,128 100%	£466,644.86
Total for year to 31 January 2025		**£1,959,431.06**

Major shareholdings

As at 31 January 2025, 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	13.04
BlackRock, Inc.	7.21
Mondrian Investment Partners Limited	4.95
T. Rowe Price Associates, Inc.	4.94
Norges Bank	3.07

The following notifications were received after 31 January 2025 up to 24 March 2025:

	% of total voting rights
Norges Bank	3.29
Silchester International Investors LLP	14.02

Political donations

The company made no political donations during the year (2023/24: £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 is 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 customer's challenges living and working at home and engaging with home improvement projects.

More information is available on pages 2 to 68 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, 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, 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 2024, the Company provided the following guidance for the financial year ending 31 January 2025:

- Adjusted Profit Before Tax of c. £510m to £540m (previously c. £510m to £550m); and
- Free Cash Flow guidance of c. £410m to £460m.

For the purpose of UKLR 6.2.23R, the Company confirms that 2024/25 Adjusted Profit Before Tax was £528m and Free Cash Flow was £511m, both in line with, or ahead of, 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 24 March 2025 and signed on its behalf by

Chloe Barry
Company Secretary

24 March 2025

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 24 March 2025 and signed on its behalf by

Chloe Barry
Company Secretary

24 March 2025

Independent auditors' report

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 2025 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 14 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: – Impairment of store-based assets (B&Q UK and France) and goodwill (Castorama France); and – Accuracy of supplier income. Within this report, key audit matters are identified as follows: Newly identified Increased level of risk
Materiality	The materiality that we used for the group financial statements was £24m which was determined on the basis of approximately 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 93% of the group's revenue, 98% of the group's profit before tax and 88% of the group's net assets.
Significant changes in our approach	**Impairment of goodwill:** We have expanded the scope of our impairment-related key audit matter to also cover the impairment of goodwill for Castorama France. Lower forecast cash flows and a higher discount rate have led to a £84m impairment being recorded against the Castorama France goodwill balance. The impairment charge is sensitive to changes in key assumptions, particularly the cash flow forecast and the discount rate. These assumptions are inherently subjective and require estimation by management. **Accuracy of supplier income from suppliers:** 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 of supplier income as a key audit matter for the current year. **Inventory provisioning:** In previous years, inventory provisioning was identified as a key audit matter due to the complexity and judgement involved in assessing provisions for obsolete and slow-moving inventory. Based on our risk assessment, including the reduced level of judgemental adjustments to the provision compared to the prior period, we have concluded that inventory provisioning does not represent a key audit matter for the current year.

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, our understanding of 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 what 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 (B&Q UK and France) and goodwill (Castorama France)

Key audit matter description

Background and relevant account balances

As at 31 January 2025, property, plant and equipment totalled £3,105 million (31 January 2024: £3,206 million) and right-of-use assets totalled £1,771 million (31 January 2024: £1,881 million), as disclosed in notes 15 and 17 to the financial statements.

In the current year, the group recorded a net store-based asset impairment charge of £94 million (31 January 2024: net impairment charge of £76 million) across the stores or Cash Generating Units ('CGUs'). Of this total net charge, £118 million (31 January 2024: £104 million) represented an impairment charge and £24 million (31 January 2024: £28 million) related to reversals of previously-recorded impairments.

As at 31 January 2025, goodwill totalled £2,312 million (31 January 2024: £2,398 million), as disclosed in note 13 to the financial statements.

In the current year, the group recorded an impairment charge of £84 million against goodwill associated with Castorama France, leaving £140 million of goodwill allocated to Castorama France post the impairment charge.

Overview of key audit matter

Given the ongoing difficult trading conditions, there is an increased level of judgement and estimation required to determine the value in use of the relevant cash-generating units (CGUs) tested for impairment, as required by IAS 36, 'Impairment of Assets'.

We have expanded the scope of our impairment-related key audit matter to also cover the impairment of goodwill for Castorama France. Lower forecast cash flows and a higher discount rate have led to a £84m impairment being recorded against the Castorama France goodwill balance.

There are several judgements in assessing value in use that are set out below and there is a risk that the net impairment charge recorded is not reasonable based on the assumptions used in the model. Cash flow forecasting is inherently judgemental, and we have determined that there is a potential fraud risk associated with the cash flow forecast assumptions used in the impairment model, which could be manipulated by management to achieve a desired outcome.

The two key assumptions applied by management, in the group's store-based asset and goodwill impairment assessments are:

- forecast short term cash flows, which include the sales assumptions and future gross margin and profit margins that will be achieved. This includes the expected improvement in market conditions and the ability to realise 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 the impairment assessments:

- long-term growth rates; and
- for store-based assets, determining the vacant possession value of freehold properties, for which management appoint third-party property valuation experts.

Further details are included within the Audit Committee Report on page 84, key sources of estimation uncertainty disclosures in Note 3, and Notes 13, 15 and 17 to the financial statements.

5.1. Impairment of store-based assets (B&Q UK and France) and goodwill (Castorama France) continued	
How the scope of our audit responded to the key audit matter	Our audit focused on whether store-based asset impairment charges in B&Q UK and France, and goodwill impairment in Castorama France have been appropriately calculated 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 key 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 fraud risk associated with these cash flow forecasts, we challenged the key inputs into the value in use model, namely forecast sales growth, gross margin and profit margins by evaluating past performance, our understanding of the group's strategic initiatives to grow revenues and reduce costs, external benchmarks and market analysis, and management's rationale for future assumptions; – 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 business 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 and objectivity of management's appointed valuation experts, and assessed the inputs and valuation methodology applied with the involvement of internal real estate specialists; 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 at the year-end within B&Q UK and France, and goodwill associated with Castorama France, including related disclosures, are appropriate.

5.2. Accuracy of income from suppliers	
Key audit matter description	As outlined in Note 2(e), the Group receives income from suppliers, which is recognized 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 12-month calendar year. Additionally, supplier income includes other volume-related rebates based on ad-hoc agreements that do not adhere to a 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. 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 extensive transactional data related to inventory purchases or sales made by the Group to customers, increasing the risk of misstatement. Based on our risk assessment, we have identified a potential fraud risk associated with calendar year-based volume-related 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 other types of rebates, including those linked to ad-hoc agreements and promotional funding, due to this type of rebate income representing the majority of the overall rebate income amount for this location. 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 supplier income as a key audit matter for the current year.
How the scope of our audit responded to the key audit matter	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: – obtained an understanding of relevant controls over income from suppliers; – obtained direct confirmations from a sample of suppliers to corroborate the amounts recorded as supplier income; – made independent enquiries with members of the commercial finance teams to understand the rationale for any variances in confirmation responses; – where confirmations were not received, performed alternative 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 recognized for key suppliers in the current year compared to prior years, to identify any unusual trends or variances. Additionally, assessed the accuracy of rebates by comparing the current year rebate listings with prior-year records to identify any significant changes.
Key observations	We are satisfied that supplier income was appropriately recognised during the period.

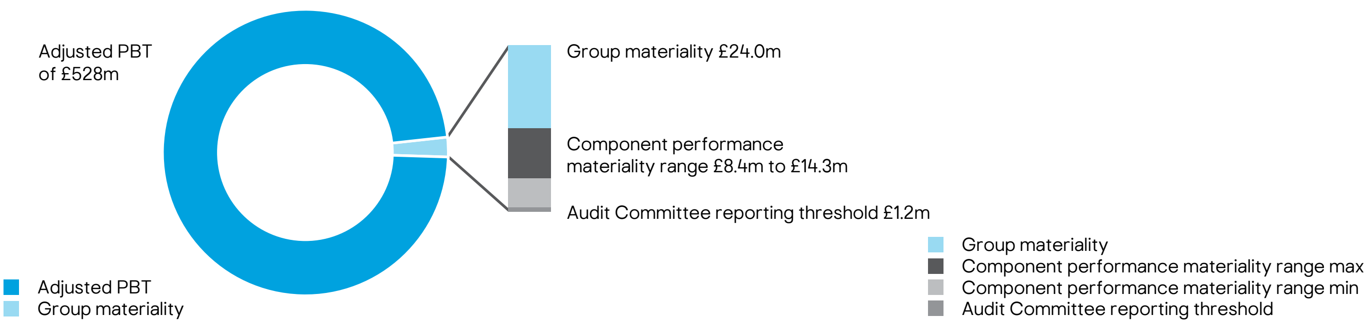
6. Our application of materiality

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	£24 million (2023/24: £28 million)	£20 million (2023/24: £25 million)
Basis for determining materiality	Approximately 5% of adjusted profit before tax (2023/24: c.5%). Adjusting items are defined in Note 2a with analysis included in Note 6.	0.3% of net assets (2023/24: 0.5% of net assets) which has been capped at 83% (2023/24: 90%) of group materiality.
Rationale for the benchmark applied	We have determined materiality on a basis that is consistent with 2023/24. 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 the items, primarily relating to net impairment charges of assets, introduce significant volatility to results and do not form part of the underlying trading performance of the group.	The company is non-trading and contains investments in all the trading components of the group.



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% (2023/24: 70%) of group materiality	70% (2023/24: 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: – 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 £1.2 million (2023/24: £1.4 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

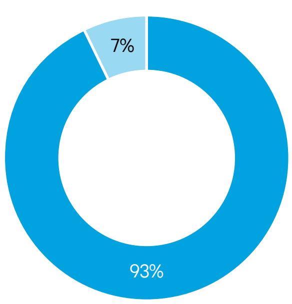
7.1. Identification and scoping of components

Our approach to scoping the group audit was to understand the group and its environment, including group-wide 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 1,900 stores in eight 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 concluded that audit of the entire financial information to be performed 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 scope, 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.

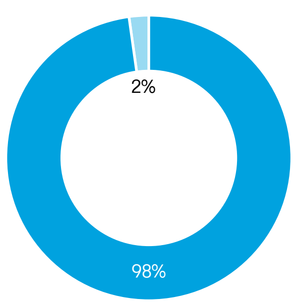
For the parent company component, we applied a component performance materiality equal to £14.3m; for the other components, we used individual component performance materiality levels determined on the basis of their individual financial information, which ranged from £8.4m to £14.3m (2023/24: £9.8m to £17.6m). Our scoping and audit procedures have provided us significant coverage of the group. The components that were scoped in for audits of entire financial information or specified audit procedures represented 93% (2023/24: 93%) of the group's revenue, 98% (2023/24: 99%) of the group's profit before tax and 88% (2023/24: 95%) of the group's net assets.

Revenue



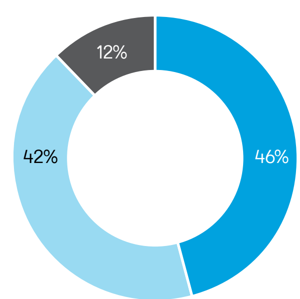
- Audit of the entire financial information
- Review at group level

Profit before tax



- Audit of the entire financial information
- Review at group level

Net assets



- Audit of the entire financial information
- Specified audit procedures
- Review at group level

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 walk through 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.

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 components, 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 86.

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 64). The Group currently considers climate to have limited impact over their three-year planning horizon (as stated on page 64 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 pages 30 to 46 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 audit of the 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 audit, as well as engagement and dialog 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 group engagement 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.

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 sector;
- 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 significant 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 areas: impairment of store-based assets (B&Q UK and France) and goodwill (Castorama France), and 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 impairment of store-based assets (B&Q UK and France) and goodwill (Castorama France) and the accuracy of supplier income as key audit matters 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 those key audit matters.

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 68;
- 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 66 and 67;
- the directors' statement on fair, balanced and understandable set out on page 123;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 60 to 65;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 86 and 87; and
- the section describing the work of the audit committee set out on pages 83 to 87.

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 16 years, covering the years ending 31 January 2010 to 31 January 2025.

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).

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

24 March 2025

Consolidated income statement

Year ended 31 January 2025

£ millions	Notes	**2024/25** Before adjusting items	Adjusting items (note 6)	Total	2023/24 Before adjusting items	Adjusting items (note 6)	Total
Sales	4	**12,784**	**–**	**12,784**	12,980	–	12,980
Cost of sales		**(8,021)**	**–**	**(8,021)**	(8,204)	–	(8,204)
Gross profit		**4,763**	**–**	**4,763**	4,776	–	4,776
Selling and distribution expenses		**(3,122)**	**(99)**	**(3,221)**	(3,143)	(87)	(3,230)
Administrative expenses		**(1,018)**	**(97)**	**(1,115)**	(982)	(8)	(990)
Other income		**20**	**–**	**20**	23	2	25
Other expenses		**–**	**(25)**	**(25)**	–	–	–
Share of post-tax results of joint ventures and associates	18	**(15)**	**–**	**(15)**	(1)	–	(1)
Operating profit	5	**628**	**(221)**	**407**	673	(93)	580
Finance costs		**(132)**	**–**	**(132)**	(133)	–	(133)
Finance income		**32**	**–**	**32**	28	–	28
Net finance costs	7	**(100)**	**–**	**(100)**	(105)	–	(105)
Profit before taxation	8	**528**	**(221)**	**307**	568	(93)	475
Income tax expense	10	**(147)**	**25**	**(122)**	(153)	23	(130)
Profit for the year		**381**	**(196)**	**185**	415	(70)	345

	Notes	2024/25	2023/24
Earnings per share	11		
Basic		**10.1p**	18.2p
Diluted		**9.9p**	18.0p
Adjusted basic		**20.7p**	21.9p
Adjusted diluted		**20.4p**	21.6p

The proposed dividend for the year ended 31 January 2025, 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 2024, and a final dividend of 8.60p.

Consolidated statement of comprehensive income

Year ended 31 January 2025

£ millions	Notes	2024/25	2023/24
Profit for the year		**185**	345
Remeasurements of post-employment benefits	28	**(11)**	(42)
Inventory cash flow hedges – fair value gains/(losses)		**22**	(32)
Tax on items that will not be reclassified		**28**	28
Total items that will not be reclassified subsequently to profit or loss		**39**	(46)
Currency translation differences			
Group		**(25)**	(3)
Joint ventures and associates		**6**	(1)
Transferred to income statement		**–**	(2)
Inventory cash flow hedges – losses transferred to income statement		**1**	12
Tax on items that may be reclassified		**–**	(2)
Total items that may be reclassified subsequently to profit or loss		**(18)**	4
Other comprehensive income/(expense) for the year		**21**	(42)
Total comprehensive income for the year		**206**	303

Consolidated statement of changes in equity

Year ended 31 January 2025

								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		**–**	**–**	**–**	**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**

								2023/24
£ 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 2023		305	2,228	(22)	3,796	71	285	6,663
Profit for the year		–	–	–	345	–	–	345
Other comprehensive expense for the year		–	–	–	(20)	–	(22)	(42)
Total comprehensive income/(expense) for the year		–	–	–	325	–	(22)	303
Inventory cash flow hedges – losses transferred to inventories		–	–	–	–	–	33	33
Share-based compensation	31	–	–	–	22	–	–	22
New shares issued under share schemes		–	–	–	4	–	–	4
Own shares issued under share schemes		–	–	15	(15)	–	–	–
Purchase of own shares for cancellation	29	(11)	–	–	(153)	11	–	(153)
Purchase of own shares for ESOP trust		–	–	(24)	–	–	–	(24)
Dividends	12	–	–	–	(237)	–	–	(237)
Tax on equity items		–	–	–	(1)	–	(6)	(7)
At 31 January 2024		294	2,228	(31)	3,741	82	290	6,604

Consolidated balance sheet

At 31 January 2025

£ millions	Notes	2024/25	2023/24
Non-current assets			
Goodwill	13	**2,312**	2,398
Other intangible assets	14	**312**	368
Property, plant and equipment	15	**3,105**	3,206
Investment property	16	**34**	27
Right-of-use assets	17	**1,771**	1,881
Investments in joint ventures and associates	18	**29**	19
Post-employment benefits	28	**202**	212
Deferred tax assets	26	**7**	10
Other tax authority asset	36	**–**	68
Derivative assets	24	**2**	–
Other receivables	20	**11**	15
		7,785	8,204
Current assets			
Inventories	19	**2,719**	2,914
Trade and other receivables	20	**276**	344
Derivative assets	24	**22**	2
Current tax assets		**78**	73
Other tax authority asset	36	**69**	–
Cash and cash equivalents	21	**336**	360
Assets held for sale	34	**158**	3
		3,658	3,696
Total assets		**11,443**	11,900
Current liabilities			
Trade and other payables	22	**(2,355)**	(2,445)
Borrowings	23	**(108)**	(7)
Lease liabilities	33	**(345)**	(366)
Derivative liabilities	24	**(5)**	(23)
Current tax liabilities		**(6)**	(12)
Provisions	27	**(16)**	(9)
Liabilities directly associated with assets held for sale	34	**(92)**	–
		(2,927)	(2,862)
Non-current liabilities			
Other payables	22	**(2)**	(3)
Borrowings	23	**(1)**	(102)
Lease liabilities	33	**(1,866)**	(2,001)
Derivative liabilities	24	**–**	(1)
Deferred tax liabilities	26	**(193)**	(207)
Provisions	27	**(9)**	(7)
Post-employment benefits	28	**(101)**	(113)
		(2,172)	(2,434)
Total liabilities		**(5,099)**	(5,296)
Net assets	5	**6,344**	6,604
Equity			
Share capital	29	**282**	294
Share premium		**2,228**	2,228
Own shares held in ESOP trust		**(34)**	(31)
Retained earnings		**3,475**	3,741
Capital redemption reserve		**94**	82
Other reserves	30	**299**	290
Total equity		**6,344**	6,604

The financial statements were approved by the Board of Directors on 24 March 2025 and signed on its behalf by:

Thierry Garnier
Chief Executive Officer

Bhavesh Mistry
Chief Financial Officer

Consolidated cash flow statement

Year ended 31 January 2025

£ millions	Notes	2024/25	2023/24
Operating activities			
Cash generated by operations	32	**1,411**	1,438
Income tax paid		**(109)**	(117)
Net cash flows from operating activities		**1,302**	1,321
Investing activities			
Purchase of property, plant and equipment, and intangible assets		**(317)**	(363)
Proceeds from disposals of property, plant and equipment, intangible assets, and assets held for sale		**2**	2
Purchase of businesses		**–**	(3)
Joint venture capital contributions		**(19)**	–
Disposal of subsidiaries and associates, net of cash disposed		**(3)**	9
Interest received		**23**	16
Interest element of sublease rental receipts		**1**	1
Principal element of sublease rental receipts		**2**	3
Advance payments on right-of-use assets		**(5)**	(4)
Net cash flows used in investing activities		**(316)**	(339)
Financing activities			
Interest paid		**(8)**	(7)
Interest element of lease rental payments		**(123)**	(126)
Principal element of lease rental payments		**(387)**	(348)
Arrangement fees paid		**(2)**	–
New shares issued under share schemes		**2**	4
Purchase of own shares for cancellation		**(225)**	(160)
Purchase of own shares for ESOP trust		**(26)**	(24)
Ordinary dividends paid to equity shareholders of the Company	12	**(228)**	(237)
Net cash flows used in financing activities		**(997)**	(898)
Net (decrease)/increase in cash and cash equivalents and bank overdrafts		**(11)**	84
Cash and cash equivalents and bank overdrafts at beginning of year		**353**	270
Exchange differences		**(6)**	(1)
Cash and cash equivalents and bank overdrafts at end of year	33	**336**	353

Cash and cash equivalents and bank overdrafts at the end of the year include £9m of cash included within assets held for sale on the balance sheet (2023/24: £nil).

Notes to the consolidated financial statements

1 General information

Kingfisher plc ('the Company'), its subsidiaries, joint ventures and associates (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 68.

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 14 of the Company's separate financial statements.

These consolidated financial statements have been approved for issue by the Board of Directors on 24 March 2025.

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 Company, its subsidiaries, joint ventures and associates are made up to 31 January, except as disclosed in note 18 of the consolidated financial statements. The current financial year is the year ended 31 January 2025 ('the year' or '2024/25'). The comparative financial year is the year ended 31 January 2024 ('the prior year' or '2023/24'). 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 2025.

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 68. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial review on pages 48 to 54. The principal risks and viability statement of the Group are set out on pages 59 to 66. 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 2025, Kingfisher had access to £986m of liquidity, comprising cash and cash equivalents (net of bank overdrafts and including cash held for sale) of £336m and access to an undrawn Revolving Credit Facility (RCF) of £650m (which expires at the end of May 2027). The ratio of net debt to Adjusted EBITDA was 1.6 as of 31 January 2025.

In considering whether the Group's financial statements can be prepared on a going concern basis, the Directors have reviewed the Group's business activities together with factors likely to affect its performance, financial position and access to liquidity (including consideration of financial covenants and credit ratings).

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 2025, 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.£1.5bn (12% 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 requires drawing on the RCF for a few months, the Group retains 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 1 – Classification of Liabilities as Current or Non-current and Non-current liabilities with Covenants
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

As a result of implementing the amendments to IAS 7 and IFRS 7, the Group has provided additional disclosures about its supplier finance arrangements. The Group has applied transitional relief available under IAS 7 and has not provided comparative information in the first year of adoption. Refer to note 22.

The other amended accounting standards did not have a material impact on the consolidated financial statements.

Standards issued but not yet effective

At the date of the approval of these financial statements, the following amendments to standards which have not been applied in these financial statements were also in issue, but not yet effective:

- Amendments to IAS 21 – Lack of Exchangeability (effective from 1 January 2025)
- Amendments to IFRS 9 and IFRS 7 – 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 Disclosures in the Financial Statements, effective from 1 January 2027, which has not been applied in these financial statements, was issued by the IASB in April 2024 and is expected to be endorsed by the UK Endorsement Board in due course. The adoption of IFRS 18 is expected to have a material impact on the presentation of the Group's income statement and notes to the accounts. The Group is currently assessing the implications of the adoption of this new standard.

The other new amendments to standards 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 68.

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. Kingfisher 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 by Kingfisher 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 of joint ventures and associates, 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 properties[1], 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.

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 term 'adjusted' refers to the relevant measure being reported for continuing operations excluding adjusting items.

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 a better 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.

Segmental analysis

Determination of operating segments
Kingfisher has historically determined its operating segments as defined under 'IFRS 8 – Operating segments' to be the geographical areas in which the Group operates. This determination has been based on the information reported internally to the Board of Directors and Group Executive, who are collectively considered to be the 'Chief Operating Decision Maker' ('CODM'), to assess business performance and make decisions about resource allocation.

Following the dissolution of the 'France'-level management structure during the year, the change in internal reporting structures, and in consideration of the increase in retail banner autonomy under the Group's 'Powered by Kingfisher' strategy, the Group has reassessed its determination of operating segments against the IFRS 8 criteria.

Following this change in the management structure and resulting reassessment, the Group has concluded that each retail banner now represents a separate operating segment. In arriving at this conclusion, the following has been taken into consideration:

- Revenues and expenses are generally earned and incurred at the retail banner level (i.e. despite some overlap in product ranges and customer base);
- Following the changes in internal structure, only limited shared in-country activities remain for the UK & Ireland and France retail banners, particularly following the dissolution of the 'France'-level management structure during the year; and
- Based on the revised internal structure, discrete financial information and operating results are available at a retail banner level and are reviewed by the CODM when assessing performance and making overarching resource allocation decisions under the Group's 'Powered by Kingfisher' strategy.

The retail banner level determination of operating segments primarily impacts the Groups' banners located in the UK & Ireland (i.e. B&Q UK & Ireland and Screwfix UK & Ireland) and France (i.e. Castorama France and Brico Dépôt France) where the operating segments have historically been identified at a geographical level. This change does not have any impact on the existing determination of operating segments for the Group's retail banners outside of the UK & Ireland and France as there is only one retail banner within each of the geographical locations.

Determination of reportable segments
In consideration of the change in determination of operating segments, the Group has reassessed its reportable segments in line with the requirements of IFRS 8. Historically, the Group's reportable segments consisted of the UK & Ireland and France as these individually met the quantitative requirements set out in IFRS. All other segments, which did not meet the individual quantitative criteria to be defined as a reportable segment, were combined and presented as 'Other International'. In previous periods, this combination included the results of Castorama Poland, for which the individual segment results were separately disclosed to provide additional information to users.

Following this reassessment and in consideration of the quantitative results of the segments in the current period, it was considered appropriate that the reportable segments should be UK & Ireland, France and Poland. 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). In arriving at this conclusion, the following has been taken into consideration:

- Operating segments within the same geographical area share similar economic characteristics in terms of sales metrics, long-term average gross margins, levels of capital investment and operating cash flows;
- Operating segments within the same geographical area share similar risks, including market and competition risk, supply chain risk, political and regulatory risk, legal and compliance risk and currency risk; and
- The nature of products and services provided by each operating segment within the same geographical area are similar, with similar customer bases and target markets.

Upon aggregation, it was identified that the UK & Ireland and France segments meet the quantitative criteria to be defined as reportable segments. 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. As the Castorama Poland operating segment meets the IFRS 8 quantitative threshold to be a reportable segment it has been separated from the 'Other International' combined segment and presented as a separate reportable segment. Other operating segments, which do not individually meet the definition of a reportable segment, have been combined and are presented as 'Other International'.

Goodwill impairment testing implications
For goodwill impairment testing, goodwill cannot be assessed for impairment at a level higher than an operating segment and which represents the lowest level within the entity at which goodwill is monitored for internal management purposes. Under the previous determination of operating segments by geographical area, goodwill was tested for impairment at the UK & Ireland, France and Poland levels respectively, representing the lowest level at which the goodwill was monitored for internal management purposes.

As a result of the change to a retail banner level determination of operating segments, the goodwill balances previously allocated to the UK & Ireland and France group of CGUs have been reallocated to the retail banners within those geographical areas (i.e. B&Q and Screwfix in the UK & Ireland and Castorama and Brico Dépôt in France), and tested for impairment at that level. Within Poland there is only one retail banner and so no reallocation is required. In line with 'IAS 36 – Impairment of Assets', where undergoing reporting structure changes, goodwill should be reallocated using a 'relative value' approach. The Group has determined that each retail banner's relative value-in-use represents the most appropriate methodology to determine 'relative value'. The relative value-in-use of each of the retail banners has been calculated utilising the long-term plan cash flows as at 30 November 2024, as well as discount rates and growth rates.

The result of the relative value-in-use goodwill reallocation is set out below:

UK & Ireland	Relative value-in-use %	Goodwill allocation £m
B&Q UK & Ireland	**58**	**1,036**
Screwfix UK & Ireland	**42**	**760**
Total	**100**	**1,796**
France		
Castorama France	**43**	**225**
Brico Dépôt France	**57**	**296**
Total	**100**	**521**

Following the above reallocation of goodwill balances to retail banners, an impairment charge of £84m was recorded in relation to the goodwill associated with Castorama France. In addition, impairment of Castorama France goodwill has been added as a new 'Key source of estimation uncertainty' given the risk of further material impairment over the next 12 months. This detail is set out in note 3.

Refer to note 13 for further details of goodwill impairment testing and the impairment charge recorded in relation to Castorama France.

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 all 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 values 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.

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.

2 Material accounting policies continued

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.

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.

Investments in joint ventures and associates 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 was applied for the years ended 31 January 2024 and 31 January 2025 in respect of the Group's joint venture in Turkey.

The Group's consolidated financial statements include the equity accounted results and financial position of its Turkish joint venture 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. Prior year comparatives are not restated. Both the joint venture 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

	2024/25		2023/24	
	Average rate	**Year end rate**	Average rate	Year end rate
Euro	**1.18**	**1.20**	1.15	1.17
US Dollar	**1.28**	**1.24**	1.25	1.27
Polish Zloty	**5.08**	**5.04**	5.20	5.08
Romanian Leu	**5.89**	**5.95**	5.71	5.83
Turkish Lira[1]	**44.38**	**44.38**	38.64	38.64

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). Sales exclude transactions made between companies within the Group, Value Added Tax, other sales-related taxes and are net of returns, trade and staff discounts.

Revenue is recognised when control of the goods or services are 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.

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 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. Kingfisher acts as an agent in such arrangements and recognises the net commission receivable within sales, generally when an order is placed.

Sales from delivered products, installation services and marketplace 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

Rebates received from suppliers mainly 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 it is probable the rebates will be received and the amounts can be estimated reliably. Discretionary rebates are not anticipated and are only recognised once earned. Rebates relating to inventories purchased but still held at the balance sheet date are deducted from the carrying value so that the cost of inventories is recorded net of applicable rebates. Such rebates are credited to the cost of sales line in the income statement when the goods are sold.

Other rebates received, 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.

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. 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) 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 two to 10 years.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal.

2 Material accounting policies continued

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
Motor cars & commercial vehicles	– between 3 and 10 years

(iii) Disposal
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.

All other repairs and maintenance 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 of 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 by the relevant investment committee.

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 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.

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-ecommerce 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. Long-term growth rates are derived from external long-term inflation forecasts for the territories in which the businesses 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. Profits or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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 purchases.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Write downs 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.

2 Material accounting policies continued

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, excluding the impact of any non-market vesting conditions. 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. 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.

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 Group's 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.

2 Material accounting policies continued

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.

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.

Following the reallocation of goodwill balances to retail banners (refer to note 2), an impairment charge of £84m was recorded in relation to the goodwill associated with Castorama France, resulting from higher discount rates and revised financial projections. In addition, impairment of Castorama France goodwill has been added as a new 'Key source of estimation uncertainty' given the risk of further material impairments over the next 12 months.

In September 2024, the European Court of Justice annulled the decision in relation to the European Commission's previous ruling in relation to the state aid investigation into the Group Financing Exemption section of the UK Controlled Foreign Company rules. As a result, this is no longer considered to be a critical accounting judgment.

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 £2,719m (2023/24: £2,914m). 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 (2023/24: £32m).

The quantity, age and condition of inventories are 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, 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, and better clearance management. 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 £94m (2023/24: £76m net charges) as adjusting items, principally relating to revised financial projections, and the impact of higher discount rates in France.

3 Critical accounting judgements and key sources of estimation uncertainty continued

The carrying amount of store-based assets subject to this estimation uncertainty is £4,278m (2023/24: £4,416m). 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	2024/25	2023/24
Value-in-use	**444**	469
Fair value less costs to sell	**205**	136
	649	605

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 £41m
	– Increase by 10%	– Decrease by £34m
Post-tax discount rate	– Increase by 1%	– Increase by £37m
	– Decrease by 1%	– Decrease by £37m

Further information relating to store assets is provided in notes 15 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.

Following the reallocation of goodwill balances to retail banners (refer to note 2), goodwill of £225m was allocated to the Castorama France group of CGUs. In the current year, the Group has recorded an £84m partial impairment of this balance, principally related to higher discount rates in France and revised cash flow projections. The carrying amount of the remaining Castorama France goodwill balance of £140m is 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 10% decrease in operating cash flows, which could be influenced by a deterioration in external market conditions against forecasted assumptions or the Group's ability to realise internal strategic initiatives, or a 1% increase in the post-tax discount rate which, based on the Group's previous experience and management's judgement represent reasonably possible changes, would lead to an impairment of the remaining £140m goodwill carrying amount.

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 £1,711m (2023/24: £1,826m), 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 £120m (2023/24: £190m). 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 £221m (2023/24: £93m charge). Total adjusting items after taxation were a charge of £196m (2023/24: £70m charge). Refer to note 6 for further information on adjusting items.

Consideration of climate-related matters

In preparing these financial statements, the Group has considered the inclusion of climate change as a 'principal risk' and the potential impacts of climate change on these financials. The rationale for this being included as a principal risk is included in the Risk section (pages 60 – 65). Climate scenario analysis has been performed and is set out in the TCFD disclosures on pages 30 to 46. The financial impacts of these scenarios, once mitigating actions and opportunities are taken into account over the respective time horizons, are 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 financials have been considered in the following areas:

- Carrying value and remaining useful economic lives 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 lives). 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 66 to 67 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 on pages 30 to 46 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.

Notes to the consolidated financial statements continued

4 Sales

£ millions	2024/25	2023/24 (re-presented[1])
B&Q	**3,820**	3,849
Screwfix	**2,636**	2,538
Total UK & Ireland	**6,456**	6,387
Castorama	**2,014**	2,219
Brico Dépôt	**1,869**	2,027
Total France	**3,883**	4,246
Poland	**1,788**	1,694
Iberia	**384**	371
Romania	**257**	269
Screwfix France & Other[2]	**16**	13
Other International	**657**	653
Total Group	**12,784**	12,980

1. Poland is now determined to be a separate reportable segment and has been separated from the 'Other International' combination of operating segments. Refer to note 2.
2. 'Screwfix France & Other' consists of the consolidated results of Screwfix France, NeedHelp and revenue from franchise and wholesale agreements. On 18 July 2024, the Group completed a divestment of our c.80% equity interest in NeedHelp.

5 Segmental analysis

Income statement

£ millions	UK & Ireland	France	Poland	Other International	Total
					2024/25
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 joint ventures and associates					**(6)**
Adjusting items					**(221)**
Operating profit					**407**
Net finance costs					**(100)**
Profit before taxation					**307**

£ millions	UK & Ireland	France	Poland	Other International	Total
					2023/24 (re-presented[1])
Sales	6,387	4,246	1,694	653	12,980
Retail profit/(loss)	555	139	82	(27)	749
Central costs					(60)
Share of interest and tax of joint ventures and associates					(16)
Adjusting items					(93)
Operating profit					580
Net finance costs					(105)
Profit before taxation					475

Balance sheet

£ millions	UK & Ireland	France	Poland	Other International	Total
					2024/25
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**

£ millions	UK & Ireland	France	Poland	Other International	Total
					2023/24 (re-presented[1])
Segment net assets	2,931	1,753	1,195	360	6,239
Central assets					83
Goodwill					2,398
Net debt					(2,116)
Net assets					6,604

Other segmental information

£ millions	UK & Ireland	France	Poland	Other International	Central	Total
						2024/25
Additions to property, plant & equipment, other intangibles (excluding goodwill) 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[2]	**4,362**	**1,968**	**999**	**216**	**18**	**7,563**

£ millions	UK & Ireland	France	Poland	Other International	Central	Total
						2023/24 (re-presented[1])
Additions to property, plant & equipment, other intangibles (excluding goodwill) and right-of-use assets	321	146	106	48	3	624
Depreciation and amortisation	401	137	70	32	1	641
Impairment losses	21	44	11	39	–	115
Impairment reversals	(18)	(8)	–	(2)	–	(28)
Non-current assets[2]	4,480	2,127	1,005	279	8	7,899

1. The Group has reassessed its determination of operating and reportable segments in the year. Following this reassessment, Poland is now determined to be a separate reportable segment and has been separated from the 'Other International' combination of operating segments. Other operating segments, which do not individually meet the definition of a reportable segment, continue to be combined and are presented as 'Other International'. As a result, the 2023/24 segmental disclosures presented above have been re-presented to reflect this revised determination of reportable segments. There are no changes to the Group's reportable segments in the UK & Ireland and France. Refer to note 2.
2. Non-current assets comprise goodwill, other intangible assets, property, plant and equipment, investment property, right-of-use assets and investments in joint ventures and associates.

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.

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, NeedHelp and results from franchising and wholesaling operations. 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.

The principal activities of the Group are the supply of home improvement products and services. The majority of the sales in each segment are derived from in-store and online sales of products.

Central costs principally comprise the costs of the Group's head office before adjusting items.

6 Adjusting items

£ millions	2024/25	2023/24
Included within selling and distribution expenses		
Net store asset impairment losses	**(94)**	(76)
Operating model restructuring	**(5)**	(11)
	(99)	(87)
Included within administrative expenses		
Castorama France goodwill impairment	**(84)**	–
Castorama France head-office restructuring	**(15)**	–
UK guaranteed minimum pension credit	**2**	–
NeedHelp goodwill impairment	**–**	(8)
	(97)	(8)
Included within other income/expenses		
Impairments of Romania assets and other exit costs	**(22)**	–
Loss on disposal of NeedHelp	**(3)**	–
Profit on disposal of Crealfi associate investment	**–**	2
	(25)	2
Adjusting items before tax	**(221)**	(93)
Prior year and other adjusting tax items	**25**	23
Adjusting items	**(196)**	(70)

Against the context of our performance in FY 24/25, we have revised future financial projections for a number of stores across the Group's portfolio. These revised projections, combined with the impact of higher discount rates in France, have resulted in the recognition of £94m of net store impairment charges in the year. Impairment charges of £118m have been recorded principally in France and the UK, partially offset by impairment reversals of £24m principally in France, driven by higher property market values.

During the prior year, the Group commenced formal consultations with employee representatives regarding the Group's technology operating model restructuring programme. Charges of £5m were recorded in the year relating to this programme, which has now been completed.

Following the Group's reassessment of operating and reportable segments (refer to note 2) and the resulting reallocation of goodwill balances to retail banners, an impairment charge of £84m was recorded in relation to the goodwill associated with Castorama France, resulting from increased discount rates and revised financial projections.

During the year, the Group held formal consultations with employee representatives regarding a head office restructuring programme in Castorama France. Restructuring costs of £15m have been recognised related to this programme, primarily relating to redundancy costs. No additional adjusting costs are expected to be incurred relating to this programme.

During the year, we updated the methodology under which the liability relating to guaranteed minimum pension equalisation is calculated for the UK defined benefit scheme, to reflect the methodology chosen by the Trustees, resulting in a £2m credit.

In December 2024, the Group announced that it had reached an agreement to dispose of its 100% interest in its Brico Dépôt Romania business for an enterprise value of £58m. The sale is expected to complete during the first half of 2025/26. Adjusting charges of £22m have been recognised in the year relating to this disposal, principally relating to impairment charges recognised on classification of the business as held for sale, and other exit costs.

During the year, the Group completed the disposal of its c.80% interest in NeedHelp for nil proceeds, resulting in a loss on disposal of £3m.

Prior year and other adjusting tax items relate principally to deferred tax credits recorded in respect of the impairment 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.

7 Net finance costs

£ millions	2024/25	2023/24
Bank overdrafts, bank loans and derivatives	**(1)**	–
Fixed term debt	**(8)**	(7)
Lease liabilities	**(123)**	(126)
Finance costs	**(132)**	(133)
Cash and cash equivalents and short-term deposits	**22**	16
Net interest income on defined benefit pension schemes	**7**	7
Finance lease income	**1**	1
Other interest income	**2**	4
Finance income	**32**	28
Net finance costs	**(100)**	(105)

8 Profit before taxation

The following items of expense/(income) have been charged/(credited) in arriving at profit before taxation:

£ millions	2024/25	2023/24
Amortisation of intangible assets[1]	**125**	111
Depreciation of property, plant and equipment, investment property and right-of-use assets	**531**	530
Impairment of goodwill	**84**	8
Impairment of intangible assets	**6**	3
Impairment of property, plant and equipment, right-of-use assets, investment property and assets held for sale	**132**	104
Reversal of impairment of property, plant and equipment and right-of-use assets	**(24)**	(28)
Write-down to recoverable amount of trade and other receivables	**2**	3

1. Of the amortisation of intangible assets charge, £2m (2023/24: £1m) and £123m (2023/24: £110m) are included in selling and distribution expenses and administrative expenses respectively.

Auditor's remuneration

£ millions	2024/25	2023/24
Fees payable for the audit of the Company and consolidated financial statements	**1.1**	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	**2.2**	1.7
Audit fees	**3.3**	2.8
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	**3.6**	3.1

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 page 83. Audit-related assurance services relate to the interim review. No services were provided pursuant to contingent fee arrangements.

Notes to the consolidated financial statements continued

9 Employees and Directors

£ millions	2024/25	2023/24
Wages and salaries	**1,729**	1,687
Social security costs	**311**	298
Post-employment benefits		
Defined contribution	**55**	50
Defined benefit - current service cost	**10**	11
Share-based compensation	**20**	22
Employee benefit expenses	**2,125**	2,068

Number thousands	2024/25	2023/24
Stores	**66**	69
Administration	**8**	7
Average number of persons employed	**74**	76

The average number of persons employed excludes those employed by the Group's joint ventures and associates.

Remuneration of directors

£ millions	2024/25	2023/24
Emoluments	**4.3**	3.5
Amounts received under incentive schemes[1]	**4.7**	–
	9.0	3.5

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	2024/25	2023/24
Short-term employee benefits	**11.0**	8.4
Post-employment benefits	**0.5**	0.5
Termination benefits	**0.1**	0.3
Share-based compensation	**3.6**	6.5
	15.2	15.7

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 88 to 119. There have been no other transactions with key management during the year (2023/24: £nil).

10 Income tax expense

£ millions	2024/25	2023/24
UK corporation tax		
Current tax on profits for the year	**(79)**	(73)
Adjustments in respect of prior years	**4**	2
	(75)	(71)
Overseas tax		
Current tax on profits for the year	**(26)**	(37)
Adjustments in respect of prior years	**4**	8
	(22)	(29)
Current tax	**(97)**	(100)
Deferred tax		
Current year	**(13)**	(25)
Adjustments in respect of prior years	**(12)**	(4)
Adjustments in respect of changes in tax rates	**–**	(1)
Deferred tax	**(25)**	(30)
Income tax expense	**(122)**	(130)

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% (2023/24: 25%). The differences are explained below:

£ millions	2024/25	2023/24
Profit before taxation	**307**	475
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2023/24: 24%[1])	**(77)**	(114)
Net expense not deductible for tax purposes	**(32)**	(9)
Temporary differences:		
Losses not recognised	**(9)**	(12)
Share of post-tax results of joint ventures	**(4)**	–
Foreign tax rate differences	**4**	–
Adjustments in respect of prior years	**(4)**	6
Adjustments in respect of changes in tax rates	**–**	(1)
Income tax expense	**(122)**	(130)

1. The UK corporation tax rate increased from 19% to 25% with effect from 1 April 2023. A blended rate of 24% is used for 2023/24 in the reconciliation above to reflect this change.

The adjusted effective tax rate on profit before adjusting items is 28% (2023/24: 27%). The effective tax rate calculation is set out in the Financial Review on page 50.

The overall tax rate for the year is 40% (2023/24: 27%). 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 £30m has been credited directly to equity (2023/24: £19m credit) of which a £1m charge (2023/24: £nil) is included in current tax and a £31m credit (2023/24: £19m credit) is included in deferred tax. This principally relates to post-employment benefits.

In July 2023 the Finance (No.2) Act 2023 was enacted in the UK which implemented the global minimum tax rules, commonly referred to as Pillar Two. The rules implement a domestic top-up tax and a multinational top-up tax in the UK which are effective for the Group with effect from 1 February 2024. The rules will require the Group to pay top-up taxes in the UK in respect of any operations in territories where the minimum taxation level of 15% has not been met. Where overseas jurisdictions in which the Group operates have implemented qualified domestic minimum top-up tax rules, any top-up tax due may be payable in that jurisdiction in part or in full. 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.

The Group has assessed the impact of Pillar Two to estimate the exposure to top-up taxes arising from 1 February 2024, and the associated tax charge included in the financial statements is negligible. The Group will continue to closely monitor further developments in respect of Pillar Two.

Changes in tax rates

The UK corporation tax rate increased from 19% to 25% on 1 April 2023.

On 13 February 2025, the French government approved a temporary one-year CIT surcharge. Taxable profits will be subject to tax at the headline statutory rate of 25.00%, plus an additional one-off liability at 41.20% of the average relevant CIT liabilities in respect of the periods 2024/25 and 2025/26. The impact of the surcharge in 2025/26 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	2024/25	2023/24
Basic earnings per share	**10.1**	18.2
Effect of dilutive share options per share	**(0.2)**	(0.2)
Diluted earnings per share	**9.9**	18.0
Basic earnings per share	**10.1**	18.2
Adjusting items before tax per share	**12.0**	4.9
Prior year and other adjusting tax items per share	**(1.4)**	(1.2)
Adjusted basic earnings per share	**20.7**	21.9
Diluted earnings per share	**9.9**	18.0
Adjusting items before tax per share	**11.8**	4.8
Prior year and other adjusting tax items per share	**(1.3)**	(1.2)
Adjusted diluted earnings per share	**20.4**	21.6

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	2024/25	2023/24
Earnings	**185**	345
Adjusting items before tax	**221**	93
Prior year and other adjusting tax items	**(25)**	(23)
Adjusted earnings	**381**	415

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)	2024/25	2023/24
Basic	**1,838**	1,898
Effect of dilutive potential ordinary shares	**29**	23
Diluted	**1,867**	1,921

12 Dividends

£ millions	2024/25	2023/24
Dividends paid to equity shareholders of the Company		
Ordinary interim dividend for the year ended 31 January 2025 of 3.80p per share (year ended 31 January 2024: 3.80p per share)	**69**	72
Ordinary final dividend for the year ended 31 January 2024 of 8.60p per share (year ended 31 January 2023: 8.60p per share)	**159**	165
	228	237

The proposed dividend for the year ended 31 January 2025, 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 2024 and a final dividend of 8.60p. The total final dividend for the year ended 31 January 2025, based on the issued share capital as at 31 January 2025, is expected to be c.£154m. The final amount may vary depending on share movements between the balance sheet and payment date.

13 Goodwill

£ millions	
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**
Cost	
At 1 February 2023	2,457
Exchange differences	(2)
At 31 January 2024	2,455
Impairment	
At 1 February 2023	(49)
Charge for the year	(8)
At 31 January 2024	(57)
Net carrying amount	
At 31 January 2024	2,398

Impairment tests for goodwill

As a result of the change to a retail banner level determination of operating segments, the goodwill balances previously allocated to the UK & Ireland and France groups of CGUs and have been reallocated to the groups of CGUs within the retail banners of those geographical areas (i.e. B&Q and Screwfix in the UK & Ireland and Castorama and Brico Dépôt in France), and tested for impairment at that level. In line with 'IAS 36 – Impairment of Assets', where undergoing reporting structure changes, goodwill should be reallocated using a 'relative value' approach. The Group has determined that each retail banner's relative value-in-use represents the most appropriate methodology to determine 'relative value'. Refer to note 2 for further information on the change in determination of operating segments and implications of this change on goodwill.

Following these changes, goodwill has been allocated for impairment testing purposes to groups of cash generating units ('CGU's) as follows:

£ 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**

£ millions	UK	France	Poland	Romania	NeedHelp	Total
At 31 January 2024						
Cost	1,796	521	81	49	8	2,455
Impairment	–	–	–	(49)	(8)	(57)
Net carrying amount	1,796	521	81	–	–	2,398

Goodwill impairment charges of £84m have been recorded as adjusting items in relation to Castorama France goodwill. Refer to note 6. Following the reallocation of goodwill balances, impairment of Castorama France goodwill has been added as a new 'Key source of estimation uncertainty' given the risk of further material impairment over the next 12 months. Refer to note 3.

13 Goodwill continued

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 2 to 68.

Key drivers in the strategic plans are sales growth, 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 country that are driven by an enlarged offer, an improved digital journey 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 from increased sales on logistics and distribution costs. Assumed operating profit percentages reflect better utilisation of fixed costs as well as cost savings through 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:

		2024/25			2023/24	
Annual % rate	**UK**	**France**	**Poland**	UK	France	Poland
Pre-tax discount rate	**11.0**	**11.2**	**11.7**	11.0	10.4	11.3
Post-tax discount rate	**8.8**	**8.9**	**10.0**	8.8	8.2	9.7
Long-term growth rate	**2.0**	**1.8**	**2.5**	2.0	1.6	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 included as a 'Key source of estimation uncertainty', for the sensitivity analysis over the Castorama France goodwill showing the risk of future material impairment.

14 Other intangible assets

£ millions	Computer software	Other	Total
Cost			
At 1 February 2024	**992**	**19**	**1,011**
Additions	**78**	**–**	**78**
Disposals	**(22)**	**(1)**	**(23)**
Eliminations[1]	**(54)**	**–**	**(54)**
Transfers to held for sale	**(4)**	**(1)**	**(5)**
Exchange differences	**(2)**	**–**	**(2)**
At 31 January 2025	**988**	**17**	**1,005**
Amortisation			
At 1 February 2024	**(630)**	**(13)**	**(643)**
Charge for the year	**(123)**	**(2)**	**(125)**
Impairment losses	**(6)**	**–**	**(6)**
Disposals	**22**	**1**	**23**
Eliminations[1]	**54**	**–**	**54**
Transfers to held for sale	**2**	**1**	**3**
Exchange differences	**1**	**–**	**1**
At 31 January 2025	**(680)**	**(13)**	**(693)**
Net carrying amount			
At 31 January 2025	**308**	**4**	**312**
Cost			
At 1 February 2023	888	16	904
Additions	108	3	111
Disposals	(2)	–	(2)
Exchange differences	(2)	–	(2)
At 31 January 2024	992	19	1,011
Amortisation			
At 1 February 2023	(520)	(13)	(533)
Charge for the year	(111)	–	(111)
Impairment losses	(3)	–	(3)
Disposals	2	–	2
Exchange differences	2	–	2
At 31 January 2024	(630)	(13)	(643)
Net carrying amount			
At 31 January 2024	362	6	368

1. Eliminations consist of amounts in relation to nil net book value assets which have been eliminated from the asset register following a verification project in the UK.

Additions in the current and prior year primarily related to the development of IT infrastructure for the benefit of the Group.

Computer software cost includes £482m (2023/24: £457m) of internally generated development costs with a £171m (2023/24: £191m) 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 and equipment	Total
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**
Cost			
At 1 February 2023	2,737	3,486	6,223
Additions	41	219	260
Disposals	(11)	(51)	(62)
Reclassified from assets held for sale	17	–	17
Exchange differences	(23)	(17)	(40)
At 31 January 2024	2,761	3,637	6,398
Depreciation			
At 1 February 2023	(590)	(2,428)	(3,018)
Charge for the year	(35)	(181)	(216)
Impairment losses	(28)	(24)	(52)
Impairment reversals	22	3	25
Disposals	11	50	61
Reclassified from assets held for sale	(17)	–	(17)
Exchange differences	9	16	25
At 31 January 2024	(628)	(2,564)	(3,192)
Net carrying amount			
At 31 January 2024	2,133	1,073	3,206
Assets in the course of construction included above at net carrying amount			
At 31 January 2025	**35**	**160**	**195**
At 31 January 2024	22	147	169

1. Eliminations and transfers comprise of amounts in relation to nil net book value assets which have been eliminated from the asset register following a verification project in the UK, in addition to other transfers across asset categories in the year.

Net impairment charges of £60m have been recorded in the year (2023/24: £27m). Current year impairment charges of £76m (2023/24: £52m) principally relate to store property and equipment assets in France and the UK, resulting from revised financial projections and higher discount rates in France, as well as the impairment of Brico Dépôt Romania assets classified as held for sale. These charges are partially offset by impairment reversals of £16m (2023/24: £25m) principally in France, driven by higher property market values. The net store impairment charges of £60m 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 2024, with the valuations then reviewed for any significant updates to 31 January 2025. Based on this exercise the value of property is £2.6bn (2023/24: £2.7bn) 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'.

Fixtures, fittings and equipment includes items such as store racking, computers and electronic equipment, motor cars and commercial vehicles.

16 Investment property

£ millions	
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**
Cost	
At 1 February 2023	41
Disposals	(1)
At 31 January 2024	40
Depreciation	
At 1 February 2023	(11)
Impairment losses	(2)
At 31 January 2024	(13)
Net carrying amount	
At 31 January 2024	27

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 £40m (2023/24: £25m). 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 various 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	2024/25	2023/24
Land and buildings	**1,661**	1,772
Fixtures, fittings and equipment	**110**	109
Net carrying amount	**1,771**	1,881

Leased fixtures, fittings and equipment includes items such as mechanical handling equipment and vehicles.

£ millions	2024/25	2023/24
At beginning of year	**1,881**	1,947
Additions[1]	**253**	253
Depreciation charge for the year	**(325)**	(314)
Impairment losses	**(56)**	(50)
Impairment reversals	**8**	3
Transfers to held for sale	**(17)**	–
Transfers to investment property	**(3)**	–
Other movements[2]	**35**	45
Exchange differences	**(5)**	(3)
At end of year	**1,771**	1,881

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 of amounts in relation to indexation, rent reviews and other changes in lease term and scope.

Net right-of-use asset impairment charges of £48m (2023/24: £47m) primarily relate to store-based assets and are resulting from revised financial projections and higher discount rates in France. The net store impairment charges of £48m have been recorded as adjusting items. Refer to note 6.

Amounts included in profit and loss

£ millions	2024/25	2023/24
Short-term rentals	**(43)**	(59)
Sublease income	**2**	1
Depreciation of right-of-use assets		
Property leases	**(284)**	(276)
Equipment leases	**(41)**	(38)
Interest on lease liabilities		
Property leases	**(116)**	(121)
Equipment leases	**(6)**	(5)

Amounts recognised in the cash flow statement

£ millions	2024/25	2023/24
Interest element of lease rental payments		
Property leases	**(117)**	(121)
Equipment leases	**(6)**	(5)
Principal element of lease rental payments		
Property leases	**(344)**	(310)
Equipment leases	**(43)**	(38)
Total cash outflow for leases	**(510)**	(474)

Maturity analysis of operating lease receivables

Undiscounted total future minimum rentals receivable under non-cancellable operating leases are as follows:

£ millions	2024/25	2023/24
Year 1	**5**	5
Year 2	**5**	5
Year 3	**4**	4
Year 4	**4**	4
Year 5	**4**	3
Year 6 and onwards	**21**	18
	43	39

Maturity analysis of finance lease receivables

The following table reconciles the undiscounted sublease rentals receivable under non-cancellable finance leases to the present value of sublease receivables as disclosed as part of trade and other receivables (note 20):

£ millions	2024/25	2023/24
Year 1	**2**	3
Year 2	**2**	3
Year 3	**1**	2
Year 4	**1**	1
Year 5	**–**	1
Year 6 and onwards	**–**	1
Total undiscounted sublease receipts receivable	**6**	11
Unearned finance income	**(1)**	(2)
Sublease receivables	**5**	9

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.

Notes to the consolidated financial statements continued

18 Investments in joint ventures and associates

£ millions	
At 1 February 2024	**19**
Share of post-tax results	**(15)**
Capital contribution	**19**
Exchange differences[1]	**6**
At 31 January 2025	**29**

£ millions	
At 1 February 2023	30
Share of post-tax results	(1)
Disposals[2]	(9)
Exchange differences[1]	(1)
At 31 January 2024	19

No goodwill is included in the carrying amount of investments in joint ventures and associates (2023/24: £nil).

Details of the Group's significant joint ventures and associates are shown below:

	Principal place of business	% interest held	Class of shares owned	Main activity
Principal joint ventures				
Koçtaş Yapı Marketleri Ticaret A.Ş.[2]	Turkey	50%	Ordinary	Retailing
UNIO S.A.S.[2]	France	50%	Ordinary	Sourcing
Principal associate				
Crealfi S.A. [2,3]	France	49%	Ordinary	Finance

Details of material joint ventures:

	2024/25		2023/24	
£ millions	**Koçtaş[4] (100%)**	**Koçtaş[4] (50%)**	Koçtaş[4] (100%)	Koçtaş[4] (50%)
Non-current assets	**74**	**37**	54	27
Current assets [5]	**82**	**41**	82	41
Current liabilities [6]	**(96)**	**(48)**	(86)	(43)
Non-current liabilities [7]	**(2)**	**(1)**	(12)	(6)
Net assets	**58**	**29**	38	19
Sales	**342**	**171**	326	163
Operating expenses [8]	**(360)**	**(180)**	(296)	(148)
Operating profit	**(18)**	**(9)**	30	15
Net finance costs [9]	**(28)**	**(14)**	(32)	(16)
Profit before taxation	**(46)**	**(23)**	(2)	(1)
Income tax expense	**16**	**8**	–	–
Post-tax results	**(30)**	**(15)**	(2)	(1)

1. Exchange differences include amounts in relation to IAS 29 equity adjustments for Koçtaş.
2. The financial statements of these companies are prepared to 31 December.
3. The Group completed the disposal of its interest in Crealfi S.A. on 30 June 2023, resulting in a gain on disposal of £2m.
4. The joint venture disclosures above relate to the Group's Turkish joint venture, Koçtaş Yapı Marketleri Ticaret A.Ş., which has prepared its financial statements under IAS 29 – Financial reporting in hyperinflationary economies.
5. Total current assets (i.e. 100%) include cash and cash equivalents of £24m (2023/24: £4m).
6. Total current liabilities (i.e. 100%) include financial liabilities of £12m (2023/24: £6m).
7. Total non-current liabilities (i.e. 100%) include financial liabilities of £nil (2023/24: £nil).
8. Total operating expenses (i.e. 100%) include £28m depreciation and amortisation charges (2023/24: £14m).
9. Total net finance costs (i.e. 100%) include £36m finance expense (2023/24: £32m) and £8m finance income (2023/24: £nil).

19 Inventories

£ millions	2024/25	2023/24
Finished goods for resale	**2,719**	2,914

The cost of inventories recognised as an expense and included in cost of sales for the year ended 31 January 2025 is £7,173m (2023/24: £7,362m).

20 Trade and other receivables

£ millions	2024/25	2023/24
Non-current		
Prepayments	**7**	9
Sublease receivables	**4**	6
	11	15
Current		
Trade receivables	**100**	101
Allowance for expected credit losses	**(12)**	(9)
Net trade receivables	**88**	92
Property receivables	**5**	4
Sublease receivables	**1**	3
Merchandise returns asset	**10**	11
Prepayments	**62**	79
Rebates due from suppliers	**66**	119
Other taxation and social security	**14**	12
Other receivables	**30**	24
	276	344
Trade and other receivables	**287**	359

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 tables below present the ageing of trade receivables and related allowances for expected credit losses:

	2024/25			2023/24		
£ millions	**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	**–**	**65**	**–**	–	69	–
0-3 months past due	**8%**	**24**	**2**	8%	23	2
3-6 months past due	**80%**	**3**	**3**	45%	2	1
Over 6 months past due	**94%**	**8**	**7**	91%	7	6
Total		**100**	**12**		101	9

21 Cash and cash equivalents

£ millions	2024/25	2023/24
Cash at bank and in hand	**263**	290
Cash equivalents	**73**	70
Cash and cash equivalents[1]	**336**	360

1. Excludes £9m of cash and cash equivalents included within assets held for sale.

Included in cash and cash equivalents is restricted cash of £39m (2023/24: £41m) 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.

22 Trade and other payables

£ millions	2024/25	2023/24
Current		
Trade payables	**1,178**	1,239
Other taxation and social security	**272**	262
Deferred income	**145**	153
Share purchase obligations	**26**	–
Merchandise returns provision	**17**	20
Payroll creditors and accruals	**224**	217
Accruals and other payables	**493**	554
	2,355	2,445
Non-current		
Accruals and other payables	**2**	3
Trade and other payables	**2,357**	2,448

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 income 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	2024/25	2023/24
Opening balance	**153**	179
Revenue recognised which has previously been deferred	**(153)**	(179)
Revenue deferred	**145**	153
Closing balance	**145**	153

Included in trade payables are amounts at 31 January 2025 of £123m (2024/25: £122m) 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 Kingfisher'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, Kingfisher has agreed extended payment terms. Facilities are provided by approved bank counterparties and are uncommitted. The Group does not pay any additional interest to the finance providers on the amounts owed to suppliers.

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 £349m (2023/24: £373m). Of these facilities, £274m are subject to payment terms which are in line with normal payment terms for the suppliers and are paid between 30 and 90 days.

For the remaining £75m, Kingfisher has agreed extended payment terms with the finance providers. The carrying amount at 31 January 2025 of financial liabilities that have extended payment terms under these arrangements is £19m. Without this facility, the Group pays such suppliers on average 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 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	2024/25	2023/24
Current		
Bank overdrafts	**9**	7
Fixed term debt	**99**	–
	108	7
Non-current		
Bank loans	**1**	3
Fixed term debt	**–**	99
	1	102
Borrowings	**109**	109

Bank loans

Non-current bank loans have an average maturity of two years (2023/24: four years) and are arranged at fixed rates of interest with an effective interest rate of 3.8% (2023/24: 3.6%).

Fixed term debt

					2024/25	2023/24
	Principal outstanding	Maturity date	Coupon	Effective interest rate	Carrying amount £m	Carrying amount £m
GBP Term Loan	£50m	17/01/26	SONIA + 0.725%	5.9%	**50**	50
GBP Term Loan	£50m	23/06/25	SONIA + 0.725%	5.9%	**49**	49
					99	99

As at 31 January 2025, the Group had an undrawn revolving credit facility (RCF) of £650m which expires at the end of May 2027.

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 IFRS 16 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 2025, the Group was in compliance with this requirement.

Fair values

	Fair value	
£ millions	2024/25	2023/24
Bank overdrafts	**9**	7
Bank loans	**2**	3
Fixed term debt	**102**	101
Borrowings	**113**	111

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	2024/25	2023/24
Current assets	**22**	2
Non-current assets	**2**	–
Current liabilities	**(5)**	(23)
Non-current liabilities	**–**	(1)
	19	(22)

The net fair value of derivatives by hedge designation at the balance sheet date is:

£ millions	2024/25	2023/24
Cash flow hedges	**17**	(21)
Non-designated hedges	**2**	(1)
	19	(22)

24 Derivatives continued

The Group holds the following derivative financial instruments at fair value:

£ millions	2024/25	2023/24
Foreign exchange contracts	**24**	2
Derivative assets	**24**	2
Foreign exchange contracts	**(5)**	(24)
Derivative liabilities	**(5)**	(24)
	19	(22)

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 2025, net financing derivative assets included in net debt amount to £2m (2023/24: £nil).

Cash flow hedges

Forward foreign exchange contracts hedge currency exposures of forecast inventory purchases. At 31 January 2025, the Sterling equivalent amount of such contracts is £959m (2023/24: £822m). These are located in the derivative asset and derivative liability lines in the consolidated balance sheet with carrying amounts of £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 is a gain of £22m (2023/24: £32m loss). A loss of £15m (2023/24: £33m) has been transferred to inventories for contracts which matured during the year. During the year a loss of £1m (2023/24: £12m) has been transferred to the income statement due to ineffectiveness arising from differences in timing and amount of forecast transaction relating to foreign currency inventory purchases. The weighted average hedged rates for derivatives outstanding at 31 January 2025 for our material currencies are 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 2025, the Sterling equivalent amount of such contracts is £706m (2023/24: £463m). 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 is not required to 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 set-off 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 2025					
Derivative assets	**24**	**–**	**24**	**(5)**	**19**
Derivative liabilities	**(5)**	**–**	**(5)**	**5**	**–**
At 31 January 2024					
Derivative assets	2	–	2	(2)	–
Derivative liabilities	(24)	–	(24)	2	(22)

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 are £233m (2023/24: £232m). The amount recognised in the translation reserve is a gain of £nil (2023/24: £9m gain). There is no ineffectiveness for 2024/25. The cumulative total amount recognised in the translation reserve in relation to net investment hedges is a loss of £103m (2023/24: £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	**2024/25**[1]				2023/24			
	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	**–**	**–**	**336**	**336**	–	–	360	360
Trade and other receivables – current[3]	**–**	**–**	**190**	**190**	–	–	242	242
Trade and other receivables – non-current[3]	**–**	**–**	**4**	**4**	–	–	6	6
Derivative assets – current	**19**	**3**	**–**	**22**	2	–	–	2
Derivative assets – non-current	**2**	**–**	**–**	**2**	–	–	–	–
Trade and other payables – current[3]	**–**	**–**	**(1,697)**	**(1,697)**	–	–	(1,793)	(1,793)
Trade and other payables – non-current[3]	**–**	**–**	**(2)**	**(2)**	–	–	(3)	(3)
Derivative liabilities – current	**(4)**	**(1)**	**–**	**(5)**	(22)	(1)	–	(23)
Derivative liabilities – non-current	**–**	**–**	**–**	**–**	(1)	–	–	(1)
Borrowings – current	**–**	**–**	**(108)**	**(108)**	–	–	(7)	(7)
Borrowings – non-current	**–**	**–**	**(1)**	**(1)**	–	–	(102)	(102)
Lease liabilities – current	**–**	**–**	**(345)**	**(345)**	–	–	(366)	(366)
Lease liabilities – non-current	**–**	**–**	**(1,866)**	**(1,866)**	–	–	(2,001)	(2,001)
Financial assets and liabilities	**17**	**2**	**(3,489)**	**(3,470)**	(21)	(1)	(3,664)	(3,686)

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 income, and non-contractual items relating to other taxation and social security payables and receivables and payroll creditors and accruals.

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. Kingfisher'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.

25 Financial risk management continued

Currency risk

The Group's principal currency exposures are to the Euro, US Dollar, Polish Zloty and Romanian Leu. The Euro, Polish Zloty and Romanian Leu exposures are operational and arise through the ownership of retail businesses in France, Spain, Portugal, the Republic of Ireland, Poland and Romania.

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 arising in the next 18 months. This is monitored on an ongoing basis.

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:

									2024/25
	Sterling		Euro		US Dollar		Other		
£ millions	**Fixed**	**Floating**	**Fixed**	**Floating**	**Fixed**	**Floating**	**Fixed**	**Floating**	**Total**
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.

									2023/24
	Sterling		Euro		US Dollar		Other		
£ millions	Fixed	Floating	Fixed	Floating	Fixed	Floating	Fixed	Floating	Total
At 31 January 2024									
Net (debt)/cash before financing derivatives and lease liabilities	–	(10)	(2)	135	–	90	–	38	251
Financing derivatives	–	(391)	–	85	–	305	–	1	–
Lease liabilities	(1,722)	–	(596)	–	–	–	(49)	–	(2,367)
Net (debt)/cash	(1,722)	(401)	(598)	220	–	395	(49)	39	(2,116)

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.

	2024/25	2023/24
£ millions	**Net finance costs**	Net finance costs
Effect of 1% rise in interest rates on net finance costs		
Sterling	**(6)**	(4)
Euro	**3**	2
US Dollar	**5**	4
Other	**–**	–

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	2024/25 Derivative cash flow hedges increase	2023/24 Derivative cash flow hedges increase
Effect of 10% appreciation in foreign exchange rates on derivative cash flow hedges		
US Dollar against Sterling	**80**	69
US Dollar against Euro	**21**	22
US Dollar against other	**10**	9

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 2025 and 31 January 2024 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.

At 31 January 2025, the Group had an undrawn revolving credit facility (RCF) of £650m, which is due to expire in May 2027.

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.

								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)**

25 Financial risk management continued

£ millions	On demand	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
								2023/24
At 31 January 2024								
Bank overdrafts	(7)	–	–	–	–	–	–	(7)
Trade and other payables[1]	–	(1,793)	(3)	–	–	–	–	(1,796)
Bank loans and fixed term debt	–	(6)	(105)	(1)	(1)	–	–	(113)
Lease liabilities	–	(470)	(439)	(395)	(339)	(283)	(1,107)	(3,033)
Derivative financial liabilities:								
Derivative contracts – receipts	–	788	39	–	–	–	–	827
Derivative contracts – payments	–	(812)	(41)	–	–	–	–	(853)
Derivative financial assets:								
Derivative contracts – receipts	–	442	16	–	–	–	–	458
Derivative contracts – payments	–	(439)	(15)	–	–	–	–	(454)

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 2025, the highest total cash investment with a single counterparty was £17m (2023/24: £21m).

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.

	Credit rating of counterparty[1]									
£ millions	AAA	AA+	AA	AA-	A+	A	A-	BBB +/-	Other rating	Total
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**

	Credit rating of counterparty[1]									
£ millions	AAA	AA+	AA	AA-	A+	A	A-	BBB +/-	Other rating	Total
Cash and cash equivalents[2]	115	–	–	–	145	13	1	5	2	281
Derivative assets	–	–	–	–	2	–	–	–	–	2
At 31 January 2024	115	–	–	–	147	13	1	5	2	283

1. 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.
2. Cash and cash equivalents excludes cash held in stores and cash in transit balances of £82m (2023/24: £79m).

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.

At 31 January 2025, trade and other receivables that are past due amount to £35m (2023/24: £44m), of which £1m (2023/24: £4m) are over 120 days past due.

Capital risk

Capital risk management disclosures are provided in the Financial Review on pages 47 to 55.

26 Deferred tax

£ millions	2024/25	2023/24
Deferred tax assets	**7**	10
Deferred tax liabilities	**(193)**	(207)
	(186)	(197)

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.

									2024/25
£ millions	**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)**

									2023/24
£ millions	Accelerated tax depreciation	Gains on property	Leases	Short-term timing differences	Tax losses	Post-employment benefits	Investment in subsidiaries	Other	Total
At 1 February 2023	(215)	(56)	130	44	1	(99)	(1)	7	(189)
(Charge)/credit to income statement	(15)	4	(10)	(7)	–	(2)	1	(1)	(30)
(Charge)/credit to equity	–	–	(2)	1	–	22	–	(2)	19
Exchange differences	3	2	–	–	–	(2)	–	–	3
At 31 January 2024	(227)	(50)	118	38	1	(81)	–	4	(197)

At the balance sheet date, the Group has unused trading tax losses of £269m (2023/24: £223m) available for offset against future profits. Included in this amount there are tax losses arising in Romania of £182m (2023/24: £149m) which can only be carried forward for a maximum of seven years. Of these, £20m will expire in the next twelve months, £94m in the next two to five years, and £68m in the next six to seven years. Other unrecognised losses may be carried forward indefinitely. No deferred tax asset has been recognised in respect of these losses (2023/24: £1m) due to the unpredictability of future profit streams.

At the balance sheet date, the Group also has unused capital tax losses of £10m (2023/24: £10m) available for offset against future capital gains. No deferred tax asset has been recognised in the year in respect of such losses (2023/24: £nil). All of these losses may be carried forward indefinitely.

A deferred tax liability of £1m (2023/24: £1m) has been recognised in the period, 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 £224m (2023/24: £241m).

An accounting surplus is recognised for the UK defined benefit pension scheme (refer to note 28). The surplus has been recognised on the basis that the future economic benefits are unconditionally available to the Group, which is assumed to be via a refund assuming the full settlement of plan liabilities in the event of a plan wind-up. On 22 November 2023, the UK government announced that the authorised surplus payments charge would be reduced from 35% to 25% from 6 April 2024. Following the enactment of this legislation on 11 March 2024, the deferred tax liability has been reduced by £32m with a corresponding credit to other comprehensive income.

27 Provisions

£ millions	
At 1 February 2024	**16**
Charged to income statement	**18**
Released to income statement	**(1)**
Utilised in the year	**(8)**
At 31 January 2025	**25**
Current liabilities	**16**
Non-current liabilities	**9**
	25

Provisions are principally comprised of restructuring provisions relating to restructuring plans in France. Amounts charged to the income statement in the current year of £18m are principally related to the Castorama France head-office and 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 variety 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	**2024/25**	2023/24
Charge to operating profit	**55**	50

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. Following this valuation and in accordance with the scheme's Statement of Funding Principles, the Trustee and Kingfisher have agreed to cease annual employer contributions during the period from August 2022 to July 2025. This agreement has been 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 principle 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 as part of the 2025 valuation.

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, in the case Virgin Media v NTL Pension Trustees II Limited (and others), the Court of Appeal upheld the High Court's 2023 decision which confirmed that certain rules of a contracted-out defined benefit scheme cannot be altered without the statutory actuarial confirmation having been obtained and that non-compliant alterations are void. The Company has commenced its assessment as to whether the ruling has any implications on the UK defined benefit scheme and whether or not the impact is material. The Company will continue to monitor further relevant court cases due to be heard in 2025, as well as updates from the Government as to whether it will issue new regulations in response to this issue.

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

		2024/25			2023/24	
£ millions	**UK**	**Overseas**	**Total**	UK	Overseas	Total
Amounts charged/(credited) to operating profit						
Current service cost	**3**	**7**	**10**	3	8	11
Past service credit	**(2)**	**(13)**	**(15)**	–	(3)	(3)
Administration costs	**5**	**–**	**5**	4	–	4
	6	**(6)**	**–**	7	5	12
Amounts (credited)/charged to net finance costs						
Net interest (income)/expense	**(10)**	**3**	**(7)**	(11)	4	(7)
Total (credited)/charged to income statement	**(4)**	**(3)**	**(7)**	(4)	9	5

Of the net charge to operating profit, a £5m credit (2023/24: £8m charge) and £5m charge (2023/24: £4m charge) are included in selling and distribution expenses and administrative expenses respectively. Remeasurement gains and losses have been reported in the statement of comprehensive income.

28 Post-employment benefits continued

Balance sheet

	2024/25			2023/24		
£ millions	**UK**	**Overseas**	**Total**	UK	Overseas	Total
Present value of defined benefit obligations	**(1,711)**	**(121)**	**(1,832)**	(1,826)	(133)	(1,959)
Fair value of scheme assets	**1,913**	**20**	**1,933**	2,038	20	2,058
Net surplus/(deficit)	**202**	**(101)**	**101**	212	(113)	99

Movements in the surplus or deficit are as follows:

	2024/25			2023/24		
£ millions	**UK**	**Overseas**	**Total**	UK	Overseas	Total
Net surplus/(deficit) at beginning of year	**212**	**(113)**	**99**	251	(114)	137
Current service cost	**(3)**	**(7)**	**(10)**	(3)	(8)	(11)
Past service credit	**2**	**13**	**15**	–	3	3
Administration costs	**(5)**	**–**	**(5)**	(4)	–	(4)
Net interest income/(expense)	**10**	**(3)**	**7**	11	(4)	7
Net remeasurement (losses)/gains	**(14)**	**3**	**(11)**	(43)	1	(42)
Contributions paid by employer	**–**	**5**	**5**	–	5	5
Exchange differences	**–**	**1**	**1**	–	4	4
Net surplus/(deficit) at end of year	**202**	**(101)**	**101**	212	(113)	99

Movements in the present value of defined benefit obligations are as follows:

	2024/25			2023/24		
£ millions	**UK**	**Overseas**	**Total**	UK	Overseas	Total
Present value of defined benefit obligations at beginning of year	**(1,826)**	**(133)**	**(1,959)**	(1,979)	(134)	(2,113)
Current service cost	**(3)**	**(7)**	**(10)**	(3)	(8)	(11)
Past service credit	**2**	**13**	**15**	–	3	3
Interest expense	**(87)**	**(3)**	**(90)**	(87)	(4)	(91)
Remeasurement gains/(losses) – changes in financial assumptions	**115**	**–**	**115**	136	(2)	134
Remeasurement gains – changes in demographic assumptions	**5**	**3**	**8**	54	–	54
Remeasurement (losses)/gains – experience adjustments	**(7)**	**–**	**(7)**	(34)	3	(31)
Benefits paid	**90**	**5**	**95**	87	5	92
Exchange differences	**–**	**1**	**1**	–	4	4
Present value of defined benefit obligations at end of year	**(1,711)**	**(121)**	**(1,832)**	(1,826)	(133)	(1,959)

The present value of UK scheme defined benefit obligations is 52% (2023/24: 50%) in respect of deferred members and 48% (2023/24: 50%) in respect of current pensioners.

The weighted average duration of the UK scheme obligations at the end of the year is 14 years (2023/24: 15 years).

Movements in the fair value of scheme assets are as follows:

£ millions	UK	Overseas	Total	UK	Overseas	Total
			2024/25			2023/24
Fair value of scheme assets at beginning of year	**2,038**	**20**	**2,058**	2,230	20	2,250
Administration costs	**(5)**	**–**	**(5)**	(4)	–	(4)
Interest income	**97**	**–**	**97**	98	–	98
Remeasurement losses – actual return less interest income	**(127)**	**–**	**(127)**	(199)	–	(199)
Contributions paid by employer	**–**	**5**	**5**	–	5	5
Benefits paid	**(90)**	**(5)**	**(95)**	(87)	(5)	(92)
Fair value of scheme assets at end of year	**1,913**	**20**	**1,933**	2,038	20	2,058

The fair value of scheme assets is analysed as follows:

£ millions	UK	Overseas	Total	% of total	UK	Overseas	Total	% of total
				2024/25				2023/24
Government bonds[1]	**642**	**–**	**642**	**33%**	712	–	712	34%
Corporate bonds	**358**	**–**	**358**	**19%**	332	–	332	16%
Derivatives	**(21)**	**–**	**(21)**	**(1)%**	(49)	–	(49)	(2)%
Equities	**15**	**–**	**15**	**1%**	33	–	33	2%
Annuities	**736**	**–**	**736**	**38%**	783	–	783	38%
Cash	**74**	**–**	**74**	**4%**	98	–	98	5%
Other	**109**	**20**	**129**	**6%**	129	20	149	7%
Total fair value of scheme assets	**1,913**	**20**	**1,933**	**100%**	2,038	20	2,058	100%

1. Including LDI repurchase agreement liabilities.

All UK scheme assets have quoted prices in active markets, except for £845m (2023/24: £912m) 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 (2023/24: £1.2bn) and associated repurchase agreement liabilities of £0.4bn (2023/24: £0.5bn). 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	UK	Overseas	UK	Overseas
		2024/25		2023/24
Discount rate	**5.40**	**3.40**	4.85	3.45
Price inflation	**3.25**	**2.40**	3.10	2.40
Rate of pension increases	**3.05**	**–**	2.95	–
Salary escalation	**n/a**	**2.8**	n/a	2.40

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 from time to time relating to 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 2022 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	**2024/25**	2023/24
Age to which current pensioners are expected to live (60 now)		
– Male	**85.6**	85.6
– Female	**88.3**	88.3
Age to which future pensioners are expected to live (60 in 15 years' time)		
– Male	**86.9**	86.9
– Female	**90.4**	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 £122m
Price inflation	Increase/decrease by 0.25%	Increase/decrease by £53m
Rate of pension increases	Increase/decrease by 0.25%	Increase/decrease by £50m
Mortality	Increase/decrease in life expectancy by one year	Increase/decrease by £59m

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 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**
At 1 February 2023	1,940	305
New shares issued under share schemes	2	–
Purchase of own shares for cancellation	(67)	(11)
At 31 January 2024	1,875	294

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 Group purchased 83 million (2023/24: 67 million) of the Company's own shares for cancellation at a cost of £225m (2023/24: £160m) as part of its capital returns programme.

30 Other reserves

£ millions	Translation reserve	Cash flow hedge reserve	Other	Total
				2024/25
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				
Group	**(25)**	**–**	**–**	**(25)**
Joint ventures and associates	**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**

£ millions	Translation reserve	Cash flow hedge reserve	Other	Total
				2023/24
At 1 February 2023	150	(24)	159	285
Inventory cash flow hedges – fair value losses	–	(32)	–	(32)
Tax on items that will not be reclassified subsequently to profit or loss	–	6	–	6
Currency translation differences				
Group	(3)	–	–	(3)
Joint ventures and associates	(1)	–	–	(1)
Transferred to income statement	(2)	–	–	(2)
Inventory cash flow hedges – losses transferred to income statement	–	12	–	12
Tax on items that may be reclassified subsequently to profit or loss	–	(2)	–	(2)
Other comprehensive expense for the year	(6)	(16)	–	(22)
Inventory cash flow hedges – losses transferred to inventories	–	33	–	33
Tax on equity items	–	(6)	–	(6)
At 31 January 2024	144	(13)	159	290

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

	2024/25		2023/24	
	Number of options thousands	**Weighted average exercise price £**	Number of options thousands	Weighted average exercise price £
Outstanding at beginning of year	**71,336**	**0.46**	58,946	0.52
Granted during the year[1]	**20,810**	**0.42**	25,235	0.45
Forfeited and expired during the year	**(14,252)**	**0.37**	(5,470)	1.12
Exercised during the year	**(10,298)**	**0.23**	(7,375)	0.45
Outstanding at end of year	**67,596**	**0.50**	71,336	0.46
Exercisable at end of year	**8,721**	**0.49**	6,854	0.52

1. The weighted average exercise price for options granted during the year represents a blend of nil price Performance Share Plan and Alignment Share awards, and discounted Sharesave options (see below).

Information on the share schemes is given in note 12 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 £2.63 (2023/24: £2.41). 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 5.4 years (2023/24: 5.4 years).

The Group recognised a total expense of £20m in the year ended 31 January 2025 (2023/24: £22m) relating to equity-settled share-based payment transactions.

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	21/04/16	3.61	–	7	–	–	–	3.61
	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
UK and International Sharesave	31/10/17	3.13	2.42	3.5	22.8%	3.4%	0.6%	0.43
	31/10/17	3.13	2.42	5.5	22.3%	3.4%	0.8%	0.34
	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
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
Transformation Incentive	19/07/16	3.32	–	10	–	–	–	3.32
Delivering Value Incentive	30/07/19	2.24	–	10	–	–	–	1.75
	04/05/21	3.57	–	10	–	–	–	3.19

1. Expected life is disclosed based on the UK schemes. For the Kingfisher Incentive Share Plan scheme in the UK, the expiry date is 7 years from the date of grant. For the Performance Share Plan, Transformation Incentive award and 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.
2. 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.
3. 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.
4. Risk free rate was determined for each individual award (or relevant components of an award).

32 Cash generated by operations

£ millions	2024/25	2023/24
Operating profit	**407**	580
Share of post-tax results of joint ventures and associates	**15**	1
Depreciation and amortisation	**656**	641
Net impairment losses	**198**	87
Loss on disposal of property, plant & equipment and investment property	**8**	–
Loss/(gain) on disposals of subsidiaries and associates	**3**	(2)
Lease gains	**–**	(7)
Share-based compensation charge	**20**	22
Decrease in inventories	**87**	132
Decrease/(increase) in trade and other receivables	**63**	(6)
Decrease in trade and other payables	**(50)**	(14)
Movement in provisions	**9**	(3)
Movement in post-employment benefits	**(5)**	7
Cash generated by operations	**1,411**	1,438

33 Net debt

£ millions	2024/25	2023/24
Cash and cash equivalents	**336**	360
Cash and cash equivalents included within assets held for sale	**9**	–
Bank overdrafts	**(9)**	(7)
Cash and cash equivalents and bank overdrafts (including cash and cash equivalents held for sale)	**336**	353
Bank loans	**(1)**	(3)
Fixed term debt	**(99)**	(99)
Lease liabilities	**(2,211)**	(2,367)
Lease liabilities included within assets held for sale	**(42)**	–
Net financing derivatives	**2**	–
Net debt (including net debt held for sale)	**(2,015)**	(2,116)

£ millions	2024/25	2023/24
Net debt at beginning of year	**(2,116)**	(2,274)
Net (decrease)/increase in cash and cash equivalents and bank overdrafts	**(11)**	84
Arrangement fees paid	**2**	–
Net cash flow[1]	**(9)**	84
Movements in lease liabilities	**107**	71
Exchange differences and other non-cash movements	**3**	3
Net debt at end of year	**(2,015)**	(2,116)

1. Refer to the glossary for the definition of net cash flow.

33 Net debt continued

The table below sets out the movements in liabilities arising from financing activities:

£ millions	Borrowings (excluding bank overdrafts) 2024/25	Net financing derivatives 2024/25	Lease liabilities 2024/25	Share purchase obligations[1] 2024/25	Total financing liabilities 2024/25
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)**
Fair value movements and exchange differences	**–**	**2**	**7**	**–**	**9**
At 31 January 2025	**(100)**	**2**	**(2,211)**	**(26)**	**(2,335)**

£ millions	Borrowings (excluding bank overdrafts) 2023/24	Net financing derivatives 2023/24	Lease liabilities 2023/24	Share purchase obligations[1] 2023/24	Total financing liabilities 2023/24
At 1 February 2023	(102)	2	(2,444)	(7)	(2,551)
Principal repayments	–	–	348	–	348
Shares purchased for cancellation	–	–	–	160	160
Interest paid	7	–	126	–	133
Cash outflow relating to financing liabilities	7	–	474	160	641
Interest charge	(7)	–	(126)	–	(133)
Lease liability additions	–	–	(253)	–	(253)
Other movements in lease liabilities[2]	–	–	(26)	–	(26)
Recognised liability due to share purchase commitments	–	–	–	(153)	(153)
Fair value movements and exchange differences	–	(2)	8	–	6
At 31 January 2024	(102)	–	(2,367)	–	(2,469)

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 principally comprise of amounts in relation to indexation, rent reviews and other changes in lease term and scope.

34 Assets and liabilities held for sale

£ millions	**2024/25**	2023/24
Assets held for sale	**158**	3
Liabilities directly associated with assets held for sale	**(92)**	–
	66	3

In December 2024, the Group announced that it had reached an agreement to dispose of its 100% interest in its Brico Dépôt Romania business. The business's assets and liabilities were classified as a disposal group held for sale in the current year. Charges of £22m have been recognised in the year relating to this disposal, principally relating to impairment charges recognised on classification of the business as held for sale, and other exit costs. The business is presented within the 'Other International' combination of segments.

The major classes of assets and liabilities comprising the Romania disposal group classified as held for sale are as follows:

£ millions	**Total**
Other intangible assets	**2**
Property, plant & equipment	**37**
Right-of-use assets	**14**
Inventories	**87**
Trade and other receivables	**3**
Cash and cash equivalents	**9**
Total assets classified as held for sale	**152**
Trade and other payables	**(48)**
Lease liabilities	**(40)**
Other liabilities	**(2)**
Total liabilities directly associated with assets held for sale	**(90)**
Net assets of disposal group	**62**

Assets held for sale also include £6m freehold properties and right of use assets in Poland. In the prior year, assets held for sale comprised freehold properties in Poland. Liabilities held for sale include £2m lease liabilities held for sale in Poland.

35 Commitments

Capital commitments contracted but not provided for by the Group at 31 January 2025 amount to £14m (2023/24: £31m).

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 repayment of the tax and interest, totalling £69m, is expected in 2025/26. At the balance sheet date, the Group is recognising this amount as a current asset (2023/24: £68m recognised as a non-current asset).

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 Properties Investments Limited	07501852
B&Q Properties Farnborough Limited	07595097	B&Q Properties Witney Limited	07595124	Kingfisher TMB Limited	03926623
B&Q Properties Investments Limited	SC389774	B&Q Properties Wrexham Limited	07347678	New England Paint Company Limited	04056989
B&Q Properties Limited	03885270	Eijsvogel Finance Limited	02792015	Sheldon Poland Investments Limited	08409745
B&Q Properties New Malden Limited	03926734	Kingfisher France Limited	04213347	Zeus Land Investments Limited	00601220
B&Q Properties South Shields Limited	07156522	Kingfisher Holdings Limited	09404258		
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 2025 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	2024/25 Income	2024/25 Receivable	2023/24 Income	2023/24 Receivable
Transactions with Koçtaş Yapı Marketleri Ticaret A.Ş. in which the Group holds a 50% interest				
Commission and other income	**0.6**	**0.2**	0.5	–
Transactions with Crealfi S.A. in which the Group held a 49% interest[1]				
Provision of employee services	**–**	**–**	0.1	–
Commission and other income	**–**	**–**	1.5	–
Transactions with the Kingfisher Pension Scheme				
Provision of administrative services	**0.8**	**0.6**	0.8	0.2

1. Crealfi S.A. was disposed of in the prior year.

In addition to the above arm's length transactions, during the year the Group made capital contributions totalling £19m into the Koçtaş joint venture. Refer to note 18 for further information.

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.

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 10 million of the Company's own shares for cancellation at a cost of £26m. This amount was deducted from equity in 2024/25 as a result of an irrevocable buyback agreement which was in place at 31 January 2025.

Company balance sheet

At 31 January 2025

£ millions	Notes	2024/25	2023/24
Non-current assets			
Property, plant and equipment		**6**	7
Right-of-use assets	4	**10**	12
Investment in subsidiary	5	**6,825**	6,829
Trade and other receivables	6	**3,268**	2,974
Post-employment benefits	10	**9**	9
Deferred tax assets		**5**	8
		10,123	9,839
Current assets			
Trade and other receivables	6	**62**	46
Derivative assets	9	**3**	–
Current tax assets		**91**	84
Cash and cash equivalents		**111**	113
		267	243
Total assets		**10,390**	10,082
Current liabilities			
Trade and other payables	7	**(5,584)**	(5,234)
Borrowings	8	**(99)**	–
Lease liabilities	4	**(2)**	–
		(5,685)	(5,234)
Net current liabilities		**(5,418)**	(4,991)
Total assets less current liabilities		**4,705**	4,848
Non-current liabilities			
Borrowings	8	**–**	(99)
Lease liabilities	4	**(12)**	(13)
		(12)	(112)
Total liabilities		**(5,697)**	(5,346)
Net assets		**4,693**	4,736
Equity			
Share capital	11	**282**	294
Share premium		**2,228**	2,228
Own shares held in ESOP trust		**(34)**	(31)
Retained earnings		**1,412**	1,452
Capital redemption reserve		**94**	82
Other reserves		**711**	711
Total equity		**4,693**	4,736

The Company's profit for the year was £437m (2023/24: £55m loss).

The financial statements of Kingfisher plc (company number 01664812) were approved by the Board of Directors on 24 March 2025 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 2025

£ millions	Notes	Share capital (note 11)	Share premium	Own shares held[1]	Retained earnings	Capital redemption reserve[2]	Other reserves[3]	Total equity
								2024/25
At 1 February 2024		**294**	**2,228**	**(31)**	**1,452**	**82**	**711**	**4,736**
Profit for the year		**–**	**–**	**–**	**437**	**–**	**–**	**437**
Total comprehensive income for the year		**–**	**–**	**–**	**437**	**–**	**–**	**437**
Share-based compensation	12	**–**	**–**	**–**	**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**

£ millions	Notes	Share capital (note 11)	Share premium	Own shares held[1]	Retained earnings	Capital redemption reserve[2]	Other reserves[3]	Total equity
								2023/24
At 1 February 2023		305	2,228	(22)	1,886	71	711	5,179
Loss for the year		–	–	–	(55)	–	–	(55)
Other comprehensive expense for the year		–	–	–	(1)	–	–	(1)
Total comprehensive expense for the year		–	–	–	(56)	–	–	(56)
Share-based compensation	12	–	–	–	5	–	–	5
Capital contributions given relating to share-based payments		–	–	–	16	–	–	16
New shares issued under share schemes		–	–	–	4	–	–	4
Own shares issued under share schemes		–	–	15	(15)	–	–	–
Purchase of own shares for cancellation		(11)	–	–	(153)	11	–	(153)
Purchase of own shares for ESOP trust		–	–	(24)	–	–	–	(24)
Dividends		–	–	–	(237)	–	–	(237)
Tax on equity items		–	–	–	2	–	–	2
At 31 January 2024		294	2,228	(31)	1,452	82	711	4,736

1. The own shares held relate to shares held by the Employee Share Ownership Plan Trust.
2. The capital redemption reserve relates to amounts transferred from share capital on repurchase of issued shares which are subsequently cancelled.
3. 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 to 68.

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 14.

2 Material accounting policies

The financial statements of Kingfisher plc ('the Company') are for the year ended 31 January 2025 ('the year' or '2024/25') and were authorised for issue by the Board of Directors on 24 March 2025. The comparative financial year is the year ended 31 January 2024 ('the prior year' or '2023/24').

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 2025. 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.

As permitted by section 408 of the Companies Act 2006, the income statement of the Company has not been presented.

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 Payment';
- 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

Changes to accounting policies as a result of new 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:

	2024/25 Year end rate	2023/24 Year end rate
Euro	**1.20**	1.17
US Dollar	**1.24**	1.27
Polish Zloty	**5.04**	5.08

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. Leased assets

The Company assesses whether a contract is or contains a lease at inception of the contract. Typically, lease contracts relate to properties such as the Company's Head Office. For leases in which the Company is a lessee, the Company recognises a right-of-use asset and a lease liability, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The liability is initially measured at 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 Company, 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 optional periods when the Company is reasonably certain to exercise an option to extend (or not to terminate) a lease.

The Company 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.

The right-of-use assets are initially measured at the amount equal to the lease liability, adjusted by any upfront lease payments or 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 over the useful economic life of the assets which is determined to be the lease term.

c. 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.

d. 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.

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, excluding the impact of any non-market vesting conditions. 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.

e. 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.

2 Material accounting policies continued

e. Taxation continued

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.

f. 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.

g. 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.

h. 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.

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 83 to 87.

Dividend disclosures are provided in note 12 to the Kingfisher plc consolidated financial statements.

£ millions	**2024/25**	2023/24
Wages and salaries	**38**	36
Social security costs	**5**	5
Post-employment benefits – defined contribution	**3**	3
Share-based compensation	**5**	5
Employee benefit expenses	**51**	49

Number	**2024/25**	2023/24
Average number of persons employed		
Administration	**306**	306

Directors' remuneration and details of share option exercises are disclosed in the Directors' Remuneration report on pages 88 to 119. Total Directors' remuneration for the year is £5m (2023/24: £9m). 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 Leases

The Company is a lessee of office space.

Right-of-use assets

£ millions	**2024/25**	2023/24
Land and buildings	**10**	12
Net carrying amount	**10**	12

Additions to right-of-use assets during the year were £nil (2023/24: £nil).

Amounts included in profit and loss

£ millions	**2024/25**	2023/24
Depreciation of right-of-use assets		
Land and buildings	**(2)**	(1)

Other lease disclosures

There are no lease arrangements under which rental payments are contingent upon sales, other performance or usage.

There are no corporate restrictions imposed by lease arrangements such as those concerning dividends, additional debt and further leasing.

Lease liabilities

£ millions	**2024/25**	2023/24
Current	**(2)**	–
Non-current	**(12)**	(13)
	(14)	(13)

Notes to the Company financial statements continued

5 Investments

£ millions	Investments in subsidiaries
At 1 February 2024	**6,829**
Capital contributions given relating to share-based payments	**16**
Contributions received relating to share-based payments	**(20)**
At 31 January 2025	**6,825**

The Company's investments in subsidiaries are principally comprised 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.

6 Trade and other receivables

£ millions	2024/25	2023/24
Non-current		
Owed by Group undertakings	**3,268**	2,974
	3,268	2,974
Current		
Owed by Group undertakings	**62**	46
	62	46
Trade and other receivables	**3,330**	3,020

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 £84m (2023/24: £nil) and £58m (2023/24: £nil). The £84m intercompany loan matures on 30 June 2025 and is priced to 4.03% 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. The £58m intercompany loan is priced to 6.95% interest and is expected to be settled within 12 months of the balance sheet date therefore has been recorded as a current asset.

Amounts owed by subsidiary undertakings have been considered for impairment using the 12 months 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 (2023/24: £nil).

7 Trade and other payables

£ millions	2024/25	2023/24
Current		
Owed to Group undertakings	**5,521**	5,204
Other taxation and social security	**5**	5
Share repurchase obligations	**26**	–
Accruals	**25**	23
Other payables	**7**	2
	5,584	5,234

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.

8 Borrowings

£ millions	2024/25	2023/24
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 2025 and January 2026.

See notes 23 and 33 to the consolidated financial statements for further details.

9 Derivatives

The fair value of derivatives at the balance sheet date is:

£ millions	2024/25	2023/24
Foreign exchange contracts	3	–
Derivative assets	3	–

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.

10 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	2024/25	2023/24
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. The valuation of the scheme has been based on the most recent full actuarial valuation as at 31 March 2022. Following this valuation and in accordance with the scheme's Statement of Funding Principles, the Trustee and Kingfisher agreed to cease annual employer contributions during the period from August 2022 to July 2025. 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 to address an element of the scheme deficit. 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.

10 Post-employment benefits continued

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 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**
At 1 February 2023	(58)	68	10
Interest (expense)/income	(3)	3	–
Remeasurement gains/(losses)[1]	5	(6)	(1)
Benefits paid	3	(3)	–
At 31 January 2024	(53)	62	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	2024/25	2023/24
Equities	**–**	1
Government and corporate bonds	**29**	31
Annuities	**22**	23
Cash and other	**7**	7
Total fair value of scheme assets	**58**	62

11 Called up share capital

	Number of ordinary shares millions	Ordinary share capital £ millions
Allotted, called up and fully paid:		
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**
At 1 February 2023	1,940	305
New shares issued under share schemes	2	–
Purchase of own shares for cancellation	(67)	(11)
At 31 January 2024	1,875	294

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 83 million (2023/24: 67 million) of the Company's own shares for cancellation at a cost of £225m (2023/24: £160m) as part of its capital returns programme.

12 Share-based payments

The Company operates a number of share incentive plans including the Performance Share Plan ('PSP'), Kingfisher Alignment Share and Transformation Incentive Plan ('KASTIP'), 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 £2.63 (2023/24: £2.41). 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 7.1 years (2023/24: 6.9 years).

In the current year, the Company recognised a total expense of £5m (2023/24: £5m) relating to equity-settled share-based payment transactions.

The Executive Directors' awards are disclosed in the Directors' Remuneration report on pages 88 to 119. The KASTIP awards are described as part of the Directors' Remuneration Report.

PSP awards are based on service and performance conditions over a three-year period. The KASTIP was granted based on a three-year service condition. Under the KISP, share awards are deferred for three years. 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 £79m (2023/24: £83m) to enable it to acquire shares in Kingfisher plc. The shares are used to satisfy options awarded under the PSP, Delivering Value Incentive award, Transformation Incentive Award, Alignment Share award and KISP.

The ESOP trust's shareholding at 31 January 2025 is 12 million shares (2023/24: 10 million shares) with a nominal value of £2m (2023/24: £2m) and a market value of £29m (2023/24: £23m). Dividends on these shares were waived for the interim and final dividends.

13 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:

	2024/25		2023/24	
£ millions	**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	**0.6**	**0.2**	0.5	–
Transactions with the Kingfisher Pension Scheme				
Provision of administrative services	**0.8**	**0.6**	0.8	0.2

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. Directors' remuneration and details of share option exercises are disclosed in the Directors' Remuneration report on pages 88 to 119. Other transactions with the Kingfisher Pension Scheme are detailed in note 28 of the consolidated financial statements.

14 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 2025 is shown below. Changes to the list of related undertakings since the year-end date 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 2025 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

ADSR-Real Estate S.A.S.[1]
Alcedo Finance Limited[2]
B&Q (Retail) Guernsey Limited[3]
B&Q (Retail) Jersey Limited[4]
B&Q Ireland Limited[6]
B&Q Limited[a, 5]
B&Q Properties Chesterfield Limited[5]
B&Q Properties Farnborough Limited[5]
B&Q Properties Investments Limited[20]
B&Q Properties Limited[5]
B&Q Properties New Malden Limited[5]
B&Q Properties South Shields Limited[5]
B&Q Properties Sutton-in-Ashfield Limited[5]
B&Q Properties Swindon Limited[5]
B&Q Properties Witney Limited[5]
B&Q Properties Wrexham Limited[5]
Brico Depôt Portugal, S.A.[9]
Brico Dépôt S.A.S.[10]
Bricostore Romania S.A.[11]
Castim Sp. z o.o.[12]
Castorama Polska Sp. z o.o[12]
Castorama France S.A.S.[13]
Dickens Limited[5]
Eijsvogel Finance Limited[2]
Euro Depot España SAU[14]
Euro Dépôt Immobilier S.A.S.[10]
Geared Up Limited[8]
Halcyon Finance Limited[2]
Horizons 1000 S.A.S.[10]
KF10 S.A.S.[28]
KF11 S.A.S.[28]
KFL8 S.A.S.[1]
KFS Sp. z o.o.[15]
Kingfisher Asia Limited[17]
Kingfisher Développement S.A.S.[1]
Kingfisher France Limited[2]
Kingfisher Group Finance B.V.[26]
Kingfisher Group Limited[2]
Kingfisher Holdings Limited[b, 2]
Kingfisher Information Technology Services (France) S.A.S.[1]
Kingfisher Information Technology Services (UK) Limited[2]
Kingfisher Insurance Designated Activity Company[19]
Kingfisher International France Limited[c, 7]
Kingfisher International Holdings Limited[2]
Kingfisher International Products B.V.[18]
Kingfisher International Products France S.A.S.[1]
Kingfisher International Products Limited[2]
Kingfisher Investissements S.A.S.[13]
Kingfisher Marketplaces Limited[d, 2]
Kingfisher Pension Trustee Limited[2]
Kingfisher Properties Investments Limited[2]
Kingfisher Retail Media France S.A.S.[25]
Kingfisher (Shanghai) Sourcing Consultancy Co. Ltd[16]
Kingfisher Sourcing Eastern Europe Sp. z o.o.[12]
Kingfisher TMB Limited[5]
KSO Istanbul Sourcing Ev Geliştirme Ürünleri ve Hizmetleri Ltd Sti[21]
L'Immobiliere Castorama S.A.S.[13]
Martin Pecheur Holdings Limited[c, 22]
Melani 1 Sp. z o.o.[12]
New England Paint Company Limited[2]
Paddington Investment Ireland Limited[29]
Screwfix Direct (Ireland) Limited[6]
Screwfix Direct Limited[e, 8]
SCREWFIX S.A.S.[1]
Screwfix Spares Limited[8]
SFD LTD[8]
Sheldon Euro Investments Limited[f, 2]
Sheldon Holdings Limited[2]
Sheldon Poland Investments Limited[2]
Société Letranne S.C.I[10]
SOCODI S.A.R.L.[1]
Trade Point Limited[5]
Zeus Land Investments Limited[2]

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.

B&Q Foundation[5, *]
Fondation Brico Dépôt pour l'Habitat[24, *]
Fondation Castorama[24, *]
Fundación Brico Depôt Iberia[14, *]
Fundacja Castorama[12, *]
Fundatia Bricodepot[11, *]
Kingfisher Scottish Limited Partnership[g, 20, *]
Koçtaş Yapı Marketleri Ticaret A.Ş. (Turkey, 50%)[h, 23]
The Screwfix Foundation[8, *]
UNIO S.A.S. (France, 50%)[i, 27]

a. 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.
b. The shares are held directly by Kingfisher plc.
c. Entity in process of liquidation as at 31 January 2025.
d. 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.
e. 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.
f. Entity dissolved on 18 February 2025.
g. Kingfisher Properties Investments Limited and Kingfisher Pension Trustee Limited are the limited partners; B&Q Properties Investments Limited is the general partner.
h. Class of shares held - TRY100.00 Registered.
i. Class of shares held - EUR100.00 Ordinary.

Registered offices and country of incorporation:

1. Parc d'Activités, Templemars, 59175, France
2. 1 Paddington Square, London, England, W2 1GG, United Kingdom
3. Redwood House, St Julian's Avenue, St Peter Port, GY1 1WA, Guernsey
4. 3rd Floor, 44 Esplanade, St Helier, JE4 9WG, Jersey
5. B&Q House, Chestnut Avenue, Chandlers Ford, Eastleigh, Hampshire, SO53 3LE, United Kingdom
6. 6th Floor, 2 Grand Canal Square, Dublin 2, D02 A342, Ireland
7. C/O Teneo Financial Advisory Limited, The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT, United Kingdom
8. Trade House, Mead Avenue, Houndstone Business Park, Yeovil, Somerset, BA22 8RT, United Kingdom
9. Rua Elias García,Estrada Nacional 294, km 14, Freguesia de Rio de Mouro, Concelho de Sintra, Lisboa, Portugal
10. 30-32 Rue de la Tourelle, 91310 Longpont-sur-Orge, France
11. 1-3 Calea Giulesti, 2nd Floor, Bricostore Commercial Centre, District 6, Bucharest, Romania
12. ul. Krakowiaków 78, Warszawa, 02-255, Poland
13. Zone Industrielle, Templemars, 59175, France
14. C/la Selva, 10 Inblau Edificio A 1°, 08820 El Prat de Llobregat, Barcelona, Spain
15. ul. Wielicka 28, Kraków, 30-552, Poland
16. B&Q China, 4th Floor, B&Q Pudong Commercial Building, No. 393 Yin Xiao Road, Pudong New Area, Shanghai, 201204, China
17. 2/F, Koho, 73–75 Hung To Road, Kwun Tong, Hong Kong
18. Rapenburgerstraat 175 E, 1011 VM, Amsterdam, Netherlands
19. Willis Towers Watson House, Elm Park, Merrion Road, Dublin 4, D04 P231, Ireland
20. c/o Womble Bond Dickinson (UK) LLP, 2 Semple Street, Edinburgh, EH3 8BL, United Kingdom
21. Barbaros Mahallesi Mor Sümbül Sokak, Nidakule Blok No: 7/3, İçkapı no: 127, Ataşehir/İstanbul, Turkey
22. Riverside Two, Sir John Rogerson's Quay, Dublin 2, D02 KV60, Ireland
23. Tasdelen Mahallesi Sirri Celik Bulvari Oto Koc Blok No:9 Cekmekoy, Istanbul, Turkey
24. 40 Avenue Hoche, Paris, 75008, France
25. Route de l'Epinoy, Parc d'Activités, Templemars, 59175, France
26. Basisweg 10, 1043AP Amsterdam, Netherlands
27. 6, Passage Tenaille, Paris, 75014, France
28. Parc d'Activités, rue de l'Epinoy, Templemars, 59175, France
29. B. & Q. Warehouse, Liffey Valley Retail Park East, Ascail an Life, Dublin 22, Ireland

Group five year financial summary

£ millions	2020/21	2021/22	2022/23	2023/24	**2024/25**
Income statement					
Sales	12,343	13,183	13,059	12,980	**12,784**
Retail profit	1,003	1,148	923	749	**696**
Central costs	(54)	(60)	(49)	(60)	**(62)**
Share of interest and tax of joint ventures and associates	(3)	(2)	(4)	(16)	**(6)**
Net finance costs before adjusting items	(160)	(137)	(112)	(105)	**(100)**
Adjusted pre-tax profit	786	949	758	568	**528**
Adjusting items (before tax)	(30)	58	(147)	(93)	**(221)**
Profit before taxation	756	1,007	611	475	**307**
Income tax expense (including adjusting items)	(164)	(164)	(140)	(130)	**(122)**
Profit for the year	592	843	471	345	**185**
Balance sheet					
Goodwill and other intangible assets	2,747	2,754	2,779	2,766	**2,624**
Property, plant and equipment, and investment property	3,095	3,111	3,235	3,233	**3,139**
Right-of-use assets	1,845	1,885	1,947	1,881	**1,771**
Investments in joint ventures and associates	20	17	30	19	**29**
Assets and liabilities (excluding net debt) held for sale	12	6	3	3	**99**
Other net current assets[1]	105	367	931	844	**800**
Post-employment benefits	359	410	137	99	**101**
Other net non-current liabilities[1]	(218)	(200)	(125)	(125)	**(204)**
Capital employed	7,965	8,350	8,937	8,720	**8,359**
Equity shareholders' funds	6,571	6,778	6,663	6,604	**6,344**
Net debt	1,394	1,572	2,274	2,116	**2,015**
Capital employed	7,965	8,350	8,937	8,720	**8,359**
Other financial data					
Like-for-like sales growth	7.1%	9.9%	(2.1)%	(3.1)%	**(1.7)%**
Adjusted effective tax rate	23%	22%	22%	27%	**28%**
Basic earnings per share (pence)	28.1	40.3	23.8	18.2	**10.1**
Adjusted basic earnings per share (pence)	28.7	35.2	29.7	21.9	**20.7**
Ordinary dividend per share (pence)	8.25	12.40	12.40	12.40	**12.40**
Gross capital expenditure[2]	281	397	449	363	**317**
Number of stores[3]	1,386	1,474	1,572	1,638	**1,681**

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 joint ventures and associates.

Shareholder information

Financial calendar

Q1 25/26 trading update[1]	28 May 2025
Annual General Meeting	23 June 2025
Half-year results[1]	23 September 2025
Q3 25/26 trading update[1]	25 November 2025

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 2025 AGM will be held at No. 11, Cavendish Square, London W1G 0AN on Monday 23 June 2025 at 10am.

Details of how to participate at the AGM are set out in the Notice of AGM and on our website.

Company Secretary

Chloe Barry

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 2024 of 3.80p per ordinary share was paid on 15 November 2024.

The table below provides the payment information for the final dividend of 8.60p per ordinary share, subject to shareholder approval at the 2025 AGM.

Ex-dividend date	22 May 2025
Record date	23 May 2025
Final date for return of DRIP mandate forms/ currency elections	9 June 2025
Euro exchange rate notification	10 June 2025
Payment date and DRIP purchase	30 June 2025

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

If calling from within the USA: +1 877 248 4237 (+1 877 CITI ADR).
If calling from outside the USA: +1 781 575 4555
Email: citibank@shareholders-online.com

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 information continued

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 register.fca.org.uk/s/; 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-us.

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 60 to 65.

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 the Financial Review and 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 PBT 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 exit of properties, impairments of goodwill and significant impairments (or impairment reversals) of other non-current assets; 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.
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.

Glossary continued

APM	Closest equivalent IFRS measure	Reconciling items to IFRS measure	Definition and purpose
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	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.
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.

APM	Closest equivalent IFRS measure	Reconciling items to IFRS measure	Definition and purpose
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 provision. 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.
Same-store net inventory	Inventory	Refer to definition	Same-store net inventory movement represents the constant currency, year-on-year change in net inventory before the impact of store openings and closures. It is a measure to reflect the Group's inventory management on a comparable basis.
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.

± Indicates the inclusion of new APMs during FY 24/25. The new APMs in the table above have been introduced to track the individual performance of our 'big-ticket' and core category sales.
The Group no longer reports adjusted pre-tax profit margin % as one of its Alternative Performance Measures, with the retail profit margin % and absolute adjusted pre-tax profit measures judged to provide more relevant information to readers.

Other definitions

'Do It Yourself' (DIY) sales include products that facilitate self-undertaken home improvement projects and tasks, including paint, lighting, tools and hardware, and garden maintenance.

'Do It For Me' (DIFM) sales include products and services used in home improvement projects and tasks that predominantly require a tradesperson to undertake, including kitchens, bathrooms, tiling, wardrobes, windows and doors, certain electrical and plumbing activities, and installation services.

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 18 December 2024, we announced the sale of Romania which is expected to complete in H1 25/26. The Romanian business is classified as 'held for sale' in the Group's balance sheet as of 31 January 2025.

Poland consists of Castorama Poland.

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.

UK & Ireland consists of B&Q in the United Kingdom and Republic of Ireland, and Screwfix in the United Kingdom and Republic of Ireland.

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It has been printed using 100% offshore wind electricity sourced from UK wind.

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Kingfisher plc

1 Paddington Square
London
W2 1GG

+44 (0)20 7372 8008
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