

## Governance at a glance

## HIGHLIGHTS

# 10.9p

per share total dividend  
for the financial year ended 31 December 2022<sup>(1)</sup>

(1) Includes the proposed final dividend of 7.3p per share due to be approved by Shareholders at the 2023 AGM.

# 100%

attendance at Board and  
Committee meetings in 2022



## NEAR-TERM SCIENCE BASED TARGETS APPROVED

in December 2022

## ESG LINKED REMUNERATION TARGETS

introduced as a performance measure for the  
2023 Long Term Incentive Plan

## NEW CFO

inducted into the business



## FIRST EXTERNAL BOARD EVALUATION

concluded the Board  
is effective

## MAJOR BOARD DECISIONS

During the year the Board has acted in an agile and responsive way to the uncertain economic environment, whilst finalising key separation programmes following the demerger and building momentum on delivering our strategy. Major Board decisions included approving:

- to maintain the 2021 total dividend payout for the financial year ended 31 December 2022;
- the appointment of the new CFO;
- the submission of our near-term Science Based Targets to the SBTi;
- significant contracts for a new outsourced service provider for IT support services, and an expanded contract with one of our strategic logistics partners; and
- reviewed and approved the 2023 annual budget.

## GOVERNANCE UPDATES

During the year the Board has undertaken the following activities to support and enhance its governance arrangements:

- appointed an external board evaluation facilitator to reflect on our governance processes and identify opportunities to refine and improve Board governance;
- commenced the search for a new Non-executive Director to strengthen the Board's current composition and assist with orderly succession planning;
- implemented a comprehensive induction programme for the new CFO;
- visited one of our largest kitchen cabinet suppliers as part of the Board's planned stakeholder engagement activities; and
- Regularly monitored progress against the separation programme and the implementation of new HR and Finance systems.

## Introduction to governance

DOING THE  
RIGHT THING

**Being guided by our purpose and listening to our stakeholders has helped us to keep moving forward, doing the right thing and responding in an agile way to the uncertain economic environment this year. Our purpose is deeply embedded across the business and has helped us to remain focused in order to make a positive difference for our stakeholders and put us in a strong position for the challenges and opportunities ahead.**

**Dear Shareholder,**

I am pleased to present to you, on behalf of the Board, our Corporate Governance report for the year ended 31 December 2022.

This year, we have had one change to the Board with the retirement of Julie Wirth, Chief Financial Officer, and the appointment of Mark George as her successor in July 2022. During the recruitment process, the Nominations Committee sought a diverse range of candidates to be considered for the Chief Financial Officer role and, after a thorough process, Mark George was appointed as Chief Financial Officer.

We will keep the diversity requirements of the new FTSE Women Leaders Review (previously the Hampton-Alexander review) at the front of our minds, particularly in light of the change of Chief Financial Officer, as we look to expand the Board during 2023 with the appointment of an additional Non-executive Director and as we plan for future Board succession. More information on Board diversity and succession planning can be found on pages 88-90 of the Nominations Committee report.

Whilst the new FCA Listing Rule requirements (LR 9.8.6R(9)) on diversity only apply to financial years beginning on or after 1 April 2022, we have chosen to disclose our Board diversity and inclusion statement on page 89 of the Nominations Committee report this year, as well as the prescribed diversity data for the Board and Executive Board as required under LR 9.8.6R (10) and LR 14.3.33R(2), which is set out in the tables on page 90.

Wickes has a unique and special culture, which we need to protect and utilise to attract and retain high-performing talent from all backgrounds and genders. Our approach to inclusion and diversity leads to a culture where all colleagues feel at home at Wickes and this is an important foundation for our business. The Board is committed to improving diversity, in its widest sense, at all levels to ensure we continue to support and enhance our culture.

Rather than wait until the Company's third year as a listed business, we chose to invite an external facilitator to carry out our annual Board evaluation review, as the Board was keen to gain some early reflections on the Board's performance and the governance arrangements put in place at the demerger just under two years ago. I am pleased to report that the review concluded that the Board is effective and there were no high-priority recommendations arising. Details of the findings can be found on page 91.

Monitoring the performance of the business during these challenging economic times, whilst considering the impact on our colleagues and other stakeholders, was a key focus for the Board during 2022. We have had open and honest discussions about the impact of the macroeconomic conditions on the business and have been able to respond strategically in an agile way, looking for opportunities to support our growth levers and build the business.

The Board has also closely tracked progress on the separation of key IT and HR systems from Travis Perkins Plc and I am pleased that the separation programme is on track for completion in 2023.

The Board Committees have supported the work of the Board during the year, providing assurance and helping to deepen the Non-executives' understanding of the key areas of focus for the business. Further details on the work of the Board Committees can be found on pages 86-114.

The Board and I remain focused on creating long term value for Shareholders, whilst supporting and working with all our stakeholders in this uncertain economic time as we work towards building a brighter future and helping the nation feel house proud.

**Christopher Rogers**  
**Chair of the Board**  
22 March 2023

## Being transparent and accountable

### COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE 2018

#### Governance underpins every aspect of the Board's considerations and decision making.

The Company has applied the Financial Reporting Council's (FRC) UK Corporate Governance Code 2018 (the 'Code') Principles and complied with all the Code's Provisions throughout the year ended 31 December 2022. The full wording of the Code is available on the FRC's website at [www.frc.org.uk](http://www.frc.org.uk).

Signposts to where key content showing how the Company has applied the Principles of the Code are shown on this page.

#### 1. BOARD LEADERSHIP AND COMPANY PURPOSE

- Information on the work of the Board and its role in setting the Company's strategy, creating an inclusive culture and engagement with stakeholders, as well as details on the Board's leadership in these activities and the findings from the annual Board evaluation can be found in the Governance report on pages 73-100. **(Code Principles A, B & D)**
- We acknowledge our impact as a business on the environment and communities that we operate in, and are committed to creating long term sustainable success and contributing positively to wider society. More information on our activities in these areas is set out in the Responsible Business report and Responsible Business Committee report on pages 33-53 and 98-100. **(Code Principle A)**
- The Board has set a clear purpose, we want to 'Help the nation feel house proud', and we have a strong business model to support this, which aligns with the Wickes culture and values. More information can be found in the Strategic report on pages 20-23. **(Code Principle B)**
- We're proud of the Wickes culture and values and strive to make sure that everyone feels at home. The Board set the tone from the top, demonstrating our Winning Behaviours and always acting with integrity. More information on our Winning Behaviours and workforce can be found on page 81. **(Code Principle B)**
- Our approach to risk management and internal controls is set out on pages 63-70. The Audit and Risk Committee support the Board with oversight of our risk register. **(Code Principle C)**
- The Board values engagement with all of our stakeholders and information on our engagement activities is contained within our Section 172 statement on pages 55-59. **(Code Principle D)**
- Information on our Whistleblowing policy is set out on page 81 and details on our employment policies and practices and their alignment with our values and strategy is set out on page 116. **(Code Principle E)**

#### 2. DIVISION OF RESPONSIBILITIES

- Our governance framework and the division of Board responsibilities, as well as the role of the Company Secretary, is shown in the diagram on page 85 and information on Directors' time commitments and independence are detailed on pages 77 and 80. **(Code Principles F, G, H & I)**
- The skills and capabilities of the Board are detailed in the Board biographies on page 77. **(Code Principles G & H)**
- The work of the Nominations Committee is set out on pages 86-92. **(Code Principles F, G & H)**

#### 3. COMPOSITION, SUCCESSION AND EVALUATION

- Board succession planning and the appointment process for Board members is set out in the Nominations Committee report on pages 86-92. **(Code Principle J)**
- The composition of the Board, along with biographies and details of the skills, experience and contribution of each Director can be found on page 77. **(Code Principle K)**
- The conclusions and recommendations from this year's external board evaluation can be found on pages 91. **(Code Principle L)**

#### 5. REMUNERATION

Information on our remuneration policies and practices is set out in the Directors' Remuneration report on pages 101-114. **(Code Principles P, Q & R)**

#### 4. AUDIT, RISK AND INTERNAL CONTROL

- The work of the Audit and Risk Committee is set out on pages 93-97. This includes a description of the work of the internal and external audit functions. **(Code Principle M)**
- The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to access the Company's position and performance, business model and strategy. **(Code Principle N)**
- The principal risks and uncertainties and the procedures in place to manage risks and internal controls are regularly reviewed by the Audit and Risk Committee as set out on pages 93-97. **(Code Principle O)**



## Board of Directors

# LEADING WITH PURPOSE



## COMMITTEE MEMBERSHIP KEY:

 Chair of Committee

 Remuneration Committee

 Responsible Business Committee

 Nominations Committee

 Audit and Risk Committee

 Disclosure Committee

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**CHRISTOPHER ROGERS**  
 Non-executive Chair of the Board

PRONOUN He/Him

APPOINTMENT DATE 23 March 2021

**SKILLS AND EXPERIENCE**

Christopher has significant board, retail and finance experience gained during his extensive executive career, having held a number of senior roles in and directorships of public companies. From 2005 to 2016 he was an Executive Director of Whitbread plc, serving as Group Finance Director from 2005 to 2012 and as Global Managing Director of Costa Coffee from 2012 to 2016.

Christopher previously held senior roles in both the finance and commercial functions of Woolworths Group plc, Comet Group plc and Kingfisher plc. He was a Non-executive Director and Audit Committee Chair of Vivo Energy plc from April 2018 to July 2022. Christopher served as a Non-executive Director of Travis Perkins Plc from September 2013 to April 2021.

**CONTRIBUTION**

Christopher brings many strengths to his role as Chair of the Board, in particular his leadership; strategy, commercial and financial acumen; his deep grounding and understanding of corporate governance, compliance and regulatory issues; his experience in M&A and corporate transactions; and experience both internationally and in retailing and operations.

**EXTERNAL APPOINTMENTS**

- Non-executive Director of Sanderson Design Group plc
- Non-executive Director of Kerry Group plc


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**DAVID WOOD**  
 Chief Executive Officer

PRONOUN He/Him

APPOINTMENT DATE 23 March 2021

**SKILLS AND EXPERIENCE**

David is a highly experienced executive and CEO with almost 30 years in the retail and consumer sector and extensive board level experience in the UK, Europe and North America, having spent the majority of his career with Tesco, Unilever and Mondelez.

David served as Commercial Director on the Board of Tesco Hungary from 2010 to 2012 and between 2012 and 2015 he served on the UK Operating Board of Tesco plc as Chief Marketing Officer and Group Managing Director.

More recently David was Group President of Kmart Holding Corp from 2015 to 2017, followed by a brief tenure as CEO of Mothercare plc in 2018. David joined Wickes as CEO on 28 May 2019 when Wickes was part of Travis Perkins Plc in anticipation of the demerger.

**CONTRIBUTION**

David is an engaging leader with extensive and international experience in retailing and operations, change management skills, strong strategic and commercial acumen, and proven record in brand building and marketing.

**EXTERNAL APPOINTMENTS**

- Non-executive Chair of the Board of Green Sheep Group Ltd


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**MARK GEORGE**  
 Chief Financial Officer

PRONOUN He/Him

APPOINTMENT DATE 29 July 2022  
(Joined Wickes on 6 July 2022)**SKILLS AND EXPERIENCE**

Mark has held senior roles in finance, strategy and general management in a number of public listed consumer businesses including The Gym Group, Tesco, ASOS and Auto Trader.

Most recently Mark was Chief Financial Officer and a member of the Board of The Gym Group plc from 2018 to 2022.


Mark started his career as a management consultant with McKinsey & Co. and holds a degree in Philosophy, Politics and Economics from Oxford University.

**CONTRIBUTION**

Mark has sound commercial acumen, as well as recent retailing experience. His financial, risk management, strategic and leadership skills are key strengths for the role of CFO. He is also experienced in M&A and corporate transactions. Mark's financial and strategic strengths are a valuable asset to the Board and will help the Board to deliver long term sustainable success.

**EXTERNAL APPOINTMENTS**

None


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**MARK CLARE**  
 Senior Independent Non-executive Director

PRONOUN He/Him

APPOINTMENT DATE 23 March 2021

**SKILLS AND EXPERIENCE**

Mark has extensive public listed company experience in the consumer service, property and construction sectors, particularly in customer facing businesses and has served on a number remuneration committees. In July 2022 Mark stepped down from his position as Senior Independent Director at United Utilities Group plc. Mark was the Senior Independent Director at Ladbroke's Coral Group plc from 2016 until 2018, and Non-executive Director and Audit Committee Chair at BAA plc from 2001 until 2006.

Mark's executive career included Chief Executive for Barratt Developments plc from 2006 until 2015; Managing Director of Centrica's retail subsidiary British Gas from 2002 to 2006; and CFO of Centrica plc from 1997 to 2002. He also served as a trustee of the Energy Savings Trust, the Green Building Council and BRE. Mark is a qualified accountant.

**CONTRIBUTION**

Mark's wealth of knowledge in governance, compliance and regulatory matters gained from his public listed company experience, as well as his leadership skills, enhance his ability to undertake his duties as Senior Independent Non-executive Director. His financial acumen and commercial experience are particularly beneficial in his role as Chair of the Remuneration Committee.

**EXTERNAL APPOINTMENTS**

- Chair of Grainger plc
- Chair of Ricardo plc
- Non-executive Director at Premier Marinas Holdings Ltd


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**SONITA ALLEYNE OBE**  
 Independent Non-executive Director

PRONOUN She/Her

APPOINTMENT DATE 23 March 2021

**SKILLS AND EXPERIENCE**

Sonita has extensive experience as a Non-executive Director on both private and public sector boards. She was a Non-executive Director of the British Board of Film Classification from 2009 to 2019, including Chair of the Council of Management in 2019 and Chair of the Remuneration Committee from 2016 to 2019. She was Chair of the Radio Sector Skills Council from 2008 to 2012; Non-executive Director of Archant from 2012 to 2016; and a trustee of the BBC Trust from 2012 to 2017.

Sonita was a Non-executive Director of the Department for Digital, Culture, Media and Sport, the National Employment Panel and the London Skills and Employment Board. In her earlier media career, Sonita was the co-founder and former CEO of the production company Somethin' Else and worked as a journalist and broadcaster.

**CONTRIBUTION**

Sonita's background in communications and journalism brings a different perspective to the Board. She has strong leadership, commercial and strategic skills. Her public sector roles have contributed to her sound governance, compliance and regulatory skills. This and her ESG experience, supports her in the role as Chair of the Responsible Business Committee.

**EXTERNAL APPOINTMENTS**

- Master of Jesus College, Cambridge


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 A  
 RB

**MIKE IDDON**  
 Independent Non-executive Director

PRONOUN He/Him

APPOINTMENT DATE 23 March 2021

**SKILLS AND EXPERIENCE**

Mike has extensive public listed company experience, having held a number of senior finance roles throughout his career, and has been the Chief Financial Officer of Pets at Home Group plc since 2016.

Mike was previously the Chief Financial Officer of New Look from 2014 to 2016, and prior to this he held a number of senior finance roles over 13 years for Tesco plc both in the UK and overseas. These roles included Group Planning, Tax and Treasury Director, UK Finance Director and Chief Financial Officer of Tesco Homeplus (South Korea).

Mike has also held senior roles with Kingfisher plc and Whitbread plc. Mike is a Chartered Accountant and a graduate of the Harvard Advanced Management Programme.

**CONTRIBUTION**

Mike's current experience as a Chief Financial Officer of a public listed company, his financial acumen, leadership, risk management, and governance, compliance and regulatory experience are advantageous for his role as Chair of the Audit and Risk Committee and beneficial to his role on the Board. His strong strategic and commercial acumen, change management, and current retail experience strengthen his contribution to the Board.

**EXTERNAL APPOINTMENTS**

- Chief Financial Officer, Pets at Home Group plc

## Board of Directors continued

BOARD COMPOSITION AND ATTENDANCE  
AS AT 31 DECEMBER 2022

## Board Independence

No. of Directors



● Chair of the Board ● Independent Non-executive Directors ● Executive Directors

## Gender balance

No. of Directors



● Female ● Male

## Length of tenure

No. of Directors



● 0-1 years ● 1-2 years

## Board and Committee meetings 2022



## Board industry experience

Average score out of 5 \*

**5.0** STRATEGY & COMMERCIAL ACUMEN

**4.7** FINANCIAL ACUMEN

**4.3** RISK MANAGEMENT

**4.0** RETAIL INDUSTRY

**3.7** BRAND, CUSTOMER, MARKETING

**3.3** SUSTAINABILITY

**3.2** DIGITAL / TECHNOLOGY STRATEGY & GOVERNANCE

\* Based on individual Director self-evaluation responses. Further information on Board composition can be found on pages 86 to 87.



## Governance report

# BOARD LEADERSHIP AND COMPANY PURPOSE



## Role of the Board

The Board is responsible for promoting the long term sustainable success of the Company, generating value for Shareholders and contributing to wider society. It has ultimate responsibility for the direction and governance of the Company, taking into account the opportunities and risks to the future success of the business.

The effective operation of the Board is supported by the collective skills and experience of the Directors. The diverse experience and views of Board members enable the Board to consider a range of perspectives and make decisions in a balanced way through independent thought and constructive debate. The Board dynamic supports open and honest conversations, which ensures that decisions are made with full consideration of the impact on all stakeholders. You can find information about our Directors and the skills and experience they bring to the Company on page 77.

The Board is passionate about ensuring that, as the business grows, we do so responsibly and in a way that benefits all our stakeholders. We have a clear framework to win, which is guided by our vision, mission and our purpose – 'to help the nation feel house proud'. Our purpose is at the core of the Board's discussion, decision making and strategy.

The Board sets the strategy to align with our purpose and values. It ensures that the business is resourced appropriately to deliver the strategy and does so through a culture that drives the behaviours we want to see. Elements of the business strategy are discussed at every meeting and an annual strategy event is held to review and develop our strategic plans. Responsibility for developing and implementing strategy rests with the Chief Executive Officer, who is supported by the Executive Board. At the strategy event in July 2022, the Executive Board and key members of the leadership team presented a range of opportunities to enhance our strategy which were discussed and approved. You can find details of our strategy and business model in the Strategic report on pages 20-30.

The opportunities for and the risks to the future success of the business are carefully considered. Key opportunities are set out in the Strategic report on pages 2-72 and principal risks and uncertainties can be found on pages 66-70. The Board requires management to operate a robust control framework, which enables risk to be assessed and managed and reviews the effectiveness of this on an annual basis. You can find information about our internal controls framework on page 97.

The Board has implemented a governance framework and delegation of authority policy to ensure that an appropriate level of oversight is given to material matters. It has adopted a formal schedule of matters reserved to it which sets out the significant matters of focus for the Board due to their strategic, financial or reputational importance. The schedule is available on the Company's website [www.wickesplc.co.uk](http://www.wickesplc.co.uk). You can find more detail on the activities of the Board on pages 83-84.

In line with the Code, the Board places significant importance on the appropriate governance of the Company, discharging its responsibilities not only through its own activities, but also through Committees of the Board – the Audit and Risk Committee; Nominations Committee; Remuneration Committee and Responsible Business Committee. You can find more details on these Committees on pages 86-114.

## Governance report continued

### Meetings of the Board and its Committees

The Board normally has eight formal meetings scheduled each year and an annual strategy day. Additional meetings are held to consider time-sensitive matters as required.

The number of times the Board and its Committees met during the year is set out below. Directors are expected to attend all Board and relevant Committee meetings. All meetings were held in person and there was full attendance by all members at all meetings during the year.

In the event of a Director being unable to attend a Board or Committee meeting, a process has been agreed for the Chair of the respective meeting to discuss the matters proposed with the Director concerned in advance, seeking their support and feedback accordingly. The Chair will subsequently represent those views at the meeting.

Agenda items are structured to ensure appropriate time is spent on key areas of focus for the Board and that it has sufficient time to properly consider and reach decisions. A programme of work and priorities is agreed with the Board each year which forms the basis of the agendas for each meeting, with topical matters and matters of particular concern or interest

incorporated as required. The activities carried out by the Board in the year are set out on pages 83-84.

The Chair of the Board meets with the Non-executive Directors without the Executive Directors present after each Board meeting and at other times as required. The Chair of the Board and the Chairs of each Committee also meet regularly with the Executive Directors and members of senior management.

The Senior Independent Director and Non-executive Directors (excluding the Chair of the Board) meet from time to time and specifically on an annual basis to assess the Chair of the Board's performance.

### Independence

Over half of the Board's members, excluding the Chair of the Board, are independent Non-executive Directors. The Chair of the Board was assessed to be independent on appointment.

Relationships and circumstances which could affect the independence of any Director are reviewed annually and the Board remains satisfied that all Non-executive Directors remain independent.

### External appointments

Before appointment to the Board, all Directors are required to disclose any external roles they hold along with the estimated associated time commitment. The competing demands on candidates' time are carefully considered in the selection process. Appointment letters set out the time commitment expected of each Director.

The significant external appointments of current Directors are set out in the biographical details on page 77.

The Board has an Additional External Appointments Policy and process in place for the consideration and, if appropriate, approval of additional external appointments to ensure that each Director continues to have sufficient time to exercise their duties effectively. Appointments must be approved by the Board in advance. Executive Directors are not permitted to take on more than one Non-executive Directorship or other significant appointment.

During the year, Mark Clare received approval from the Board to accept the position of Non-executive Director and Chair of the Board designate of Ricardo plc from 1 November 2022 and Chair of the Board from 17 November 2022. The Board discussed the proposed time commitment required for this

position and took into consideration Mark's current external appointment as Chair of Grainger plc. Having considered that during the year, Mark had stepped down from his previous position as Senior Independent Director at United Utilities Group plc in July 2022, the Board was satisfied that Mark would continue to have sufficient time to fulfil his duties and be effective in his role at Wickes.

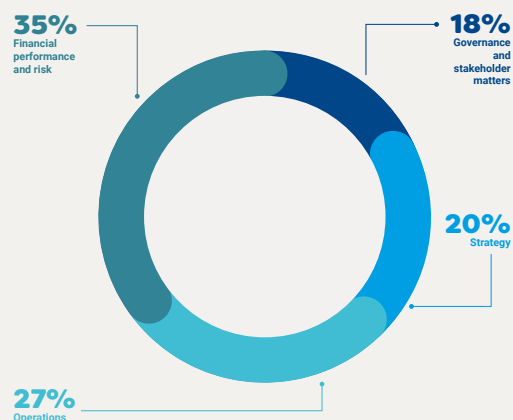
The Nominations Committee reviews annually the external time commitments of the Chair of the Board and the Non-executive Directors.

### Governance support

All Directors have direct access to the General Counsel and Company Secretary for advice on governance matters. Directors may also seek independent professional advice at the Company's expense in the furtherance of their duties and there is an Independent Professional Advice Policy in place which sets out the procedure. No such requests were made during the year.

The General Counsel and Company Secretary supports the Board to ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.

### Board activity – percentage of time spent



### Board attendance

Name and role	Plc Board	Audit and Risk Committee	Nominations Committee	Remuneration Committee	Responsible Business Committee
Christopher Rogers – Chair of the Board	8/8	n/a	3/3	5/5	4/4
David Wood – Chief Executive Officer	8/8	n/a	n/a	n/a	n/a
Julie Wirth* – Chief Financial Officer	5/5	n/a	n/a	n/a	n/a
Mark George** – Chief Financial Officer	3/3	n/a	n/a	n/a	n/a
Mark Clare – Non-executive Director	8/8	6/6	3/3	5/5	4/4
Sonita Alleyne – Non-executive Director	8/8	6/6	3/3	5/5	4/4
Mike Iddon – Non-executive Director	8/8	6/6	3/3	5/5	4/4

\* Julie Wirth retired from the business and stepped down as a Director on 29 July 2022.

\*\* Mark George joined the Company on 6 July and was appointed to the Board on 29 July 2022.

Note: The Chair of the Board has a standing invitation to attend the Audit and Risk Committee meetings. The Chief Executive Officer attends all Audit and Risk and Responsible Business Committee meetings and attends Nominations and Remuneration Committee meetings as required. The Chief Financial Officer has a standing invitation to attend all Audit and Risk Committee meetings and attends the Remuneration Committee meetings as required.



### Our Wickes culture

The Board is responsible for setting the Company's culture, values and standards and their ongoing review, and recognises the importance of having an engaged workforce where all colleagues, no matter who they are or where they are from, can feel at home. The special culture at Wickes is built on a foundation of personal responsibility and underpinned by our Winning Behaviours.

Key to achieving the desired culture is setting the right tone from the top. Each of the Directors undertakes to conduct themselves in a manner consistent with our Winning Behaviours, (shown below) acting with integrity and leading by example. Our Winning Behaviours are a simple, yet deeply held set of beliefs, that we ask all colleagues to demonstrate, which underpin our business model and support our culture.



The Board actively monitors culture through regular feedback from management, colleague listening groups and the results of colleague surveys. In addition, a number of Board meetings are held at store and distribution sites at which time is allocated to allow the Board to hear from colleagues first hand.

The Board, the Responsible Business Committee and the Remuneration Committee receive reports on: colleague engagement; updates covering the six inclusion and diversity colleague networks; wellbeing; colleague turnover; reward; recruitment; and whistleblowing.

In addition to chairing the Responsible Business Committee, Sonita Alleyne is our designated Non-executive Director to champion workforce engagement on behalf of the Board and regularly provides feedback from colleagues and insights at the Board meetings to ensure colleagues' views are fully considered in the Board's decision making.

Our Code of Business Ethics sets out the standards and behaviours expected from colleagues and all colleagues receive training on this annually. It sets the tone for responsible business behaviour and legal compliance, and directs colleagues to Company policies for guidance.

### Whistleblowing

The Company has a Whistleblowing Policy which is widely promoted and accessible to all. Colleagues and others are encouraged and empowered to speak up openly and raise any concerns through management or directly to the Board. Should colleagues or third parties feel the need to raise concerns which cannot be resolved through the normal routes of line or executive management, the Company has implemented a third party anonymous online whistleblowing platform, telephone line and mobile phone app through which concerns can be raised in confidence. Information about the whistleblowing service is widely publicised across all sites, referred to in policies and included in our monthly colleague communications.

All reports are investigated thoroughly and appropriate actions taken. The Board monitors the operation of the whistleblowing arrangements and receives reports annually on notable outcomes and learnings from reports.

### Stakeholder engagement

The Board recognises the importance of listening to and understanding the views of its stakeholders and receives insights through engagement with stakeholders which it uses to inform decision making. The Board and management have a programme of active engagement with, and encourage participation from, the Company's stakeholders.

The Board places particular importance on understanding the views of colleagues. Sonita Alleyne, the designated Non-executive Director champion for workforce engagement, undertook a number of additional activities during the year to support the Board with this aim, including chairing colleague listening groups; discussing the results

of colleague surveys with the Chief Executive Officer and Chief People Officer; and integrating informal colleague engagement at store visits.

Understanding customers is at the heart of everything we do. The Board uses customer listening groups, surveys and data analysis to understand customer views and act on what is most important to deliver the best possible customer experience. A monthly management meeting is dedicated to the customer proposition.

The Board values the opportunity to meet colleagues from across the business and to interact with customers. During the year, the Board visited the Stevenage and Oxford stores and received tours by the store managers and presentations from senior management. The Board regularly visits the Support Centre in Watford, where the majority of routine Board and Committee meetings are held.

The Board places great importance on ensuring suppliers are treated fairly. This is a key aspect of nurturing long term relationships and building trusted partnerships with our suppliers. It enables us to provide the best products at the best prices for our customers, and is a great platform for both us and our suppliers to grow. Our suppliers provide feedback through day-to-day contact with product teams, our risk assessment surveys and through our twice yearly supplier forums. During the year, the Board visited Gower Furniture Ltd, one of our cabinetry suppliers, and received presentations from management and a tour of the manufacturing facilities.

Members of the Board, senior management and the Investor Relations team hold regular meetings with existing and potential institutional investors and analysts to understand their views and policies, which are reported to the Board.

## Governance report continued

The Board received reports on Investor Relations activities, movements on the share register and feedback from Shareholder engagement at every Board meeting. Following year end and half year the Board receives a detailed presentation covering Shareholder feedback from the investor roadshows. The Board noted the questions and issues raised and ensured that our communications to the market addressed these. When deciding the appropriate level of dividend to pay at half year and year end the Board considered the feedback it had received from investors and, together with the strength of the balance sheet, decided to pay a dividend above the 40% payout ratio previously announced.

The Chair of the Board wrote to the Company's largest Shareholders providing an update on topical governance matters and inviting Shareholders to meet with himself and/or the Chairs of each Committee and a number of Shareholders engaged with the Company.

The Board encourages Shareholder attendance and participation at the Company's Annual General Meeting, at which all Directors and Committee Chairs will be available to answer questions. The Board intends the 2023 AGM to be held as a physical meeting at the Company's Support Centre in Watford, Hertfordshire.

At the 2022 AGM held on 26 May 2022, all resolutions put to Shareholders were approved, with in excess of 95% of votes in favour for all resolutions. Shareholders were invited to submit questions in advance and could also raise questions during the AGM.

### Policies and procedures

The Board has approved a suite of policies, including our Code of Business Ethics, which establish a robust system of control and oversight in matters of ethics and compliance. This is supported by mandatory training for all colleagues, appropriate to their role. The Executive Board oversees the day-to-day operation of these policies and related procedures and ensures they are embedded across the business.

Both the Executive Board and the Board have oversight and receive reports on compliance with policies and procedures at least twice a year. Should a breach of any of these policies occur, there is a robust incident response procedure in place and any material issues are escalated to the Executive Board and, if appropriate, the Plc Board.

### Conflicts of interest

The Company has a Conflicts of Interest Policy in place and all colleagues receive online mandatory annual training in this area. All Directors are required to raise any actual or potential conflicts of interest for consideration and, if appropriate, authorisation. At every meeting, Directors are asked whether there are any new potential conflicts of interest to declare in relation to the matters on the agenda. Where such conflicts exist, Directors would be excused from related discussion and decision making. To date, no such instance has occurred.

A register of interests and authorised potential or actual conflicts is maintained and this is reviewed annually by the Board, with each Director asked to confirm that the register is accurate and up to date.

### Director concerns

Should a Director have concerns about the operation of the Board or the management of the Company, these concerns would be discussed by the Board. If any concerns remained unresolved, they would be recorded in the Board minutes. No such concerns were raised during the year.



## BOARD ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

The Board held eight scheduled formal meetings and had an annual strategy day. During 2022, a number of additional Board meetings and sub-committee meetings were held to consider time-sensitive matters including trading updates for release to the market and to approve matters requiring Board approval under the Matters Reserved to the Board.

The focus of the Board during 2022 has been on monitoring the performance of the business against the backdrop of significant uncertainty around the economic outlook, refining strategy around our growth levers and developing strategic options for future growth.

The information on the following pages demonstrates some of the areas of key activity for the Board for the financial period ending 31 December 2022 and the key stakeholders considered as part of the Board's decision making process.

### STAKEHOLDER KEY



Colleagues



Customers



Suppliers



Shareholders



Communities



Government and regulators



Landlord

## BUSINESS PERFORMANCE



### KEY ACTIVITIES

#### CEO report

At each Board meeting, the CEO led discussions covering all aspects of performance and progress on key topics including market developments; colleague feedback and engagement; customer insight; marketing topics, commercial and supplier activity and feedback; supply chain and availability challenges; digital transformation; store refits; and community and charity projects.

#### Operational updates

During the year, the Board had deep dive sessions covering each of the customer propositions: Local Trade, Do-it-for-me (DIFM) and Do-it-yourself (DIY). These covered performance statistics, customer trading metrics, operating costs and controls, and strategic analysis of business performance.

#### Technology

The Board received a deep dive session on the business's underlying IT infrastructure and capabilities, as well as considering proposals for development over the next five years.

## FINANCIAL PERFORMANCE



### KEY ACTIVITIES

#### CFO report

The CFO led discussions at every meeting on financial performance including risks and opportunities, and the financial impacts of the changing macroeconomic environment during the year.

#### Results and outlook

On the recommendation of the Audit and Risk Committee, the Board reviewed and approved the full year 2021 and half year 2022 results announcement, and 2021 Annual Report and Accounts, having considered that the Annual Report and Accounts, taken as a whole, was fair, balanced and understandable.

#### Budget and financial plans

At each meeting, the Board considered performance against the 2022 budget and updated forecasts. The Board reviewed and approved the budget for 2023 and reviewed the Five-Year Plan.

#### Investor relations

The Board received updates on Investor Relations activities and plans and feedback from investor engagement at every meeting. In May this year, the Board approved the appointment of Investec Bank plc as its joint corporate broker.

#### Treasury and tax

The Board received updates on tax and treasury matters at every meeting, and approved the Company's Tax Strategy.

#### Dividend and capital allocation policies

During the year, the Board reviewed the capital allocation policy and dividend policy, and approved the payment of an interim dividend of 3.60 pence per share and approved the recommendation of a final dividend of 8.80 pence per share for the 2021 financial year to Shareholders at the 2021 AGM.

## STRATEGY



### KEY ACTIVITIES

#### Strategy review

The Board spent a day reviewing current analysis, the customer and competitor environment, and the new strategic growth lever progress review. The Board also received an external perspective on the economic outlook from its corporate broker Investec.

#### Strategic deep dives

During the year, the Board received presentations on the strategy and plans for topics of particular relevance to the business including customer insight, store operations, refits, DIY proposition, Trade proposition, installations and distribution.

#### Sustainability

The Board approved the submission of the business's first near-term Science Based Targets to reduce Scope 1, 2, 3.1 and 3.11 emissions. Oversight of performance against the targets was delegated to the Responsible Business Committee.

## Governance report continued

### RISK



#### KEY ACTIVITIES

##### Risk Register

The Board reviewed the Risk Register during the year and reviewed the reporting on the principal risks and uncertainties for the 2021 full year and 2022 half year results.

##### Autonomy progress

As a principal risk, the Board has received an update at every meeting on the Separation Programme to set up the Company's own systems to replace those previously provided by the Travis Perkins Plc under a Transitional Services Agreement (TSA). The Board closely monitored the key milestones during the year to launch new Finance, IT and HR systems, and achieve successful autonomy in line with the original timeframes set out in the TSA.

##### Cyber risks and mitigations

The Board received a deep dive report on the cyber risks facing the business and the mitigations in place, which included an overview of the key controls and the results of an internal audit on Information Security.

##### Safety updates

The Board considered reports on safety performance at every meeting along with deep dives at two of its meetings to evaluate progress and provide insight and challenge.

##### TCFD

The Board approved the Group's Task Force on Climate-related Financial Disclosures including the Group's approach to managing climate-related risks.

##### Insurance

The Board reviewed the approach for insuring the Group's risks and approved the renewal of the Group's insurance programme.

### GOVERNANCE, REGULATORY AND COMPLIANCE



#### KEY ACTIVITIES

##### Policies and statements

The Board approved updates to Group policies including the Delegation of Authority Policy and approved the Group's Modern Slavery Statement.

##### Board evaluation

The Board reviewed and discussed the findings from its first external Board evaluation and agreed actions to improve the effectiveness of the Board and its Committees.

##### Planning

The Board reviewed the forward schedule of activities at every meeting and discussed options for future operational site visits.

##### Employee voice

The Board received an update from the designated Non-executive Director champion for workforce engagement, Sonita Alleyne, on the themes arising from her listening activities and review of colleague engagement insight.

##### Compliance

The Board received reports on regulatory compliance including the operation of and reports via the Company's anonymous whistleblowing service.

##### Cyber security incident

The Board discussed the Group's response to a cyber incident resulting in a phishing SMS message being sent to customers. The incident was reported to the Information Commissioner's Office and no regulatory action was taken.

##### Consumer Duty

In compliance with the new FCA Consumer Duty regulations, the Board approved an Implementation Plan and appointed Sonita Alleyne as the Non-executive Director Consumer Duty champion for the business.

### MATERIAL CONTRACTS AND ARRANGEMENTS



#### KEY ACTIVITIES

##### Contract approvals

In line with the Delegation of Authority policy, the Board reviewed and approved a fleet replacement programme in 2022, a goods for resale contract and three goods not for resale contracts during the year, which were material due to their size and strategic importance.

##### Banking facilities

The Board is required to approve changes to or new lending arrangements. During the year, the Board approved a one-year extension to the existing £80m Revolving Credit Facilities.



# DIVISION OF RESPONSIBILITIES

The Company's strong governance framework is built upon a foundation of clear and effective division of responsibilities between the Board, its Committees and operational management. This provides an effective and robust corporate governance structure to enable agile decision making with robust controls, which promote the long term and sustainable success of the business.

The responsibilities of the Chair of the Board, CEO, Senior Independent Director, Board and its Committees have been approved by the Board, are set out in writing and are available on the Company's website [www.wickesplc.co.uk](http://www.wickesplc.co.uk)

## THE BOARD

The Board is responsible for overall leadership of the business, setting its purpose, values and strategy and providing a framework of strong governance and effective controls.

### COMMITTEES OF THE BOARD

#### AUDIT AND RISK COMMITTEE

Provides independent and objective oversight of the Company's financial reporting, systems of internal control, risk management and compliance, and the effectiveness of internal and external audit.

 More information can be found on pages 93-97


#### NOMINATIONS COMMITTEE

Reviews the composition and skills of the Board and leads the process for appointments to the Board and Executive team; oversees the processes for succession planning and the development of a diverse pipeline.

 More information can be found on pages 86-92

#### REMUNERATION COMMITTEE

Determines the Remuneration Policy and packages for the Chair of the Board, Executive Directors and Executive Board members, having regard to workforce remuneration and related policies and the alignment of incentives and rewards with culture.

 More information can be found on pages 101-114

#### THE CHAIR OF THE BOARD

The Chair of the Board's principal responsibility is the leadership of the Board and ensuring its effectiveness. The Chair of the Board encourages a culture of openness and communication between members of the Board, ensures all Directors contribute to discussions and promotes constructive debate. The Chair of the Board ensures that Directors receive accurate and clear information in a timely manner to enable them to make informed contributions and to support good decision making by the Board.

#### SENIOR INDEPENDENT DIRECTOR (SID)

The SID provides a sounding board for the Chair of the Board and serves as an intermediary for the other Directors and Shareholders should this be required.

The Senior Independent Director meets with the non-executive directors at least once a year to appraise the performance of the Chair of the Board and on other occasions as appropriate.

#### INDEPENDENT NON-EXECUTIVE DIRECTORS (INEDS)

The independent Non-executive Directors provide strategic advice and guidance, offer constructive challenge and hold the Executive Directors to account.

The Non-executive Directors bring independent oversight and specialist advice to support good decision making by the Board.

#### RESPONSIBLE BUSINESS COMMITTEE

Oversees the development of strategy and monitors performance in relation to environmental, social and governance matters.

 More information can be found on pages 98-100

#### DISCLOSURE COMMITTEE<sup>1</sup>

The Committee is convened only when a full Board meeting or an authorised sub-committee meeting of the Board is not possible. The Committee oversees the Company's compliance with its disclosure obligations in line with the UK Market Abuse Regulation and Listing Rules. This includes consideration of potentially market sensitive information and the timing and review of such related disclosures.

<sup>1</sup> There have been no meetings of the Disclosure Committee during 2022 as all disclosure matters have been considered by the Board.

#### THE CHIEF EXECUTIVE OFFICER (CEO)

The CEO is responsible for the development and implementation of strategy and for managing the day-to-day operations of the business. The CEO ensures appropriate delegation of responsibilities to the Executive Board to ensure decisions of the Board are implemented. The CEO plays a key role in devising strategies for review by the Board and is responsible for updating the Board on operations of the business.

#### THE CHIEF FINANCIAL OFFICER (CFO)

The CFO is responsible for managing the Group's financial affairs and the system of internal controls, including risk management. The CFO supports the CEO in the implementation and achievement of the strategic objectives and oversees the Company's relationship with the investment community.

The CFO is appointed as the FCA approved person for the purposes of the Group's consumer credit activities.

#### GENERAL COUNSEL AND COMPANY SECRETARY

The General Counsel and Company Secretary is responsible for advising the Board on all governance, compliance and legal matters. The General Counsel and Company Secretary supports the Chair of the Board and the independent Non-executive Directors to ensure that they have access to the necessary resources and information to operate as a Board effectively and efficiently.

## Executive Board

Oversees the day-to-day management of the business including all matters not contained within the Matters Reserved to the Board and its Committees. The Executive Board is chaired by the CEO.

## Nominations Committee report

# COMPOSITION, SUCCESSION AND EVALUATION

The Board has established a Nominations Committee to review Board composition and lead the succession process. Details regarding Board composition, succession and evaluation can be found in the Nominations Committee report below.

## NOMINATIONS COMMITTEE REPORT



**Christopher Rogers**  
Chair of the Board

### Committee members

**Christopher Rogers**, Chair of the Board and Committee Chair

**Mark Clare**, Senior Independent Non-executive Director

**Sonita Alleyne**, independent Non-executive Director

**Mike Iddon**, independent Non-executive Director

### Dear Shareholder,

I am pleased to present the Nominations Committee report for the year ended 31 December 2022.

During the year, the Committee held three scheduled meetings and continued its focus on succession planning and driving improvements in diversity at all levels.

At the start of the year, the Committee was focused on the search for a new Chief Financial Officer. Rigorous selection criteria were set and candidates from a variety of backgrounds, including women and underrepresented ethnic groups, were shortlisted. Following the appointment of Mark George, we no longer meet the targets for female representation on the Board as set previously by the Hampton-Alexander Review. We also do not meet the new targets under the FTSE Women Leaders Review. However, the Board strongly supports the objective to promote greater female and ethnic minority representation on listed company boards and believes that diversity in the boardroom and workforce is in the best interests of the business.

During the year, the Committee focused much of its time on diversity as part of its review of our talent pipeline and succession planning for the executive leadership and the wider workforce. The business works hard to attract and engage the highest-quality talent from all backgrounds who will drive the business forward. Further information on the diversity of the Board is set out on pages 89-90.

As a newly appointed Board on demerger, the Committee is mindful of the need to plan an orderly succession of the Board in order to avoid a significant change to the Board membership in a short timeframe. This also creates the opportunity to increase diversity on the Board, as well as rebalance the skills and experience of the Board as a whole to reflect the growing needs of the business.

During the year, the Committee also reviewed the composition of the Board and recommended the appointment of an additional Non-executive Director with digital and marketing experience to strengthen the current skills and experience of the Board. The criteria for this role also require that the successful candidate improves the diversity of the Board.

“In a challenging external environment, the role of the Nominations Committee to ensure that the Board and senior management have the skills and experience necessary to succeed, to maintain robust succession plans and to continue to build a diverse pipeline of future talent is more important than ever.”

Although only in our second year, our Board evaluation review was externally facilitated this year and the Board was pleased with the feedback received, particularly on the creation of strong Board dynamics, providing constructive engagement and challenge, in a relatively short period of time since the demerger. The review concluded that the Board was effective and there were no high-priority or urgent actions arising. Recommendations to help the Board continue its development and progress were agreed. More information on the Board evaluation is set out on page 91-92.

Looking ahead to 2023, the Committee will focus on Board succession planning and driving a diverse talent pipeline as part of the succession planning for the executive leadership over the medium to long term, as well as leading on the appointment and induction of the additional Non-executive Director.

**Christopher Rogers**  
Chair of the Board

22 March 2023

### Committee composition

The Committee membership comprises the Non-executive Directors, including the Chair of the Board. Details of the experience and skills of Directors are set out in the biographies on page 77. You can find details of meetings and attendance on page 80.

### Role of the Committee

The Committee's role is to lead the process for appointments to the Board and executive leadership and to ensure orderly succession plans are in place, as well as overseeing the development of a diverse pipeline for succession. The Committee also reviews the structure, size and composition, including skills, knowledge, experience, independence and diversity and the length of service of the Board as a whole, and its Committees, and makes recommendations to the Board with regard to any changes. The full responsibilities of the Committee are set out in its Terms of Reference, which can be found on the Company's website [www.wickesplc.co.uk](http://www.wickesplc.co.uk)

### Board composition

The Board comprises six Directors, three of whom are independent Non-executives. In July 2022, Julie Wirth, Chief Financial Officer, retired and Mark George was appointed as her successor. All other Directors were appointed on 23 March 2021 as part of the demerger and have remained in their roles throughout the year.

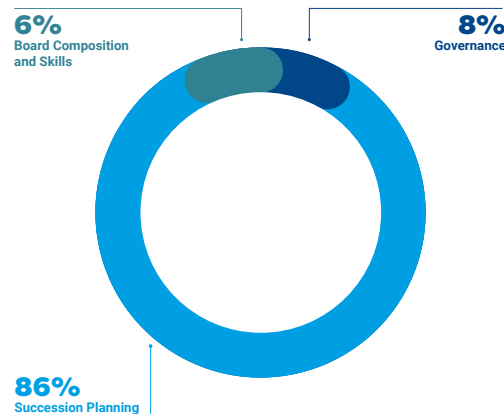
The Board recognises the importance of having complementary and diverse skills and backgrounds within its composition, enabling rich and effective discussions and decision making.

During the year, the Committee reviewed the Board composition against a skills matrix to ensure that the Board and its Committees have the skills needed to provide effective leadership of the Company. Information on the key strengths and experience of each Director can be found on page 77.

To complement and strengthen the Board's current skill set the criteria for the additional Non-executive Director includes digital and marketing experience. The appointment of an additional Director will also create an opportunity to increase the diversity on the Board.

The Committee has reviewed the external time commitments of the Chair of the Board and each of the Non-executive Directors. The Board is satisfied that during the year each Director committed enough time to be able to fulfil their duties and has capacity to continue doing so.

### Percentage of time spent by the Committee



### Appointments, induction and development

After Julie Wirth signalled her intention to retire from a full-time executive role, Korn Ferry, which has no connection with Wickes or any of its Directors, was appointed to assist the Committee in its search for a new Chief Financial Officer. Open advertising was not used. The recruitment process involved setting rigorous selection criteria, in terms of both technical capabilities and cultural and style attributes. A diverse longlist of candidates was presented to the Committee from which a shortlist of candidates was produced. Candidates on the shortlist were interviewed by members of the Committee and assessed by Korn Ferry. Following extensive discussion of the assessments and feedback from the interviews, Mark George was recommended by the Committee for appointment by the Board as Chief Financial Officer. The Remuneration Committee considered and approved the remuneration arrangements.

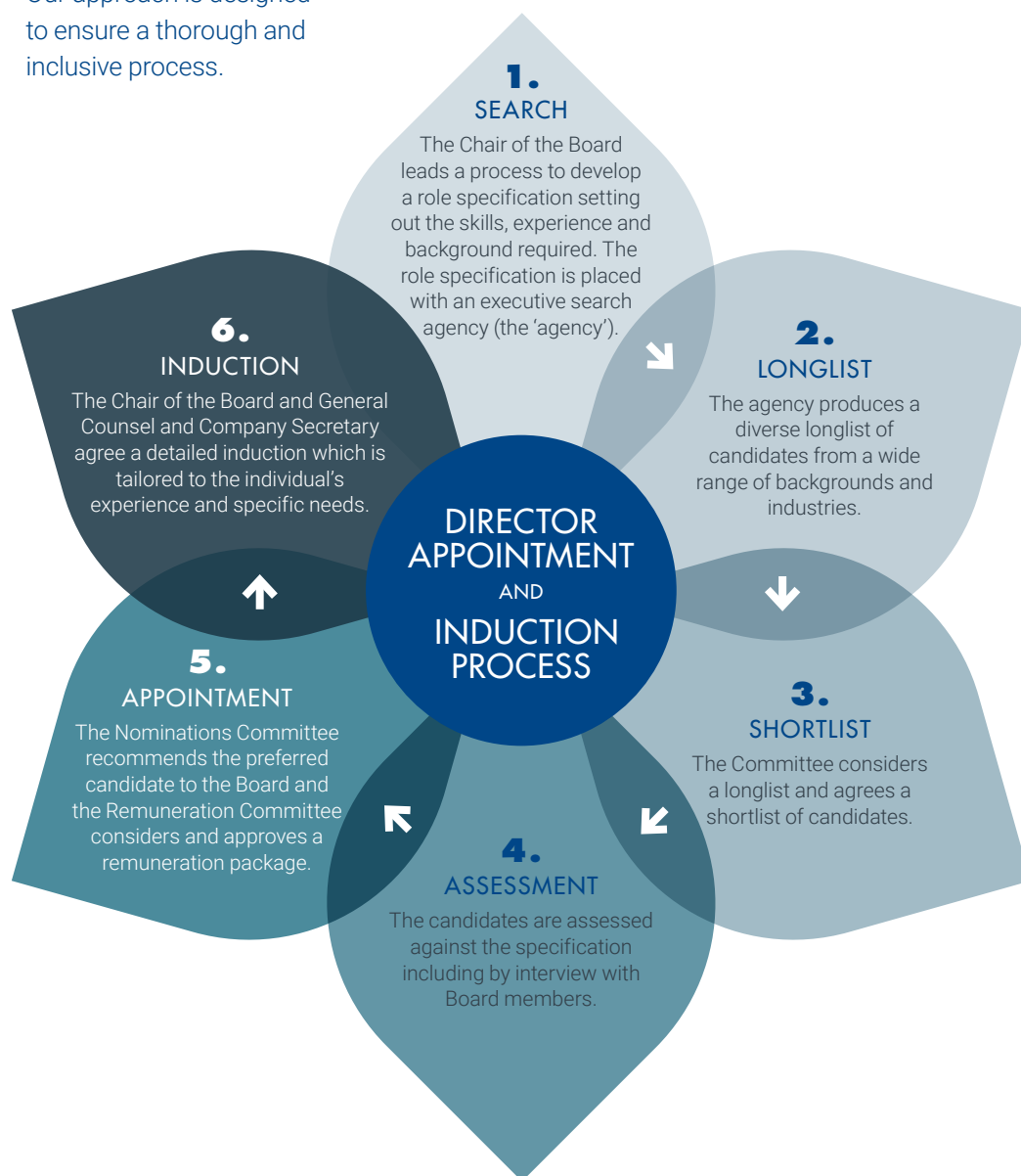
Mark George received a comprehensive induction over several months, which was tailored to his individual needs and designed to facilitate his understanding of the business. This included a comprehensive programme of meetings with members of the Plc Board, Executive Board, senior management and key third parties including brokers, bankers, auditors and consultants; access to relevant documentation such as recent Board and Committee papers and demerger documents; and site visits to stores and distribution centres to ensure he gained a detailed understanding of business operations and experienced our special culture in person.

The Chair of the Board discusses specific development needs with each Director on an individual basis. Ongoing Board development takes place through briefings at Board meetings and regular store visits. The Board has a long term development programme of scheduled visits and activities to enhance the Directors' knowledge on the business across the differentiated customer propositions. This year, the Board visited a key supplier and previously visited the distribution centres. Future visits are planned to the outsourced customer support centre and key stores, as well as an installations experience to integrate knowledge of the end-to-end customer journey of the DIFM proposition. Technical briefings are given to the Board and Committee meetings on relevant legal and regulatory developments, including guidance and policies, or changes, and Directors are encouraged to attend training to ensure that their individual development needs are met.

Details of the process in relation to the appointment of an additional Non-executive Director and their induction will be set out in our 2023 Annual Report and Accounts.

## Nominations Committee report continued

Our approach is designed to ensure a thorough and inclusive process.



### Succession planning

The Board recognises that an effective and orderly succession plan for the Board, ensuring the right mix of skills and experience of future Board members, is vital to delivering our strategy. The Board is also committed to recognising and developing talent within senior management across the business, creating opportunities to develop current and future leaders.

All Non-executive Directors were appointed at the same time in April 2021 ahead of the listing of the Company on the London Stock Exchange. The Committee is mindful of the need for orderly succession planning to avoid a significant change to Board membership in a short timeframe and will start to develop plans for Non-executive Director succession in 2023. In line with the Code, Non-executive Directors will not participate in discussions concerning their own succession plans. Given the short tenure of the Non-executive Directors, although it was agreed that a plan would need to be developed for orderly succession, no specific plans were agreed in the year.

The Committee, with input from the CEO, considered during the year a talent map of potential successors for the CEO. The talent map provided a list of 'ready now' and 'step up' candidates against a set of criteria and experiences which would provide a starting point for recruitment should the need arise. The map will be refreshed annually and extended over time to include other Executive Board roles.

The plans for succession to other key Executive and leadership roles in the short, medium and long term have also been reviewed by the Committee in detail. The Committee is focused on ensuring there is a robust pipeline of talent and that these high-potential colleagues are developed and supported to prepare them for leadership roles. This includes strengthening the leadership development proposition, supporting mentoring initiatives and planning role moves to provide more experience earlier in the careers of potential future successors.

Diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths were considered carefully to ensure the pipeline is strengthened with appropriate skills and perspectives. Areas for development for succession candidates to key leadership roles have been identified and opportunities for them to present to and engage with the Board have been identified and planned for future meetings.

The Board believes that succession plans will result in a continuously robust leadership structure that can achieve the Company's purpose and ensure its long term sustainable success.



### Inclusion and diversity statement

The Board believes an inclusive culture is a key driver of business success. It is committed to having inclusive and diverse leadership which provides a range of perspectives, insights and the challenge needed to support good decision making.

Board membership reflects a range of skills, backgrounds and business experiences which facilitates a broad evaluation of matters considered by the Board and contributes to a culture of collaborative and constructive discussion.

As at 31 December 2022<sup>1</sup>, the Board comprises three male Non-executive Directors (including the Chair of the Board), one female Non-executive Director and two male Executive Directors and, as such, the Company did not meet the targets on board diversity relating to female representation on the Board as set out in Listing Rule 9.8.6R(9)(a)(i) and (ii), which require at least 40% of the individuals on the Board to be women and at least one woman holding the position of Chair, CEO, Senior Independent Director or CFO. The Board meets the Listing Rule 9.8.6R(9)(a)(iii) target of having one director from a minority ethnic background. It is the intention of the Board, through the Nominations Committee, to focus on diversity as part of its succession planning.

The Board strongly supports diversity in its broadest sense in the boardroom, although it recognises that being a recently formed Board and relatively small in size will make achieving diversity targets more challenging in the short term. In accordance with Listing Rule 9.8.6R(10), the prescribed numerical data on the ethnic background and the gender identity of the Board and the Executive Board is set out in the tables on page 90. The Board also supports the Parker Review regarding ethnic diversity on UK boards, published in 2017, and continues to meet the Parker Review target of at least one director of colour by 2024.

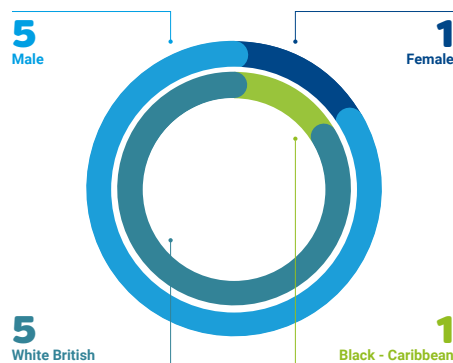
In line with our colleague inclusion and diversity policy, the Board remains committed to improving gender diversity at all levels. Members of the Executive Board comprise two female and six male members, representing a gender split of 25% female and 75% male. The senior leadership team (direct reports to the Executive Board) have a gender split of 39.58% female and 60.42% male.

A key part of the People pillar of the Board's Responsible Business Strategy is our early careers proposition, which includes apprenticeships, traineeships and graduate placements. The Board is committed to building skills in our local communities to create a diverse and inclusive talent pipeline for the business and to benefit wider society. Through our apprenticeship schemes and Kick Start programmes, we have created opportunities to attract a significantly more diverse workforce. We also have graduate and specialist rotation programmes, which help us to build our colleague capability and deliver our business strategy. In 2022, the Board has committed to offering 200 early careers places over the next three years and has so far offered 172 places.

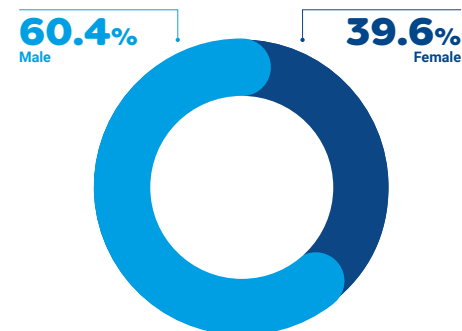
The Board places great importance on fostering an inclusive and diverse workforce which is representative of the communities in which we operate. The Board, Nominations Committee and the Executive Board receive regular updates on the progress of inclusion and diversity initiatives and feedback from colleagues to monitor progress against our aim of ensuring all colleagues have an opportunity to get on and feel at home at Wickes. Further details of the Company's approach to diversity and inclusion can be found on pages 35-39.

- <sup>1</sup> 31 December 2022 is the Company's chosen reference date for the purposes of reporting against Listing Rule 9.8.6R(9).
- <sup>2</sup> 'Executive Board' means 'senior management' for the purposes of the Code and the requirements of Provision 26 and includes the Company Secretary.

### PLC Board gender identity and ethnicity



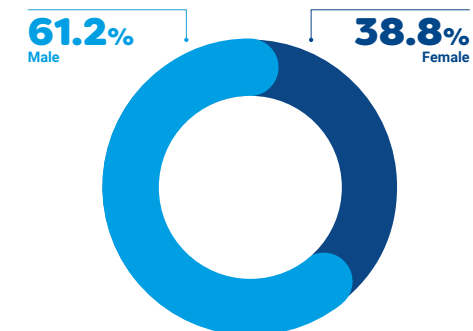
### Direct reports of the Executive Board gender identity



### Executive Board gender identity and ethnicity<sup>2</sup>



### All other colleagues gender identity



## Nominations Committee report continued

### Diversity data

In accordance with Listing Rule 9.8.6R(10), the prescribed numerical data on the ethnic background and the gender identity of the Board and the Executive Board is published here.

For the purposes of making these disclosures, the Company has collected this data by asking each Director or officer of the Company to confirm their gender identity and ethnic background directly. Each response is recorded on the Company's HR system.

### Inclusion and Diversity policy

This year, the Board approved a Board Inclusion and Diversity policy and will now monitor compliance against the objectives contained therein annually. The Board policy compliments the Company's wider colleague inclusion and diversity policy, which has previously been used as the diversity policy applied to the Company's administrative and management bodies, the Board and its Committees.

Our ambition through both the Board and colleague inclusion and diversity policies is to make everyone 'Feel At Home' and able to bring their authentic selves to work: knowing their safety, happiness and wellbeing is at the heart of our thinking.

### 2023 Board Inclusion and Diversity policy targets

The Board Inclusion and Diversity policy states that the Board is committed to promoting inclusion and diversity in the boardroom and aims to meet industry targets and recommendations while recognising that there may be periods when this balance is not achieved. This includes the diversity targets recommended by the FTSE Women Leaders Review and Parker Review, with targets as follows:

- female representation on the Board of at least 40%;
- at least one of the roles of Chair, Senior Independent Director, Chief Executive Officer or Chief Financial Officer filled by a woman; and
- at least one Director from a minority ethnic background on the Board.

We will be reporting against the Board Inclusion and Diversity Policy in next year's Annual Report and Accounts.

### Reporting table on ethnicity representation

	No. of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID & Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	5	83.3	4	7	87.5
Mixed/Multiple Ethnic Groups	—	—	—		
Asian/Asian British	—	—	—		
Black/African/Caribbean/Black British	1	16.7	—	—	—
Other ethnic group, including Arab	—	—	—	1	12.5

### Reporting table on gender representation

	No. of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID & Chair)	Number in executive management	Percentage of executive management
Men	5	83.3	4	6	75.0
Women	1	16.7	0	2	25.0

## BOARD EVALUATION REVIEW TIMELINE

YEAR 1  
**2021**  
INTERNAL

YEAR 2  
**2022**  
EXTERNAL

YEAR 3  
**2023**  
INTERNAL

YEAR 4  
**2024**  
INTERNAL

YEAR 5  
**2025**  
EXTERNAL

### Board evaluation

The Code requires the Board to undertake a formal and rigorous annual evaluation of its own performance and that of its Committees and individual Directors. The evaluation should be externally facilitated at least once every three years.

This year's annual Board effectiveness review was facilitated externally, for the first time, by Board Alchemy, an independent specialist consultancy, and supported by the Company Secretary. Rather than wait until its third year as a listed company, the Board decided to have an external review in its second year as it felt that it would be a good time to reflect on Wickes' governance processes and identify any opportunities to refine and improve Board governance. A competitive tender process was undertaken, which involved the Chair of the Board and Company Secretary meeting with a short list of providers and giving feedback to the Board. Board Alchemy had no previous connection with the Company. The Board was satisfied that the reviewer was suitably qualified and experienced to conduct the effectiveness review and that Board Alchemy followed the principles set out in the Code of Practice for independent reviewers.

The review included: one-on-one interviews with each Board member, followed by individual meetings with members of the Executive Board, the former CFO and the external audit partner; a review of the recent Board and Committee papers; and observation of the October 2022 Board meeting.

Despite all Board members being relatively new to each other and effective new working relationships needing to be established, the Board has formed well and quickly.

**BOARD ALCHEMY**  
November 2022

The Board Alchemy report concluded that the Board and its Committees was operating effectively. A discussion of the Board effectiveness review report, outlining the Board's current strengths, challenges and recommendations was facilitated by Board Alchemy at the November Board meeting.

### Board evaluation – key findings

The Board evaluation review concluded that the Board was effective and there were no high-priority or urgent recommendations arising. It found that the Non-executives, as a group, have strong listed company experience and this had served the Company well as a recently listed company. The Board has strong finance expertise, which reflects itself in the focus of the Board and its areas of challenge, although good focus is also given to a wide range of other areas. The review noted the valuable perspective brought by the different Non-executives' backgrounds and remits. The Board is well led by the Chair of the Board, who has extensive listed company experience himself. Feedback from interviews indicated that the CEO leads the company well. He is visible across the organisation and engages well with colleagues at all levels.

The newly formed Board has benefited from its Board meetings being held face-to-face during the year, notwithstanding the challenges of the pandemic, and holding regular Board dinners, which have contributed to a good dynamic. The review found there to be open, constructive and supportive relationships between the Chair of the Board and CEO, and Chair of the Board and SID. The review noted the good governance arrangements that are in place, such as role descriptions for the Chair of the Board, SID and CEO, and good delegation by the Board to its Committees, with well-considered and clear Terms of Reference.

The review highlighted where further skill and experience capabilities could strengthen the Board's current skillset and the need for the Board to work to improve its diversity. The observed Board meeting dynamic had good discussion, debate and challenge.

The Board's focus on strategy was found to be appropriate and the review highlighted that, looking forward, more time would be devoted to longer-term strategy, moving on from the Board's focus on the immediate period after the demerger and the impact of the current economic climate.

The Board gave good consideration to risk, supported by the Audit and Risk Committee, and had developed an embedded risk culture when deliberating and making decisions. Board members showed considerable interest in stakeholder matters and received regular updates at the Board, as well as having direct involvement with several stakeholder groups, including colleagues and investors.

The review also made recommendations in relation to internal audit and risk management following feedback on the outsourced internal audit function.

### 2022 Action plan

The Board considered all of the recommendations contained in the review and developed an action plan which will be reviewed by the Board during 2023 to ensure progress is being made.

The key actions agreed by the Board arising from the review were as follows:

1. Develop a plan for the orderly succession and to increase the diversity of the Board.
2. Continue to develop relationships between Non-executive Directors, the Executive Board and colleagues.
3. Keep the forward plan under review to ensure strategic matters are appropriately scheduled.
4. Propose a plan for the future provision of internal audit services.
5. Map out key risks to Board agendas and ensure key risk owners present to the Board at least once every year.

This summary of the 2022 external board evaluation process and disclosure of the evaluation findings has been reviewed and agreed with Board Alchemy.

## Nominations Committee report continued

### Progress against 2021 Board evaluation actions

During the year, the Committee monitored progress against the agreed key actions arising from the internally facilitated 2021 Board evaluation. A summary of the actions and progress is set out below. For further information on the 2021 Board evaluation process, please refer to the 2021 Annual Report and Accounts.

AREA	ACTION	PROGRESS
Board agenda	The forward agenda would be updated to incorporate priority topics identified in the strategy meeting and to include more focus on areas highlighted by the Board of significant interest or relevance.	Additional agenda items were added to the Board's schedule covering topics of interest, including customer engagement and insights, supplier engagement, employee feedback and IT matters. The forward agenda is regularly reviewed by the Chair of the Board, CEO and Company Secretary, and is tabled at every Board meeting for review, which allows flexibility for emerging discussion topics to be added and other changes to be made where appropriate.
Board papers	Management would review papers with a view to making them more concise.	Guidance on drafting Board papers was shared with senior management. Work is ongoing to further streamline reporting to the Board.
Board meetings	The frequency of Board meetings would be kept under review.	The number of scheduled Board meetings was reduced by one and the 2022 evaluation concluded the frequency was appropriate.
Additional training, including environmental, social and governance (ESG) and digital topics	Additional training would be arranged for Board members with a focus on ESG and digital topics.	Training on ESG matters was provided through the Responsible Business Committee meetings. Briefings on digital developments and cyber risk were delivered to the Board during the year.

### Director performance reviews

The Chair of the Board reviewed the performance of individual Directors, taking into account feedback from the other members of the Board, and discussed any identified development needs with each Director.

The performance review of the Chair of the Board was conducted by the Senior Independent Director supported by Board Alchemy. The review included feedback from Board and Executive Board members gathered from a questionnaire and individual interviews with Board Alchemy.

### Election and re-election of Directors

The Board has confirmed, following a performance review, that all Directors continue to perform effectively and demonstrate commitment to their roles. All Directors will submit themselves for election or re-election at the forthcoming AGM. Directors do not participate in discussions involving their own reappointment.



## Audit and Risk Committee report

# AUDIT AND RISK COMMITTEE REPORT

“The Committee has fostered a dynamic working relationship to bring together stakeholders to focus on building a strong internal control environment to promote the long term success of the business.”



**Mike Iddon**  
Chair of the Audit and Risk Committee

### Committee members

**Mike Iddon**, Chair of the Committee, independent Non-executive Director

**Mark Clare**, Senior Independent Non-executive Director  
**Sonita Alleyne**, independent Non-executive Director

### Dear Shareholder,

I am pleased to present the Company's Audit and Risk Committee report for the year ended 31 December 2022.

In its second year of operation since listing, the Committee met six times and I am pleased with the constructive environment that has been created, providing supportive challenges to management, open discussion and promoting transparent reporting. As Chair of the Committee, I have fostered good working relationships with the external and internal auditors through regular dialogue, particularly during the financial reporting periods, to receive feedback on their audit work.

The Committee has continued to prioritise the development of internal financial processes and controls, building on work undertaken in the previous year. Taking into account observations from management, and also the external and internal auditors, we recognise the need for a continued high level of focus on enhancing and embedding financial controls around the new finance system launched at the end of 2022.

I am pleased to note that the cut over to the new system, which marked a key milestone in the

separation from Travis Perkins plc, was executed to a high level of quality and provides a solid foundation on which to deliver greater automation throughout the financial processes, and presents a great platform to improve the efficiency, timeliness and quality of the financial controls.

The Committee will closely monitor progress in delivering these improvements, in particular in relation to the significant accounting areas, including the production of impairment calculations and the recognition of DIFM revenue. For both of these areas, alongside enhancements to controls, we would envisage more work being completed by management ahead of the 2023 year end.

As usual, the Committee has spent time during the year reviewing financial results, assessing the accounting policies and procedures adopted by management. In particular, the Committee reflected on the uncertain economic backdrop and its impact on the calculation of impairments on store-related assets and the carrying value of investments in subsidiaries. The Committee also reviewed the recognition of revenue in the DIFM segment.

Building on the establishment of the Group's Risk Register in 2021, the Committee received updates

on the Company's risk management approach and reviewed the principal and emerging risks and uncertainties with a focus on supply chain, cyber security and data privacy.

During the year the Committee was briefed on preparations for the anticipated changes in audit and corporate governance requirements following the publication of the Government response to its consultation paper 'Restoring trust in audit and corporate governance' last year.

Looking ahead to 2023, the Committee will remain focused on evolving the internal control framework and preparing for the Government's proposed corporate governance reforms.

**Mike Iddon**  
Chair of the Audit and Risk Committee  
22 March 2023

## Audit and Risk Committee report continued

### Committee composition

The Committee membership comprises three independent Non-executive Directors, with the Chair of the Committee having recent and relevant financial experience. The Committee as a whole has relevant experience and competencies in the retail sector. The Chair of the Board is not a member of the Committee but was invited to and attended all meetings in 2022. You can find details of meetings and attendance on page 80.

### Role of the Committee

The role and responsibilities of the Committee are set out in the Committee Terms of Reference, which are available on the Company's website at [www.wickesplc.co.uk](http://www.wickesplc.co.uk), and include the following:

- Monitoring the integrity of the financial statements and related announcements and reviewing significant financial reporting judgements.
- Advising the Board on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable.
- Reviewing the Company's internal financial controls and internal control and risk management systems and, where appropriate, to make recommendations to the Board.
- Monitoring and reviewing annually the effectiveness of the internal audit function.
- Making recommendations to the Board regarding the appointment, reappointment and removal of the external auditor and approving its remuneration and terms of engagement.
- Reviewing the effectiveness of the external audit process, including monitoring the independence and objectivity of the external auditor and making recommendations on when to undertake a competitive tender for statutory audit services.
- Determining the policy on non-audit fees and monitoring the provision of non-audit services
- Considering the Company's emerging and principal risks and uncertainties, and reviewing the mitigating actions management has taken to ensure that these risks are appropriately monitored and controlled.

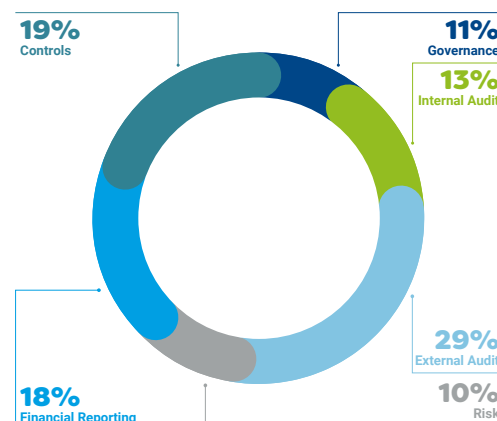
### Operation of the Committee

Prior to the start of each Committee meeting, the Chair of the Committee meets with the internal and external auditors and members of the Committee without the Executive team present to discuss any relevant matters.

The Committee receives reports and updates from both the internal and external audit functions; along with reports on any non-audit services provided and how these meet the Non-audit Fees Policy. The Committee has a structured forward looking planner to ensure that the responsibilities of the Committee are discharged during the year. The content of the forward planner is regularly reviewed, which also allows for the planner to evolve to reflect the changing needs of the business.

The Chair of the Committee meets with both the internal and external auditors, and executive management, outside of formal meetings as preparation for the Committee meetings and to discuss any areas of concern or significance.

### Percentage of time spent by the Committee



### Work of the Committee

During the year, the Committee held six scheduled meetings. A summary of the key activities of the Committee is set out below.

### Oversight of the preparation of financial results

Following the conclusion of the audit of the 2021 financial results, which were the first full year results for the business as an independent listed entity, the Committee carried out a detailed review with management to identify process improvements for future financial reporting periods, supported by both internal and external audit.

### Monitoring the internal control environment

A key area of focus for the Committee was to continue to track progress against improvements to the Group's internal controls. Following the Committee's review of the first set of financial statements (described above), a control improvement plan, incorporating recommendations from both management and external audit, was agreed and monitoring completion of actions is now a standing item on the Committee's agenda and is discussed at each meeting. Substantial progress has been made during the year, including the implementation of the new finance system. However, this area is a key priority for the business and as such will be closely monitored by the Committee in 2023.

### Implementation of new finance system

The Committee closely monitored the implementation of new finance system and the migration from Travis Perkins Plc's finance systems as part of the separation programme by receiving reports from the steering committee set up to manage the project. The embedding of this system and the continuing development of process and control improvements will remain an area of interest to the Committee in the short term.

### Proposed audit and corporate governance reforms

During the year, the Committee received input from the external and internal auditors on the Government consultation on the reform of audit and corporate governance and the Government response to the consultation. The Committee will continue to monitor the Group's readiness for any proposed reforms and any necessary improvement activity required, and this will become a key priority for the business alongside strengthening the internal controls environment.

### Risk management oversight

During the year, the Committee has regularly received risk management updates, including reviewing the approach to key risks, risk appetite, tolerance and strategy. The Committee undertook a detailed review of the Risk Register as part of the 2021 year end process and in support of the 2022 half year reporting. More information on the Committee's oversight of risk management can be found on page 97 and the principal risks and uncertainties for the Group are set out on pages 66-70.

### FRC Corporate Reporting Review 2022

In August 2022, the Company received a letter from the Supervision Committee of the FRC following a review of the Annual Report and Accounts for the 53 weeks ended 1 January 2022 in accordance with Part 2 of the FRC Corporate Reporting Review and Operating Procedures<sup>(1)</sup>.

The letter confirmed that following the review there were no questions or queries that the FRC wished to raise. The letter did note a number of matters where the users of the Annual Report and Accounts could benefit from improved disclosure and these matters have been considered when preparing the 2022 Annual Report and Accounts.

(1) The FRC's review was based on the Group's Annual Report and Accounts for the 53 weeks ended 1 January 2022 (the 2021 Accounts). It was conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework but no detailed knowledge of the Group's business or an understanding of the underlying transactions entered into by the Group. The FRC's review provides no assurance that the 2021 Accounts are correct in all material respects and the FRC's role is not to verify the information provided but to consider compliance with reporting requirements. The FRC's letters are written on the basis that the FRC (which includes the FRC's officers, employees and agents) accepts no liability for reliance on them by the Company or any third party, including but not limited to investors and Shareholders.

### Internal audit reporting

At every meeting, the Committee received and reviewed reports from internal audit setting out progress against the agreed Internal Audit Plan, findings from individual internal audits undertaken and progress against audit actions previously identified. During the year, a number of minor changes were made to the Internal Audit Plan to ensure the plan focused on the key needs of the business, such as adding an audit on the migration of the finance systems and removing the audit on flexible working. Timings of audits were also adjusted to ensure that management resources were available to fully support and engage with the internal audit teams. You can read more information on the provision of internal audit services on pages 96-97.

### Governance oversight

In addition to the key matters discussed above, during the year the Committee also undertook the following activities: a review of the Committee's Terms of Reference; a review of the performance of the internal and external auditors; regular oversight of contractor and consultancy spend; and monitoring of non-audit fees. The Committee received a briefing from management on fraud prevention procedures, which include anti-bribery and anti-money laundering controls and policies, regular Key Control Audits of stores and distribution centres, training colleagues on fraud prevention and supporting fraud detection through whistleblowing.

### Significant audit issues considered during the year

The following are the key matters associated with the Group's financial statements for the year ended 31 December 2022 that were considered by the Committee. This is not a complete list of all accounting issues, estimates and policies, but includes those which the Committee believes are the most significant and discussed most prominently.

In reaching its conclusions, set out in more detail below, the Committee considered papers and explanations given by management, discussed each matter in detail, challenged assumptions and judgements made and sought clarification where necessary. It reviewed and discussed internal

audit reports in respect of the matters under consideration and the Committee also received a report from the external auditor on the work undertaken to arrive at the conclusions set out in its audit report on pages 119-126 and had the opportunity to discuss it with the external auditor in depth.

#### Area: The carrying value of right-of-use assets

The Group balance sheet contains £542.4m (2021: £604.4m) of right-of-use assets. The Directors are required to determine whether those assets have suffered any impairment whenever there are indicators of possible impairment. They do so by comparing the present value of future cash flows for each cash generating unit (CGU) with the carrying value of assets. CGUs are determined to be individual stores: each store's profitability is reviewed, after apportioning an appropriate amount of central costs, to identify which stores show indicators of impairment, with a full impairment analysis then being performed on those stores that are considered to show such indicators.

The calculations undertaken to help arrive at a conclusion incorporate a consideration of the risks associated with each CGU and are based upon forecasts of their long term future cash flows, which by their nature require judgement to be exercised and are subject to considerable uncertainty.

The cash flow forecasts used for impairment considerations are prepared taking into consideration the historical financial performance, the annual budget, the Five-Year Plan presented to and approved by the Board of Directors, plus an estimate of the long term growth rate beyond the Five-Year Plan.

#### Factors considered and conclusions reached

Management presented the Committee with papers setting out the results of the work performed, the methodology used, the assumptions made and the conclusions reached. Management explained to the Committee how the cash flow, central cost allocation and discount rate calculations were prepared, how individual stores were determined to be potentially impaired, the key

assumptions and judgements that were made and how sensitive the cash flows were to changes in key assumptions.

After reviewing these papers and obtaining further explanation where necessary, the Committee concluded that management's final position, after appropriate challenge and review, reached a balanced and reasonable conclusion regarding the impairment charge recognised and included acceptable judgements.

#### Area: Revenue recognition in respect of DIFM revenue

The Group recognised £371.1m (2021: £300.2m) of revenue in the financial year in respect of DIFM revenue and carried deferred DIFM revenue of £43.6m (2021: £60.6m) as a liability on its balance sheet where orders had been paid in advance but either fully or partially undelivered at the period end.

DIFM revenue represents a large number of individual transactions and recognition is driven from a number of different systems, including the product delivery system, the ordering system, as well as the data automatically posted in the finance system, with each system showing some timing differences on the point of completion of individual orders. To ensure appropriate revenue recognition in the accounting records, management therefore maintains a separate order book to track the revenue that should actually be recognised in the period.

#### Factors considered and conclusions reached

Management performs a significant amount of analysis and reconciliation to compare revenue recognised by each system, determine how the timing differences arise and ensure revenue is appropriately recognised in line with its accounting policies.

Management reported to the Committee on the outcome of this exercise through the audit period and presented final papers to the Committee at the year end setting out how conclusions were reached on the reported revenue.

The Committee reviewed and discussed the information presented, received a report from the external auditor on the work undertaken to arrive at the conclusions set out in its audit report and discussed the progress with the external auditor.

After reviewing these papers and obtaining further explanation where necessary, the Committee concluded that the process of review and controls operated by management had resulted in an accurate revenue and deferred revenue number being reported in the financial statements.

#### Area: The carrying value of investments in subsidiaries (Company only)

The Company balance sheet contains £598.9m (2021: £770.8m) of investments, representing its investment in Wickes Group Holdings Limited. The Group contains only one trading entity, Wickes Building Supplies Limited, and the investment therefore represents the entire trading business.

The Directors are required to determine whether this investment has suffered any impairment whenever there are indicators of possible impairment. They do this by comparing the net present values of future cash flows from the investment with the carrying value of the investment in the balance sheet.

The calculations undertaken to help arrive at a conclusion incorporate a consideration of the risks associated with the business and are based upon forecasts of its long term future cash flows, which by their nature require judgement to be exercised and are subject to considerable uncertainty.

The cash flow forecasts used for impairment considerations are prepared taking into consideration the historical financial performance, the annual budget and the Five-Year Plan presented to and approved by the Board of Directors.

## Audit and Risk Committee report continued

### Factors considered and conclusions reached

Management presented the Committee with papers setting out the results of the work performed, the methodology used, the assumptions made and the conclusions reached. Management explained to the Committee how the cash flow and discount rate calculations were prepared, the key assumptions and judgements that were made and how sensitive the cash flows were to changes in key assumptions.

After reviewing these papers and obtaining further explanation where necessary, the Committee concluded that management's final position, after appropriate challenge and review, reached a balanced and reasonable conclusion regarding the impairment charge recognised and included acceptable judgements.

### External audit

KPMG LLP ('KPMG') continued as our external auditor for the financial period ended 31 December 2022, having been reappointed as auditor of the Company on 26 May 2022 by Shareholders at the AGM.

KPMG was appointed under a competitive audit tender whilst the Company was part of Travis Perkins Plc in 2015. The Company became a public interest entity (PIE) in April 2021 as a result of the demerger from Travis Perkins Plc. Therefore, under the Competition and Markets Authority's Statutory Audit Service for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the 'CMA Order'), the next tender for an external auditor will be required in 2025 (ten years from the last tender), which also complies with the Companies Act 2006 which requires a tender for PIEs after ten years. Auditor rotation is required 20 years from the date of the Company becoming a PIE and therefore this will be due in 2041.

The Committee currently has no plans to undertake a tender earlier than 2025 for the reason that the Committee considers it is in the best interests of the Company and its Shareholders to maintain continuity of external auditor at this time as KPMG has a detailed knowledge of our business and an

understanding of our sector, and continues to demonstrate that it has the necessary expertise and capability to undertake the audit. The Company is in compliance with the requirements of the CMA Order, which relates to the mandatory use of competitive tender processes for the provision of statutory audit services.

KPMG reported regularly to the Committee during the year on its audit work and audit opinion.

During the year, the Committee considered the performance, effectiveness and independence of KPMG. The evaluation considered whether the external auditor met the required standards of qualification, independence, expertise, effectiveness and communication. All members of the Committee, as well as key members of management and those who have regular contact with the external auditor, completed a feedback questionnaire focusing on the following areas:

- Appropriateness of the scope of the audit and the planning process for the delivery of an effective and efficient audit.
- Expertise of the audit team conducting the audit.
- The audit team's knowledge and understanding of the business.
- Degree of independence applied by the external auditor.
- Robustness of the external audit process and degree of challenge to matters of significant audit risk and areas of management subjectivity.
- Quality of audit findings and reporting.

Feedback was collated and presented to the Committee in September 2022. The Committee discussed the conclusions and any opportunities for improvement, which were brought to the attention of the external auditor. No significant issues were reported as part of this process, and it was concluded that the external audit process and services provided by KPMG were satisfactory and effective.

The Committee regards the independence of the external auditor as crucial in safeguarding the integrity of the audit process and takes responsibility for ensuring the relationships between the Committee, the external auditor and management remain appropriate. The Committee recognises that independence is also a key focus for the external auditor, and KPMG has confirmed that it has complied with its own ethics and independence policies. KPMG provides confirmation of independence during the planning stage of the audit, disclosing matters relating to its independence and objectivity, and a final independence confirmation statement at the conclusion of each audit. There were no independence issues raised in respect of the 2022 audit.

### Non-audit services

The Non-audit Fees Policy was approved by the Committee in 2021 and was designed to ensure the ongoing independence and objectivity of the external auditor. The policy sets out the permitted and prohibited services for which the external auditor may be engaged and includes approval limits and a cap on allowable non-audit fees.

During the year the Committee monitored the non-audit fees at each of its meetings. For the year ended 31 December 2022 the total fees for non-audit services provided by the auditor to the Group did not exceed 70% of the average of the statutory audit fee for the Group's consolidated financial statements and statutory accounts paid to the auditor in the last three consecutive financial years.\* The fees paid to the auditor are set out on page 137 of the notes to the financial statements.

\* Fees paid to the auditor in relation to Reporting Accountant services in respect of the demerger of the Group, which were agreed by Travis Perkins Plc prior to separation, have been excluded from the calculation of the non-audit fee ratio when assessing the Company's compliance with the Non-audit Fees Policy.

### Internal audit

Internal audit services are provided by BDO LLP ('BDO') in accordance with an annually agreed Internal Audit Charter. The internal audit function is responsible for providing independent and objective assurance to the Audit and Risk Committee on the design and effectiveness of the Group's systems of internal control through a risk-based approach.

BDO reports to the Chief Financial Officer and also has direct access to the Audit and Risk Committee. The Committee also meets with internal audit without executive management present.

In addition, BDO provides the Audit and Risk Committee with support and advice concerning the Group's assurance framework more generally and during the year provided advice and assistance with the full year risk management process.

### Internal Audit Plan

The Internal Audit Plan for 2022 was approved by the Audit and Risk Committee and included a combination of risk-based audits and projects. Areas covered by the plan in 2022 included the following:

- DIFM revenue recognition
- Cyber security
- Supplier contracts and supplier management
- Consumer credit
- Health and safety
- Strategic performance management
- Cash and banking
- HR – Wellbeing
- Facilitation of tax evasion (Criminal Finances Act 2017)
- Goods received not invoiced (GRNI)

BDO undertakes a regular review of the plan against the corporate risk register to ensure it remains fit for purpose and discusses the content of the plan with the Executive Board on a monthly basis. Any proposed changes to the plan are presented to the Audit and Risk Committee for approval.



The high-level scope of the internal audit work is agreed with the Audit and Risk Committee within the Internal Audit Plan. An Executive 'sponsor' is allocated to each audit and involved in the planning stages of each audit.

Ongoing visibility of the internal control environment is provided via internal audit reports to the Executive Board and the Audit and Risk Committee. Reports are graded to reflect an overall assessment of the design and operational effectiveness of the control environment under review, and the significance of any control weaknesses identified.

Improvement actions to address findings are identified and agreed with management. The Audit and Risk Committee regularly reviews actions being taken as a result of internal audits. Progress reports are presented to the Executive Board every month and to the Audit and Risk Committee at every meeting with a focus on the status of any deferred and overdue actions.

The Committee formally assesses the effectiveness of internal audit annually and seeks to satisfy itself that the quality, expertise and experience of the function are appropriate for the Group. This assessment involves both Committee members and members of the Executive Board through the completion of a questionnaire, with the results considered by the Committee. This assessment includes a consideration of independence and objectivity; the overall level of fees; the quality of the risk assurance process; and the role of the function in the context of the broader sources of risk assurance. The internal audit function was considered to be effective for the financial period ending 31 December 2022.

BDO also formally reflects on how it has added value through its internal audit services on an annual basis and reports the outcomes from this exercise to the Audit and Risk Committee.

### Risk management and internal control

Risks are actively managed on an ongoing basis. Details of risks faced by the Group are maintained in the Group risk register, with key risks regularly collated and reviewed by management and the Executive Board to assess the potential impact and likelihood of occurrence, after taking into account key controls, mitigating factors and interdependencies. Additional focus is given to any risks that fall outside of the Company's risk appetite, and further mitigating actions are put in place, where appropriate, to manage risks to an acceptable level.

The Group's approach to risk management began to be developed as an independent entity on demerger in April 2021 and continues to be refined.

The principal risks and uncertainties are developed from this Group view of risk management, and are set out on pages 66-70, together with information on how those risks are mitigated and how emerging risks are assessed.

Prior to the demerger in April 2021, Wickes was reliant on back office systems designed and managed by Travis Perkins Plc. Significant progress has been made in 2022 on the delivery of the Autonomy programme to transition to standalone systems. The Autonomy programme is on track and will be completed in 2023. As part of the separation activities, a replacement finance system was implemented in 2022. These system developments will provide a robust foundation upon which a sound system of internal control can be developed.

Following completion of the Company's first year end process for the 2021 financial year, a thorough review of controls was undertaken. An Improvement Plan, addressing the control issues identified by management and the internal and external auditors, was prepared and approved by the Committee. As a result of this review, investment has been made in the finance team and a number of improvements have been made to review processes.

Both management and the Committee acknowledge that there still remains work to be done to present a fully effective control environment to reduce the reliance on compensatory procedures.

The Committee receives regular reports throughout the year which provide assurance over the extent and performance of the control environment, including:

- recommendation tracking reports where the status update of control improvements (including progress against the 2022 Improvement Plan), internal audit recommendations and any recommendations received through third party advisors is presented;
- internal audit reports, delivered as per the Internal Audit Plan; and
- KPMG's external audit findings and insight from the external audit process.

The Committee discussed the effectiveness of the control environment in relation to the 2022 financial year and concluded that, with the support from the compensatory procedures and reviews in place, the internal control environment was effective. The Committee noted that although good progress had been made against the Improvement Plan, further improvement is still needed to reduce the reliance on compensatory procedures. Delivery of the Improvement Plan will continue to be closely monitored by the Committee through 2023.



## Responsible Business Committee report

RESPONSIBLE BUSINESS  
COMMITTEE REPORT

**Sonita Alleyne**  
Chair of the Responsible Business  
Committee

## Committee members

**Sonita Alleyne**, Chair of the Committee Chair,  
independent Non-executive Director

**Christopher Rogers**, Chair of the Board

**Mark Clare**, Senior Independent Non-executive Director

**Mike Iddon**, independent Non-executive Director

## Dear Shareholder,

It gives me great pleasure to present my second Responsible Business Committee report, covering the year ended 31 December 2022. During the year, we covered the full breadth of ESG matters contained within the Responsible Business Strategy and I am pleased with the great progress that has been made.

It has also given me great pleasure to see the number of external awards that have been given to the business and individual colleagues this year giving well deserved recognition of Wickes' inclusive and diverse culture.

The separation of our standalone HR systems has given the business greater control over the data that we collect from colleagues and we have seen an improvement in our baseline data on gender and ethnic background this year, which will help us to monitor performance more accurately and develop our future targets.

Our Early Careers proposition, which is essential to attract the talent that the business needs and to help create our diverse talent pipelines, has continued to develop and we expect to start seeing the benefits from our focus in this area.

“ We have continued to move at pace this year to develop plans to reduce our impact on the environment and to help customers to decarbonise their homes whilst protecting our unique and inclusive culture.

Submitting and receiving approval of our first near-term Science Based Targets this year, in such a short period of time since listing, has been a huge achievement to demonstrating the commitment of the business to reducing our impact on the environment. There is still work to be done by the Committee to monitor our progress against the roadmap and achieve the targets.

We also completed our first CDP submission this year and received a B- score, which sits in the 'management' category. It is our aim to continue improving and to achieve a 'leadership' rating over the coming years.

Significant progress has been made on the Homes pillar of our Responsible Business Strategy this year and the recent launch of our interactive Sustainable House Guide and energy saving advice pages on the customer facing website have been an exciting development. I look forward to seeing the positive impact that sharing this knowledge will have on customers and colleagues to help them save money and make more sustainable choices during the cost of living crisis and rising energy costs.

The Committee will continue to closely monitor the implementation and development of our Responsible Business Strategy over the coming year, along with monitoring our performance on ESG matters. Communication and engagement will also be a key focus for 2023.

Further information on the Responsible Business Strategy can be found on our website at [www.wickesplc.co.uk](http://www.wickesplc.co.uk) or on pages 33-53.

**Sonita Alleyne**  
Chair of the Responsible Business Committee  
22 March 2023

### Committee composition

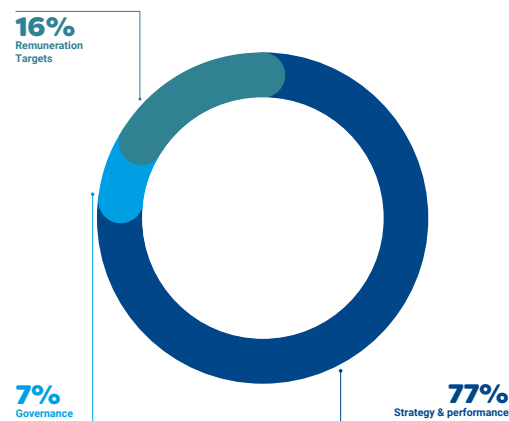
The Committee membership comprises the Non-executive Directors, including the Chair of the Board. Details of their experience and skills are set out in the biographies on page 77. The CEO is not a member of the Committee but, along with other key members of management, is invited to and attends all meetings to provide valuable operational insight and feedback on performance against the Responsible Business Strategy. You can find details of meetings and attendance on page 80.

### Role of the Committee

The role and responsibilities of the Committee are set out in the Committee Terms of Reference, which are available on the Company's website at [www.wickesplc.co.uk](http://www.wickesplc.co.uk), and include the following:

- oversee the Group's conduct with regard to its ESG obligations as a responsible corporate citizen;
- review and approve the strategy for managing the Group's ESG responsibilities in such a way as to build trust and confidence;
- approve ESG targets to support the Responsible Business Strategy and monitor progress against agreed performance measures;
- review and monitor the Group's responsible business disclosures, including carbon disclosures consistent with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and recommended disclosures;
- monitor the Group's responsible business engagement and communications with its stakeholders; and
- recommend ESG targets for executive remuneration purposes to the Remuneration Committee.

### Proportion of time spent by the Committee



### Work of the Committee

The Committee held four scheduled meetings during the period ended 31 December 2022 and over the course of the year received detailed updates on each of the three pillars of the Responsible Business Strategy: People, Environment and Homes. A summary of the key activities of the Committee is set out below.

#### People

During the year, the Committee received regular updates from the Chief People Officer on people matters, in particular on the progress to collect better colleague gender and diversity data. The launch of the new standalone HR systems this year has greatly assisted with this data collection exercise, as well as data being published from the 2021 Census. Now that we have established a good baseline of colleague data, the Committee expects to be able to set more focused targets to drive progression in this area of the strategy in 2023 and beyond.

The Committee received updates on the Inclusion and Diversity (I&D) Policy and the work undertaken by the six colleague-led I&D networks to support meaningful change for colleagues. The Committee commended the wide number of external recognition awards for inclusivity, diversity and wellbeing that had been received by the business and a variety of individuals, including network leads, during the year. The Committee received updates on the communication strategy and supported the bold event messaging used at Brighton Pride, which received national media coverage.

The Committee also considered the results of the 'Your Say, Our Future' colleague engagement survey and the outputs from a colleague cost of living working group, including initiatives undertaken to support colleagues facing the cost of living crisis.

Updates on our Early Careers proposition, which includes apprenticeships, traineeships and graduate placements, were presented to the Committee, which reflected the Board's commitment to building skills in local communities. More information on the Early Careers proposition is set out on page 36.

Regular updates were also received by the Committee on fundraising for the charity partnership with YoungMinds and the success of the Wickes Community Programme. The Committee also supported the '50p ask' fundraising initiative, in partnership with UNICEF, which took place in stores in response to the conflict in Ukraine, and the Mission Christmas campaign, creating gift 'drop-off' points in stores for customers and colleagues to donate Christmas gifts to children of families in crisis.

### Environment

A significant amount of the Committee's time has been spent this year on the Environment pillar of the Responsible Business Strategy, which reflects the desire of the business to demonstrate its commitment to tackling climate change and reducing its impact on the natural environment.

The Committee oversaw the submission of our first near-term Science Based Targets, which are set against a 2021 baseline, receiving regular updates on progress leading up to approval being received in September 2022. It is a significant achievement to have received approval of our three targets by the Science Based Targets initiative (SBTi) within 18 months of listing and it aligns the Company with other businesses in the UK that are also committed to reducing emissions by 2030 and support the Paris Climate Agreement to limit global temperature rises to 1.5°C.

The Committee has also considered our approach to managing climate-related risks and is satisfied that good progress continues to be made on understanding and managing these risks in the business, including developing a supply chain risk profile. Further information on the TCFD can be found on pages 45-50.

## Responsible Business Committee report continued

### Homes

Towards the end of the year, the Committee received a detailed briefing from management on the development of the Homes pillar of the Responsible Business Strategy, focusing on the opportunities and challenges of our sustainable products and new installation opportunities, as well as reviewing our communications of the newly launched Sustainable House Guide on our customer website at [www.wickes.co.uk/sustainable-house](http://www.wickes.co.uk/sustainable-house)

The Committee discussed the opportunities to support colleagues and customers to select the most sustainable products for their needs. In addition to the interactive Sustainable House Guide, specific energy saving advice has been added to the website during the year, with a view to improving awareness and education on energy saving initiatives. The small changes recommended through the advice and guidance content will help customers to lower their personal environmental impact and carbon emissions, and save money on energy consumption during the cost of living crisis.

In addition to the key matters discussed above, during the year the Committee also reviewed its Terms of Reference, considered stakeholder views and reviewed market trends and developments on ESG matters.

More information on our Responsible Business Strategy and work is set out on pages 33-53.

### ESG targets

The Committee closely monitors progress against targets for all areas of the Responsible Business Strategy. It also considers the key areas of strategy to link to remuneration and recommends ESG targets for incentive purposes to the Remuneration Committee. At the end of each year, the Committee considers performance against targets and makes a recommendation on the level of payout against the targets to the Remuneration Committee. Further details can be found in the Directors' Remuneration report on pages 101-114.



### SCAN ME

#### ENERGY SAVING ADVICE

Read our energy saving hints, tips and projects to improve the energy rating of your property and help save you money on energy bills.



## Directors' Remuneration report

REMUNERATION COMMITTEE  
REPORT

“ We remain focused on supporting our customers and colleagues with the challenges associated with the cost of living crisis.



**Mark Clare**  
Chair of the Remuneration  
Committee

## Committee members

**Mark Clare**, Senior Independent Non-executive Director and Committee Chair

**Christopher Rogers**, Chair of the Board

**Sonita Alleyne**, independent Non-executive Director

**Mike Iddon**, independent Non-executive Director

## Dear Shareholder,

On behalf of the Remuneration Committee, I am pleased to present the 2023 Directors' Remuneration report for Wickes Group Plc. The report covers three areas:

- A summary of the pay outcomes for FY2022, and our approach for FY2023.
- A summary of our Directors' Remuneration Policy – the Company's Directors' Remuneration Policy (the 'Policy') was approved at the 2022 Annual General Meeting. A copy of our full Policy is available on our website.
- The annual Directors' Remuneration Report – this summarises the remuneration outcomes for FY2022 and explains how we intend to apply the Remuneration Policy in FY2023.

As our second year as a listed company, 2022 has been a year of both economic and political uncertainty following the Russian invasion of Ukraine, resulting in rising inflation which has put significant pressure on household finances. As we continue to face into these challenges as a business, we remain focused on supporting our customers and colleagues with the challenges associated with the cost of living crisis.

Our approach to remuneration as a Group continues to be guided by a set of reward principles that are aligned to our business strategy. For executives, pay is governed by our Remuneration Policy, approved by Shareholders in 2022. Our key focus for 2023 is effective implementation of this Policy, for example by evolving our performance measures to ensure they reflect our wider ESG priorities and ensuring we continue to set pay at a competitive level.

During the year there have been no changes to membership of the Remuneration Committee, which remains focused on maintaining an open dialogue with Shareholders.

## Reward and benefits across the Group in 2022

The Group provided meaningful and practical support to help colleagues with the cost of living crisis, whilst rewarding them for their contribution and maintaining our approach to fair pay. Further details of our approach to colleague reward and wellbeing, and our initiatives to help colleagues with cost of living can be found on page 112.

**£3.5m**

invested in bringing forward annual pay review from April 2023 to January 2023 for our lower paid colleagues

**18,542**

food items ordered as part of our 'Breakfast on Us' food provision introduced to stores in October

**£2.97m**

saved by colleagues on Wickes colleague discount during 2022, including £750,805 alone in our October cost of living promotion

**5.8%**

reduction in our median gender pay gap from 8.4% to 2.6%



## Remuneration report continued

### Responsible Business

Through our apprenticeship schemes and Kick Start programmes, we have created opportunities to attract a significantly more diverse workforce. We also have graduate and specialist rotation programmes, which help us to build our colleague capability and deliver our business strategy. In 2022, the Board has committed to offering 200 early careers places each year over the next three years and has so far offered 172 places.

During 2022 we continued to develop and embed our Responsible Business Strategy. We have announced our near term Science Based Targets to reduce our absolute emissions across our business and supply chain by 2030.

Going forward, this work will form the basis of the targets for carbon reduction across the business and for 2023 these will be included as part of the Company's Long Term Incentive Plan (LTIP) for the first time.

### Group performance highlights for 2022

During 2022, we maintained our market leading position, delivering record sales of £1,559.0m. The uncertain economic environment has led to a material increase in our cost base, and as a result profits were impacted.

**£1,559.0m**

adjusted revenue (2021: £1,534.9m)

**£75.4m**

profit before tax (adjusted) (2021: £85.0m)

**£29.0m**

free cash flow (2021: £16.6m)

**23.8p**

adjusted basic earnings per share (2021: 27.2p)

### Shareholder experience in 2022

The Board is pleased to recommend a final dividend of 7.3 pence per share, taking our full year ordinary dividend to 10.9 pence per share. We recognise the importance of cash returns to our Shareholders and, given the strength of our balance sheet, we have maintained the full year dividend per share at the same level as 2021.

### Recognition and retention

Against the backdrop of a challenging environment the Committee has been keen to focus on ensuring the continued recognition of all our colleagues for their hard work in 2022.

Looking forward, the Committee also recognises the importance of retaining our high-performance teams across the business and is taking appropriate action where it deems it necessary.

## EXECUTIVE REMUNERATION IN 2022

### Basic salary

From 1 April 2022, the annual salary for David Wood was increased by 2.5% to £507,375, in line with the rate applied to the wider workforce. Mark George joined the Company on 6 July 2022 on an annual salary of £375,000.

### Annual bonus outturn

The 2022 annual bonus paid out at 4.66% of maximum based on achievement of the ESG targets, comprised of both people and environmental measures. There was no payout earned against the profit and cash flow targets:

Of the 4 ESG measures, payout was achieved against 3 of these:

**1.33%**

#### ESG – People

% female representation in store leadership

**2.5%**

#### ESG – Environment

Carbon Disclosure Project scoring

**0.83%**

#### ESG – Environment

Store energy reduction

**4.66%**

### Total % achievement of bonus in ESG

Further details on performance outturns can be found on page 106.

The Committee considered the results against the targets and has not exercised discretion in relation to the bonus payout.

For the wider annual bonus eligible population below the Executive Directors, a 'recognition payment' was made to those eligible under the plan to reflect their contribution during the year. Colleagues were awarded a higher percentage payment than senior management in line with fair pay principles.

### LTIP and Transitional Award grants

As set out in last year's Annual Report and Accounts, the Committee made a grant of LTIP awards to executives and senior management in 2021 known as 'Transitional Awards'. These awards were put in place to ensure continuity of incentives to the senior team post demerger. David Wood's award was 391,614 options and Julie Wirth's award was 237,342. The awards vest in two equal tranches. The first tranche vested in April 2022, following achievement of the performance hurdles. The second tranche is due to vest in April 2023 for David Wood, subject to achievement of the performance hurdles. The second tranche lapsed for Julie Wirth in line with the departure terms agreed. These awards are subject to a two year holding period for executives. Further details on these awards can be found on page 106.

### 2022 LTIP award

LTIP grants were made during the year in line with the Remuneration Policy. The LTIP awarded to David Wood was 175% of base salary, and the award to Mark George was 150% of base salary. The Committee is conscious that the share price used for the September 2022 award for Mark George was 33.15% lower than the share price used to determine award levels for the primary grant in March 2022. In this context, the Committee carefully considered whether it should scale back the grant of the award, but considered it inappropriate to do so at the time. The Committee will, however, review the payout at vesting, and consider whether Mark George has benefited from 'windfall gains', in which case the intention would be to scale back vesting levels. More details on the performance measures and targets are set out on page 108.

### Management changes

Mark George was appointed to the Board as Chief Financial Officer with effect from 6 July 2022. His remuneration arrangements were disclosed as part of our Annual Report and Accounts 2021. His predecessor, Julie Wirth, retired from the Company on 31 July 2022. Further details on the remuneration arrangements in respect of Mark's employment and Julie's departure are set out on pages 108 and 106.

## OUR APPROACH TO REMUNERATION IN 2023

As set out earlier in my statement, our Remuneration Policy is unchanged for 2023.

Both Executive Directors will receive a 4% salary increase in April 2023. This is below the average increase of more than 8% awarded to the wider workforce as part of the annual review, which was also brought forward to January 2023 to help with the cost of living.

### 2023 annual bonus

The operation of the annual bonus in 2023 will continue broadly unchanged. The maximum opportunity will continue to be 140% of base salary (Chief Executive) and 120% of base salary (Chief Financial Officer). The bonus for the 2023 financial year will continue to be based 70% on profit before tax (adjusted), 20% on free cash flow, and 10% on people measures that form part of our wider ESG strategy. Further details can be found on page 109.

### 2023 LTIP

To further strengthen the link between our ESG priorities as a business and remuneration, the 2023 LTIP will incorporate an additional ESG measure based on our approved near-term Science Based Targets. The revised targets under the plan will be weighted 60% on Adjusted Basic Earnings per Share (EPS), 30% on Total Shareholder Return (TSR), and 10% on ESG. The face value of the award will remain unchanged at 175% to David Wood and 150% to Mark George, in line with Policy.

Like the 2022 awards, the performance range has been set to reflect the Company plan and consensus forecasts whilst recognising the greater levels of uncertainty over the longer-term. Further details on the 2023 LTIP measures and targets can be found on page 110.

Below the Executive Director level, the Committee has worked with the management team to expand the use of share awards including schemes aimed at securing key talent in critical roles, allowing greater share ownership and alignment with Shareholder value.

We continue to consider colleague pay structures when implementing our reward strategy for executives, and further details on colleague pay can be found on page 112. On behalf of the Board, I invite you to read our Remuneration report and welcome your feedback.

### Mark Clare

#### Chair of the Remuneration Committee

22 March 2023

## Our remuneration philosophy

Our approach to executive remuneration is underpinned by a set of reward principles that are aligned with our business strategy.

Whilst we recognise that due to the nature of the role of our executives, their remuneration structure will have a higher performance-related element and greater alignment to long term measures when compared with colleagues, our reward principles apply across both populations to ensure alignment.

### ALIGNMENT BETWEEN THE REMUNERATION POLICY AND WICKES' BUSINESS STRATEGY

The chart below sets out our overall remuneration philosophy and its alignment to the Wickes' business strategy.

**We aim to set pay at a market competitive level across the business, and fairly recognise and reward colleagues for their individual contribution**

All colleagues are eligible to participate in a performance-based incentive plan

**Our incentives are based on realistic but stretching performance targets**

Colleagues are encouraged to act within the business's risk appetite



**Bonuses for senior leadership are based on profit and cash – two of Wickes' key financial performance indicators**

Good performance is not just about profitable growth – our incentive programmes include ESG goals to encourage actions that benefit the environment and our colleagues (see pages 109-110)

**Wickes SAYE enables all colleagues to participate in our success (see page 112)**

Our LTIP measures encourage focus on growth in Shareholder returns, bottom line profitability and carbon reduction targets (see page 110)

### Strategic alignment of executive incentive plan metrics with KPIs

Key performance indicator	Measure	Annual bonus scheme	Long term incentive
Profit	Profit before tax (adjusted)	●	
Earnings growth	Earnings per share (adjusted)		●
Cash	Free cash flow	●	
Share price growth	Total Shareholder Return (relative)		●
ESG objectives	People*	●	
	Environment**		●

\* Based on our inclusion and diversity targets in relation to gender mix in management roles

\*\* Based on our approved Science Based Targets for carbon reduction

## Annual Report on Remuneration

### Single total figure of remuneration (audited)

The table below sets out the remuneration received by the Directors in respect of the year ended 31 December 2022.

Director	Salary/Fees <sup>1</sup> £'000		Benefits <sup>1,2</sup> £'000		Pension <sup>1,3</sup> £'000		Bonus <sup>4</sup> £'000		Long term incentives <sup>5</sup> £'000		Other £'000 <sup>6</sup>		Total fixed remuneration £'000		Total variable remuneration £'000		Total remuneration £'000	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Executive Directors</b>																		
David Wood	504	378	13	10	50	38	33	547	264	384	0	0	567	426	297	931	864	1,357
Mark George	183	–	6	–	16	–	10	–	0	–	184	–	205	–	194	–	399	–
Julie Wirth	204	261	8	13	18	28	0	332	0	232	0	0	230	302	0	564	230	866
<b>Non-executive Directors</b>																		
Christopher Rogers <sup>7</sup>	188	144	0	0	0	0	0	0	0	0	0	0	188	144	0	0	188	144
Mark Clare <sup>7</sup>	74	66	0	0	0	0	0	0	0	0	0	0	74	66	0	0	74	66
Sonita Alleyne <sup>7</sup>	66	54	0	0	0	0	0	0	0	0	0	0	66	54	0	0	66	54
Mike Iddon <sup>7</sup>	66	54	0	0	0	0	0	0	0	0	0	0	66	54	0	0	66	54
Total current Directors <sup>8</sup>	1,081	957	19	23	66	66	43	879	264	616	184	0	1,166	1,046	491	1,495	1,657	2,541
<b>Directors of the Company prior to the demerger</b>																		
Alan Williams <sup>9</sup>	–	1	–	0	–	0	–	0	–	0	–	0	–	0	–	0	–	1
Total	–	1	–	0	–	0	–	0	–	0	–	0	–	0	–	0	–	1

1 For David Wood, base salary, benefit and pension figures relate to the full financial year. For Mark George, figures reflect the date he became a Director of Wickes Group Plc (6 July 2022). For Julie Wirth, figures reflect the period up to 31 July 2022, which was her leaving date. Please note that the 2021 salary, benefits and pension figures for David Wood and Julie Wirth relate to the period 23 March 2021 to year end, reflecting the date they became Directors of Wickes Group Plc, as disclosed in last year's Annual Report and Accounts.

2 Includes the cost to the Company of private medical insurance and company car benefit. David Wood and Julie Wirth also received a fuel allowance.

3 Pension contributions equal to 10% of base salary were paid in cash in respect of 2022, in line with the maximum rate available to the wider workforce.

4 One third of bonus earned will be deferred into shares, in line with Policy.

5 For David Wood, figures relate to the second tranche of the Transitional Award due to vest on 28 April 2023 (subject to achievement of the performance underpin). The award has been valued using the average three-month share price to 31 December 2022 of £1.354 (see further details on page 106). Please note that the estimated figures disclosed in the previous Annual Report for the 2021 Transitional Award vesting have been restated to reflect the share price on the date of vesting. The estimated share price used was £2.260 and the actual share price on vesting was £1.960. The differences in value were £58,742.10 for David Wood and £35,601.30 for Julie Wirth.

6 Mark George received a one-off cash buyout award upon joining of £183,973 (see further details on page 108).

7 The 2021 fees shown for Christopher Rogers, Mark Clare, Sonita Alleyne and Mike Iddon relate to the period each of them commenced qualifying services during 2021, as disclosed in last year's report.

8 The 2022 totals exclude Julie Wirth.

9 Alan Williams resigned as a Director of the Company on 23 March 2021. In the period from 27 December 2020 to 23 March 2021, he carried out administrative services for the Company and its subsidiaries.

### Base salary

	Salary effective from 1 April 2022
David Wood	£507,375
Mark George	£375,000 <sup>1</sup>

1 Since appointment as Chief Financial Officer on 6 July 2022.

## Annual Report on Remuneration continued

### Benefits

For 2022, benefits for Executive Directors included the provision of private medical insurance, life assurance, income protection and a company car or car allowance.

### Pension

David Wood and Mark George received pension contributions equal to 10% of base salary paid in cash in respect of 2022, which is in line with the maximum rate available to the wider workforce.

### Annual bonus

The table below sets out details of the bonus targets and outturns for 2022:

Measure	Weighting % of bonus	Threshold	On-target	Maximum	Actual	% achievement of bonus	Discretion or adjustment to targets?
Profit before tax (adjusted)*	70%	£85.6m	£90.1m	£99.1m	£75.4m	0%	N
Free cash flow**	20%	£57.3m	£63.7m	£76.4m	£29.0m	0%	N
<b>ESG</b>							
% female representation in store leadership	2.5%	29%	30%	32%	30.26%	1.33%	N
% female representation in Support Centre management	2.5%	46%	47.9%	49%	44.31%	0%	N
Carbon Disclosure Project scoring	2.5%	D-	D	C-	B-	2.5%	N
Store energy reduction	2.5%	2%	3%	5%	2.28%	0.83%	N
<b>Total outturn</b>	<b>100%</b>					<b>4.66%</b>	

\* Excludes adjusting costs such as demerger costs and IT separation costs.

\*\* The increase in cash from operating activity less capital investment and excludes adjusting items, dividends and share purchases.

Further details on performance against the ESG targets is below:

- % female representation in store leadership: We saw a positive increase of 21 females during the year, partly due to a higher female internal promotion rate for Operations Managers.
- % female representation in Support Centre management: We saw a positive increase of 7 females during the year, however the percentage increase in the number of males was higher.
- Carbon Disclosure Project scoring: We received a B- scoring for our first CDP disclosure as an independent business, which is above maximum target. Effective management of our climate risks and opportunities was a key factor.
- Store energy reduction: We reduced electric and gas primarily through the focus given to this by our store teams.

### Long term incentives

The Transitional Awards were intended to address a long term incentive 'gap' whereby Wickes executives and management would not otherwise have had any LTIPs vesting until 2024 as no awards were made to the executives from Travis Perkins Plc in 2019. The awards were granted to ensure the remuneration offering remains market competitive during these first few years of operation and to reward management for their role in the demerger and transformation of Wickes into an independent listed business.

Vesting of the Transitional Awards is dependent on achievement of the following performance underpin conditions:

- Personal performance
- Underlying corporate performance:
- For T1: 70% of the 2021 bonus profit target (£66.2m)
- For T2: 70% of the 2022 bonus profit target (£63.1m)
- Any Shareholder concerns
- Any other factors the Committee may consider relevant.

In the case of significant failure on the part of the Company or the participant, vesting may be reduced, including to nil.

The first tranche (T1) of the Transitional Awards vested in full on 28 April 2022 following achievement of the performance conditions outlined above. The 2021 bonus profit outcome was £116.3m.

The second tranche (T2) is due to vest for David Wood on 28 April 2023 based on achievement of the performance conditions. The corporate performance element of the underpin for the second tranche of the Transitional Awards has been met. A final decision on the underpin will be made on 28 April 2023. The share price used to value the awards for the purpose of the single figure was £1.354 compared to a share price of £2.212 on the date of the award. Therefore, no portion of the value disclosed is attributable to share price appreciation.

### Payments to past Directors and payments for loss of office (audited)

As disclosed in last year's Directors' Remuneration Report, Julie Wirth retired as Chief Financial Officer from 31 July 2022. The Remuneration Committee determined that Julie Wirth would receive good leaver status only in respect of the incentives where the performance period was fully completed at the date of leaving and only to the extent that the associated performance conditions were met. All other terms were operated in line with those previously disclosed:

- Base salary and associated benefits were paid until the leaving date.
- No eligibility to receive a bonus in respect of the period of 2022 served in role.
- No eligibility to receive an LTIP grant in 2022.
- The 2021 LTIP award lapsed in full.
- The second tranche of the Transitional Awards (awarded in respect of the demerger from Travis Perkins Plc) lapsed in full.

The following incentives were permitted to vest:

- The first tranche of the Transitional Awards.
- The 2021 bonus (including deferred element).

There were no other payments made for loss of office or to past Directors.



## Statement of Director shareholdings and share interests (audited)

A summary of the Directors' share interests is set out below.

Director	31 Dec 2022	Shares owned		Awards over nil cost options – 2022			Shareholding requirement	Deferred annual bonus plan (DABP)	Shareholding as % of salary
		31 Dec 2021	Exercised	Vested but not exercised	Unvested and subject to continued employment	Unvested and subject to performance			
Executive Directors									
David Wood	367,436	16,615	204,303	0	0	1,078,475	200%	99,169	121%
Mark George	0	–	0	0	148,114	454,362	200%	0	0%
Julie Wirth <sup>1</sup>	6,067	6,067	0	123,820	0	0	–	60,102	–
Non-executive Directors									
Christopher Rogers	71,272	71,272	0	0	0	0	–	–	–
Mark Clare	42,797	40,000	0	0	0	0	–	–	–
Sonita Alleyne	0	0	0	0	0	0	–	–	–
Mike Iddon	0	0	0	0	0	0	–	–	–

<sup>1</sup> The figures shown for Julie Wirth relate to her shareholding at her departure date of 31 July 2022. In line with Policy, post-departure Julie Wirth is expected to retain the lower of 100% of her actual shareholding at cessation and 200% of salary, for two years after leaving.

Shareholdings include all shares beneficially owned by the Director and their partner and the post-tax value of any awards that have vested but have not been exercised. Unvested awards subject to performance or continued employment are not counted. The calculation is based on the closing share price at year end of £1.463. There have been no changes in the shareholding of Directors between 31 December 2022 and the date this report is signed.

The Executive Directors have five years to meet their shareholding guidelines, in line with Policy.

## Share awards made during the financial year (audited)

The below table summarises the terms for the long term incentives and deferred annual bonus plan (DABP) awarded to Directors during 2022.

Director	Type of award	Plan name	Date of grant	Number of shares / options	Award as % of salary	Face value	Performance period	Vesting date	Holding period
David Wood	Nil cost option	LTIP	31/03/22	482,557	175%	£887,905	1/1/22–31/12/24	31/03/25	2 years
David Wood	Nil cost option	DABP	31/03/22	99,169	36%	£182,471	n/a	31/03/25	n/a
Mark George	Nil cost option	LTIP	28/09/22	454,362	150%	£558,865	1/1/22–31/12/24	28/09/25	2 years
Mark George <sup>1</sup>	Nil cost option	Listing Rule 9.4.2 buyout award – Tranche 1	28/09/22	101,216	33%	£124,496	n/a	09/09/23	2 years
Mark George <sup>1</sup>	Nil cost option	Listing Rule 9.4.2 buyout award – Tranche 2	28/09/22	46,898	15%	£57,685	n/a	25/03/24	2 years
Julie Wirth	Nil cost option	DABP	31/03/22	60,102	32%	£110,588	n/a	31/03/25	n/a

<sup>1</sup> No further conditions apply to these awards.

The number of shares under award for David Wood and Julie Wirth's awards was calculated using a share price of £1.845, being the closing market price of the Company's shares on the dealing day immediately preceding the grant date. The number of shares under award for Mark George was calculated using a share price of £1.238, being the closing market price of the Company's shares on the dealing day immediately preceding the grant date.

The Company's share plan rules are available from the Company Secretary on request.

## Annual Report on Remuneration continued

### 2022 LTIP

LTIP grants were made during the year in line with the Remuneration Policy. The LTIP awarded to the CEO was 175% of base salary, and the award to the CFO was 150% of base salary. The Committee is conscious that the share price used for the September 2022 award for the CFO was 33.15% lower than the share price used to determine award levels for the primary grant in March 2022. In this context, the Committee carefully considered whether it should scale back the grant of the award, but considered it inappropriate to do so at the time. The Committee will, however, review the payout at vesting, and consider whether the CFO has benefited from 'windfall gains', in which case the intention would be to scale back vesting levels.

### Performance conditions attached to long term incentive awards granted during 2022

Measure	Weighting	Threshold	Maximum	Vesting at threshold	Vesting at maximum
Adjusted basic EPS in FY2024	70%	27.2p	32.9p	20%	100%
Relative TSR vs constituents of the FTSE 250 (excluding investment trusts)	30%	Median	Upper quartile	20%	100%

Note – Vesting is on a straight line basis between threshold and maximum.

Adjusted basic EPS has been selected because this is a key performance indicator of the business and is reported externally. It is also a relevant Shareholder measure of Group profitability. Relative TSR has been selected because it aligns executives to our investors' experience and helps to reward outperformance of the market and long term value creation.

The adjusted basic EPS targets were set with a narrower range in 2022 compared with 2021, where a wider range was applied to provide for the uncertainty of the first year of operation as a demerged business and in part to reflect the uncertainty of future trading conditions in relation to the pandemic.

### CFO remuneration arrangements

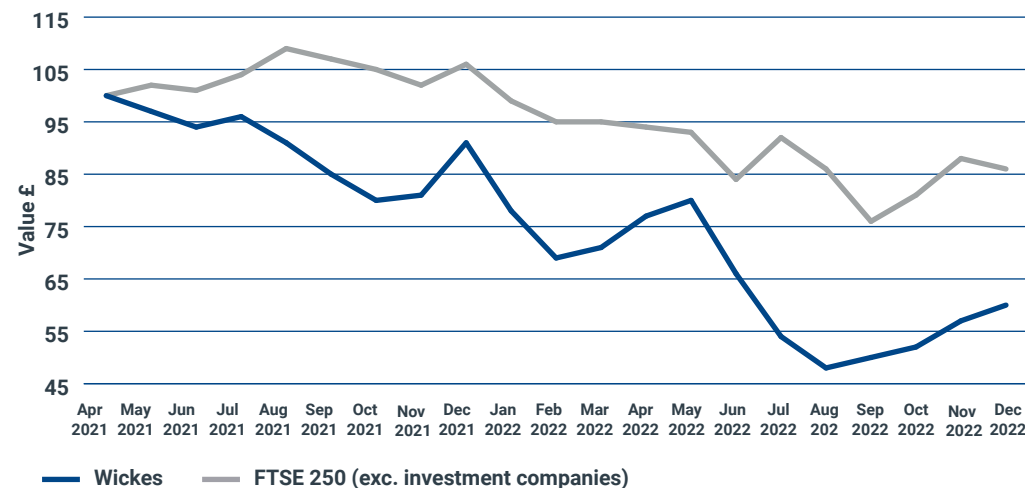
Mark George was appointed to the Board as Chief Financial Officer with effect from 6 July 2022. Mark was appointed on an annual base salary of £375,000. The Committee recognised that Mark's base salary was set at a level above the previous CFO's salary but the Committee considers this appropriate taking into account a number of factors including Mark's prior experience as CFO of a listed business. Mark's incentive arrangements are in line with the Remuneration Policy.

The Remuneration Committee agreed to buy out some of The Gym Group incentive awards forfeited by Mark. Upon appointment, Mark received a cash payment of £183,973, made up of £115,223 to replace his forfeited 2021 Gym Group bonus in full, and £68,750 as a partial buyout of his 2022 bonus. In September 2023, Mark was awarded a total of 148,114 Wickes shares to replace his foregone 2020 and 2021 The Gym Group LTIPs. A total of 101,216 shares are due to vest on 9 September 2023 and a total of 46,898 shares are due to vest on 25 March 2024. The performance conditions associated with Mark's 2019 The Gym Group LTIP were not met, therefore no buyout award was made. None of these payments are pensionable.

### TSR performance graph and history of CEO pay

The graph below shows the Group's performance from the date of listing to the financial year end, measured by TSR, compared with the FTSE 250 (exc. investment trusts). The Remuneration Committee has chosen the FTSE 250 (exc. investment trusts) as the comparative index as it is also the peer group used for the TSR performance condition in the 2022 LTIP. The table details the total remuneration for the Chief Executive over this period.

### Wickes Total Shareholder Return vs FTSE 250 (exc. investment trusts)



Director	Year	Total single figure of remuneration (£,000)	% of annual bonus paid out	% of LTIP vested*
David Wood	2022	864	4.66%	100%
David Wood	2021	1,357	79%	100%

\* Note – the LTIP values relates to the Transitional Awards. The first tranche vested on 28 April 2022. The second tranche is due to vest on 28 April 2023 (subject to achievement of the performance underpin).

### External appointments

External appointments must be approved by the Board in advance and Executive Directors are restricted to one Non-executive Directorship or other significant appointment. They are entitled to retain any fees paid for these services. During the year, David Wood served as Non-executive Chairman, 'Green Sheep Group Ltd' and Director, 'Dremt Consulting Ltd'. David Wood was paid a fee of £71,500 by 'Green Sheep Group Ltd'. Mark George served as Director, 'HMNG Ltd', Director, 'The Prentice and Seabright Cups Ltd<sup>2</sup>' and Director, 'Fallows Green Ltd'. No fees applied to any of these appointments for Mark George.

1 Fees earned from Green Sheep Group Ltd are paid to Dremt Consulting Ltd.

2 Position commenced on 27 May 2022.

### Dilution limits

Where shares for use in connection with the Company's share plans are newly issued, the Company complies with Investment Association dilution guidelines on their issue. These provide that overall dilution under all plans should not exceed 10% of the Company's issued share capital over a 10 year period, with a further limitation of 5% in any ten year period for executive plans.

## Directors' Remuneration Policy

### Implementation of Executive Remuneration Policy in 2023

The table below summarises the key elements of the Company's Directors' Remuneration Policy approved at the 2022 AGM and its proposed application in 2023. The full Policy wording, including details pertaining to malus and clawback, is set out in the 2021 Annual Report and Accounts which is available on the Company's website <https://www.wickesplc.co.uk/investors/investors-overview/>. When implementing the Policy, the Remuneration Committee considered the Company's remuneration principles on page 104 and the six factors listed under Provision 40 of the UK Corporate Governance Code. Further details of how our Policy aligns to these six factors can be found in the full Policy on our website.

Policy element	Statement of implementation of the Directors' Remuneration Policy in 2023
<b>BASE SALARY</b>	
<p><b>To provide fixed remuneration that will attract and retain the executive talent required to execute our strategy.</b></p> <p>There is no maximum salary, or maximum salary increase level. Salary increases will generally be in line with increases awarded to the wider workforce. However, as with all employees, the Committee may make increases above this level in specific circumstances such as: stepped or one-off increases to bring a recently appointed executive's salary up to targeted/market levels; an increase in the scope or responsibilities of the role; an increase to the size/complexity of the business; increases in market pay levels.</p> <p>Base salary levels are reviewed in the context of the potential value of the total remuneration package.</p>	<ul style="list-style-type: none"> <li>– Base salary for the CEO will be increased by 4% to £527,670 from 1 April 2023.</li> <li>– Base salary for the CFO will be increased by 4% to £390,000 from 1 April 2023.</li> </ul> <p>Both increases are below the average increase awarded to the wider workforce in 2023 of more than 8%.</p>
<b>PENSION</b>	
<p><b>To enable executives to save for their retirement and to enhance the market competitiveness of the total remuneration package.</b></p> <p>The maximum pension provision will be in line with the maximum rate available to the wider workforce, currently up to 10% of base salary per annum.</p>	<p>There are no changes to the pension provision which will continue to be 10% of base salary in line with the maximum rate available to the wider workforce.</p>
<b>BENEFITS</b>	
<p><b>To enable the executives to perform their role by providing benefits that enhance their wellbeing.</b></p> <p>There is no maximum benefits value. The value of benefits is equal to the cost to the Company of providing benefits and may change year on year based on the cost of the provider. However, the Company will endeavour to select the best value benefits.</p>	<p>There are no changes to the benefits provision for Executive Directors which includes family private medical, life assurance, income protection and a company car or car allowance.</p>
<b>ANNUAL BONUS</b>	
<p><b>To reward achievement of stretching annual performance targets that are directly linked to delivery of the business strategy.</b></p> <p><b>Deferral of one third of the bonus into Wickes Group Plc shares aligns Executive Directors with Shareholder interests over the long term.</b></p> <p>The maximum opportunity for the Chief Executive Officer is 140% of salary and 120% of salary for other Executive Directors. For on target bonus performance 50% of the maximum bonus will be earned. For achievement of threshold performance 20% of the maximum will be earned. There is a straight line payout between these points.</p>	<ul style="list-style-type: none"> <li>– The annual bonus will continue to operate in line with the framework set out in the Policy table. The maximum opportunity will continue to be 140% of salary for the CEO and 120% of salary for the CFO.</li> <li>– The performance focus areas and weightings will remain broadly the same as for 2022: 70% profit before tax (adjusted), 20% free cash flow, 10% ESG.</li> <li>– The ESG targets will be focused on the gender balance of our management populations which forms part of our wider ESG strategy.</li> <li>– Due to commercial sensitivity, the performance targets for the financial metrics will be disclosed retrospectively.</li> </ul>

## Annual Report on Remuneration continued

### LONG TERM INCENTIVES

**To incentivise and reward long term Shareholder value creation.**

**Enables Executive Directors to build meaningful long term Wickes Group shareholdings, and further align the interests of the Executive Directors with Shareholders.**

The maximum annual LTIP opportunity under the rules of the plan is 200% of base salary.

The ongoing LTIP opportunity for the Chief Executive Officer is 175% of salary and for the Chief Financial Officer it is 150% of salary. 20% of the maximum award will be earned for achievement of threshold performance and 100% for maximum. There will be a straight line payout between these points.

- The LTIP will continue to operate in line with the framework set out in the Policy table. The maximum opportunity will continue to be 175% of salary for the CEO and 150% of salary for the CFO.
- The performance metrics and weightings will be updated to incorporate an additional ESG measure based on our approved Science Based Targets, and become 60% adjusted basic EPS, 30% Relative TSR, 10% ESG.
- The adjusted basic EPS performance range has been widened to reflect greater uncertainty over the longer-term.
- The performance targets for FY2023 LTIP awards are as detailed below the table.

Measure and weighting	Threshold (20% vesting)	Maximum (100% vesting)
Adjusted basic EPS growth (60%)	16.3	22.1
Relative TSR (30%)	Median Ranking	Upper Quartile Ranking
ESG – Science Based Targets (10%)	See below	

\* We intend to make awards in line with Policy at levels no more than the maximum face values referred to above. Specific details will be confirmed in the RNS shortly after grant.

#### ESG targets (10%)

The ESG target is based on Wickes' approved near-term Science Based Targets covering Operations, Suppliers and Products, as detailed on page 40 within this report. The expected progress and milestones associated with each of these longer term targets has been used to set the three year targets that apply over the period FY2023 to FY2025, as detailed below:

- Target 1 (Operations) – Reduction in absolute Scope 1 and 2 emissions by 25% by 2025.
- Target 2 (Suppliers) – 30% of Wickes' suppliers by emissions will have Science Based Targets by 2025.
- Target 3 (Products) – Reduce Scope 3 GHG emissions from the use of sold products by 16% by 2025.

The performance targets for each of these measures hold equal weighting:

Measure and weighting	Threshold (20% vesting)	Maximum (100% vesting)
Target 1 – Operations (3.33%)	22.5%	27.5%
Target 2 – Suppliers (3.33%)	27.0%	33.0%
Target 3 – Products (3.33%)	14.4%	17.6%

Note: Should there be a significant change to the business that results in rebasing of the Company's near-term Science Based Targets, the remuneration targets will be adjusted accordingly.

## EMPLOYMENT SHAREHOLDING GUIDELINES AND POST-CESSATION SHAREHOLDING GUIDELINES

**To encourage Executive Directors to build meaningful shareholdings and to align Executive Director interests with those of Shareholders both during their service and for a period afterwards.**

During their employment, Executive Directors are expected to retain at least 50% of post tax shares acquired from Company share plans to accumulate a shareholding in Wickes Group shares of 200% of salary within five full years of this Policy being approved. Newly appointed Executive Directors are expected to build up this shareholding within five years of appointment.

Post-cessation of employment, Executive Directors are required to hold the lower of 100% of their actual holding at cessation and 200% of salary for two years after leaving.

**The Committee retains discretion to adjust the formulaic outcomes under the annual bonus and LTIP and both annual bonus and LTIP contain malus and clawback provisions.**

### Implementation of Non-executive Director Policy in 2023

Non-executive Director fees will be increased by 4% from 1 April 2023 in line with the wider workforce. Fees as at 1 April 2023 are set out below:

Role	Fee level per annum
Basic non-Executive Director	£58,630
Chair of the Board	£197,210
Senior Independent Director	£7,995
Chair of a Committee	£10,660

**In line with our Policy, reimbursement of reasonable expenses in relation to Non-executive duties may be paid.**



## Director remuneration in the context of colleague pay

### Remuneration approach for the wider Group

The approach to remuneration for our colleagues is aligned with the principles that apply to our Policy for the Executive Directors. Pay and benefits reflect the nature and contribution of the role and take into account levels of pay in comparable roles in the market. Our reward framework is regularly reviewed to ensure colleague pay is fair and appropriate.

During the year, we recognised that higher cost of living would have a greater impact on our lower paid colleagues. Basic pay was increased by more than 8% on average for the wider workforce, and we invested over £3.5m in bringing forward the annual salary review for this population from April 2023 to January 2023.

For our management and head office populations, we implemented a 5% salary increase for 2023. With fairness in mind, this was higher than the Executive Directors and senior management who were awarded 4%.

Although the financial targets were not met under the 2022 central colleague annual bonus plan, it was decided a small 'recognition payment' would be made to those eligible under the plan, in recognition of their contribution during the year. Colleagues were awarded a higher percentage payment than senior management, in line with our approach to fair pay.

“ We have invested over £3.5m in bringing forward the annual salary review for our store colleagues.”

We set up a cost of living working group to develop meaningful support for colleagues. We adjusted our store 'Gainshare' incentive targets to reflect economic conditions, which led to 4,843 additional payments to colleagues totalling over £240,000. Having listened to colleagues' concerns around food prices, we introduced 'Breakfast on Us', our free food provision for store colleagues, and saw 18,542 food items ordered in the first quarter of the scheme. Our colleague discount remains hugely popular with our colleagues, and our October

promotion alone saw colleagues save a total of £745,579.

In September, we introduced our second SAYE plan, as a further means of strengthening the link between colleagues' interests and those of Shareholders. A total of 1,644 (20% of eligible colleagues) joined the 2022 plan, resulting in 2,200 colleagues (over 26% of total workforce) paying into either the 2021 or 2022 plans.



**Over 26% of our total workforce are in either the 2021 or 2022 SAYE plans.**

Our colleague reward strategy was recognised at the 2022 Reward Strategy magazine awards.



### Gender pay gap

We continue to focus on reducing our gender pay gap at all levels of the business, and in 2022 the ESG element of the executive bonus plan included specific targets relating to female representation in management roles within the Support Centre and store management populations.

In December 2022, we published our second gender pay gap report as an independent business. We reported a significant 5.8% reduction in our median pay gap to 2.57%, from 8.36% in 2021. We also saw a modest increase in our mean gender pay gap from 6.44% to 7.42%. This is mainly down to a slight change in our executive and senior leader composition as our headcount has grown at that level.

**5.8%**

**Reduction in our gender pay gap (median)**

### Our Winning Behaviours

Our business is powered by highly engaged teams who operate around a set of simple principles.

See more on our Winning Behaviours on page 81.

### Engagement with Shareholders

In our engagements with Shareholders since listing we have had a number of discussions on the use of ESG measures in remuneration targets. Shareholders are increasingly wanting to see ESG linkage to remuneration and we have taken this feedback on board, initially through our bonus scheme and going forward also through our LTIP.

### Engagement with colleagues (UK Code requirement)

When considering remuneration arrangements for Executive Directors, the Committee takes into account, as a matter of course, the pay and conditions of colleagues at all levels throughout the Company, to ensure appropriate alignment. The Committee receives regular updates regarding any major changes to colleague remuneration during the year and also reviews information on internal measures, including details of our gender pay gap and the ratio of Chief Executive Officer remuneration to that of our colleagues, and considers how these compare externally.

The Board places great importance on listening to the views of our colleagues on a range of issues including pay and benefits, and Sonita Alleyne our designated Non-executive Director representing employee views, takes the lead on ensuring these are heard by the Board (see page 39 of the Annual Report and Accounts for further details). To facilitate more in depth and open discussion with colleagues on a broad range of current issues, we held a colleague listening group in November 2022 with Sonita in attendance. One of the focus areas of this session was sharing our approach to executive pay, including how this aligns with wider Company pay policy, and colleagues were given the opportunity to share their views on this topic.

### CEO to employee pay ratio

The table below sets out the ratio of CEO total remuneration to the 25th, 50th and 75th percentile colleagues. Approach B has been used in order to identify the relevant colleagues to calculate the ratio. This was chosen as it utilises data already collected for gender pay gap calculation from April 2022, providing consistency. The Committee is comfortable this approach provides a realistic assessment of the differential between CEO and colleague pay.

Year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2022	Approach B	45:1	43:1	31:1
2021	Approach B	97:1	90:1	71:1

The CEO total remuneration has been taken from the single figure table and reflects 2022 remuneration earned over the full financial year. Colleague remuneration has been calculated on the same basis. Where relevant, each colleagues' 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, median and 75th percentiles consist of salary, bonuses and employer contribution to pension. To ensure these three colleagues were a suitable representative of their quartile, the total pay figures calculated were compared against a sample of colleagues either side of the three identified colleagues.

There has been a reduction in the CEO pay ratio in 2022 compared with 2021, which is mainly reflective of the lower executive annual bonus outcome in 2022.

The Remuneration Committee considers pay ratios as one of a number of reference points when reviewing executive remuneration and considers that the median pay ratio for 2022 is consistent with the pay and progression policies for the Company.

	P25	P50	P75
Base salary	£18,967	£18,967	£25,065
Total remuneration	£19,117	£20,291	£27,504

### Relative importance of spend on pay

The table below illustrates the total spend on colleague remuneration in 2022 compared with other financial dispersals.

	2022 £m	2021 £m	%
Total colleague cost <sup>1</sup>	220.5	217.9	1.2%
Total distributions to Shareholders <sup>2</sup>	31.2	5.3	488.7%
Total income taxes paid <sup>3</sup>	4.3	14.6	(70.5%)
Total capital expenditure <sup>4</sup>	40.4	26.5	52.5%

1 Includes social security, pensions and share-based payments (see note 8 of the financial statements)

2 (See note 26 of the financial statement)

3 (See the cash flow statement on page 130)

4 (See the cash flow statement on page 130)

### Percentage change in Directors' and colleague remuneration

The table below summarises the change in each Director's base salary/fee, benefits and bonus received for FY2022 compared with the prior year.

Director	Salary/fee	Taxable benefits	Bonus
<b>Executive Directors</b>			
David Wood <sup>1</sup>	3.80%	(2.02%)	(93.95%)
Mark George <sup>2</sup>	n/a	n/a	n/a
Julie Wirth <sup>3</sup>	4.95%	(21.90%)	n/a
<b>Non-executive Directors</b>			
Christopher Rogers <sup>1</sup>	2.03%	n/a	n/a
Mark Clare <sup>1</sup>	1.70%	n/a	n/a
Sonita Alleyne <sup>1</sup>	2.49%	n/a	n/a
Mike Iddon <sup>1</sup>	2.49%	n/a	n/a
<b>All employees<sup>4</sup></b>	<b>3.52%</b>	<b>n/a</b>	<b>(12.09%)</b>

1 Salary and benefit amounts for David Wood, Julie Wirth, Chris Rogers, Mark Clare, Sonita Alleyne and Mike Iddon have been annualised for 2021 based on their joining date with Wickes, to reflect what they would have been over a full 12 month period, to aid comparison.

2 Mark George was appointed during 2022 and therefore no annual change is shown.

3 Julie Wirth stepped down in 2022. Salary and benefit amounts have been annualised for 2022 based on her leaving date, to reflect what they would have been over a full 12 month period. Julie Wirth did not participate in the annual bonus for 2022 therefore no annual change is shown.

4 The salary, benefit and bonus figures for colleagues are based on the median earning colleagues identified for the CEO pay ratio calculation, for consistency. Actual annual increases were aligned at c.2.5% for colleagues and Executive Directors as part of the 2022 annual pay review, however due to the timing of the increases in 2022 the % change figures are different in this table.

## Remuneration Committee

The Committee is responsible for determining the Remuneration Policy for the Chair of the Board, Executive Directors and other designated senior management. In doing so, the Committee is required to consider all factors which it deems necessary, including:

- relevant legal and regulatory requirements;
- alignment to Company purpose and values;
- the link to the successful delivery of the Company's long term strategy and long term Shareholder interests;
- workforce remuneration and related policies and the alignment of incentives and rewards with culture; and
- feedback from the engagement process with employees.

The Committee comprises all the independent Non-executive Directors and the Chair of the Board (who was considered independent on appointment). Prior to appointment, the Chair of the Committee had served on a Remuneration Committee for at least 12 months in line with the Code. Biographical details on the Chair of the Committee and members of the Committee can be found on page 77.

The Committee operates in line with its Terms of Reference, which are available on the Company's website at [www.wickesplc.co.uk](http://www.wickesplc.co.uk)

### Committee activities

The table below sets out the meetings and key activities undertaken in the year:

	Jan 22	March 22	Sept 22	Nov 22
Approved Remuneration Committee Terms of Reference	●			
Reviewed Remuneration Policy and proposals	●			
Approved appointment terms for the new CFO and leaving terms of the departing CFO	●			
Approved Directors' Remuneration Report		●		
Approved Remuneration Policy		●		
Approved 2021 annual bonus outcome		●		
Approved 2022 bonus and LTIP targets		●		
Approved the Shareholding Requirements Policy		●		
Reviewed trends in remuneration and governance			●	
Reviewed Group wide remuneration and cost of living support			●	
Reviewed progress against bonus targets for the financial year ended 31 December 2022			●	
Noted the colleague SAYE plan outcome for 2022				●
Discussed principles for 2023 annual salary review				●
Discussed the gender pay gap reporting outcome for 2022				●
Reviewed CEO and Chair of the Board expense claims				●
Reviewed Committee forward agenda and meeting schedule				●

### Advice to the Committee

Members of the executive leadership team may attend meetings at the invitation of the Committee but are not present when their own remuneration is being discussed. The Committee is supported by the Chief People Officer, Head of Reward, Chief Financial Officer and General Counsel and Company Secretary.

The Committee received external advice during 2022 from Willis Towers Watson, who are members of the Remuneration Consultants Group and operate under the executive remuneration consulting Code of Conduct. The Committee is satisfied that no conflict of interest arose in the provision of these services.

The total fees paid to Willis Towers Watson in respect of services to the Committee during the year were £56,116.

### Shareholder voting

The table below sets out the votes on the Annual Report on Remuneration and on the Directors' 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
	162,001,102	932,920		
Directors' Remuneration Report (2022 AGM)	99.43%	0.57%	62.75%	2,214,014
	161,449,811	3,683,296		
Directors' Remuneration Policy (2022 AGM)	97.77%	2.23%	63.60%	14,929

We remain committed to engaging proactively with Shareholders and advisory bodies on remuneration matters.

The Directors' Remuneration report has been approved by the Board of Directors and is signed on its behalf by:

**Mark Clare**  
Chair of the Remuneration Committee

22 March 2023



## Directors' report

## DIRECTORS' REPORT

The Directors present their report, together with the audited financial accounts for the 52 weeks ended 31 December 2022. This report sets out information required to be disclosed in the Directors' report in accordance with the Companies Act 2006 (the 'Act'), the Financial Conduct Authority's Listing Rules ('Listing Rules'), the Disclosure Guidance and Transparency Rules ('DTRs') and the UK Corporate Governance Code 2018.

**Principal activity and areas of operation**

The principal activity of the Group is the operation of retail home improvement stores across the UK.

**Articles of Association**

The Company's Articles of Association ('Articles') may only be amended by special resolution at a general meeting of the Shareholders. The Articles are available on the Company's website [www.wickesplc.co.uk](http://www.wickesplc.co.uk)

**Directors**

Details of the Directors at the date of this report are set out on page 77 together with their biographical information. During the year, Julie Wirth resigned as a Director of the Company on 29 July 2022 and Mark George was appointed as a Director of the Company on 29 July 2022. All other Directors held office throughout the year.

The appointment and removal of Directors is governed by the Articles, the Act, the Code and related legislation. In accordance with the Code and to promote good governance, all Directors shall retire and those wishing to serve again will put themselves forward for election or re-election at the AGM.

The powers and responsibilities of the Directors are governed by the Act, the Articles and any direction given by Shareholders by special resolution, and subject to these conditions the Board may exercise all of the powers of the Company.

**Directors' interests**

The Company has robust procedures to identify, authorise and manage actual and potential conflicts of interest. If any potential conflicts arise they are reviewed and, if appropriate, approved by the Board.

At no time during the year did any Director have a material interest in any contract of significance to the Group's business.

The interests of the Directors who served during the year and their immediate families in the shares of Wickes Group Plc, along with details of Directors' share options, are set out in the Directors' Remuneration report on pages 101-114.

**Directors' indemnities**

In accordance with the Company's Articles and s.234(2) of the Act, a qualifying third party indemnity is in force to the extent permitted by law for the benefit of each of the Directors in respect of liabilities incurred as a result of their office. For those liabilities for which Directors may not be indemnified, the Company has maintained Directors' and Officers' Liability Insurance throughout the financial year.

**Share capital**

The Articles contain provisions governing the ownership and transfer of shares. As at 31 December 2022, the Company had an allotted and fully paid issued share capital of 259,637,998 ordinary shares of 10 pence each, with an aggregate nominal value of £25,963,800.

The ordinary shares of the Company are listed on the London Stock Exchange and each share carries the right to one vote at general meetings of the Company. No Shareholder holds securities having special rights with regard to control of the Company. There are no restrictions on voting rights or the transfer of securities in the Company. The Company is not aware of any agreements between holders of securities that result in such restrictions.

Details of the Company's share capital are set out on page 147.

As at 31 December 2022, The Wickes Employee Benefit Trust held 5,894,719 ordinary shares (2.27% of the issued share capital) and the Wickes Share Incentive Plan (SIP) Trust held 924,144 ordinary shares (0.36% of the issued share capital) in the Company for use in connection with the Company's share plans.

Shares held by the trusts rank pari passu with the shares in issue and have no special rights. Voting rights and rights of acceptance of any offer relating to the shares held in these trusts rests with the trustees, who may take account of any recommendation from the Company. It is the Company's policy not to give voting instructions to the trustees.

The trustees of the SIP Trust may vote in respect of shares held in the SIP Trust, but only as instructed by participants in the SIP in respect of their Free Shares and Dividend Shares. The trustees will not otherwise vote in respect of shares held in the SIP Trust.

**Authorities**

At the AGM on 26 May 2022, the Directors of the Company were authorised to allot new shares in the Company or grant rights to subscribe for, or to convert any security of the Company in, shares up to a maximum number of shares representing not more than one third of the share capital of the Company. The Directors were also given the authority to allot relevant securities in connection with an offer by way of a rights issue up to a further one third of the issued share capital of the Company. No shares were allotted under either authority during the financial year. The Company was further authorised at the same AGM to purchase its own shares in the market up to a maximum of approximately 10% of the Company's issued share capital. No shares were purchased under that authority during the financial year.

The Company is seeking to renew these authorities at the forthcoming AGM, within the limits set out in the notice of that meeting and in line with the recommendations of the Pre-Emption Group.

**Significant agreements – change of control**

The Company is not party to any significant agreements that would take effect, alter or terminate following a change of control of the Company. The Company does not have agreements 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 plans may cause options and awards granted under such plans to vest on a takeover.

**Dividends**

The profit for the financial year ended 31 December 2022 after taxation amounts to £31.9m from continuing operations. The Directors have declared dividends as follows:

Ordinary shares	£m
<b>Paid interim dividend of 3.60 pence per share<sup>1</sup></b>	<b>9.1</b>
<b>Proposed final dividend of 7.3 pence per share<sup>2</sup></b>	<b>18.4</b>
<b>Total dividend of 10.9 pence per share in respect of financial year ended 31 December 2022<sup>2</sup></b>	<b>27.5</b>

1 Excludes £0.2m dividends waived.

2 Subject to Shareholder approval at the 2023 AGM, the final ordinary dividend in respect of the 2022 financial year will be paid on Wednesday 7 June 2023 to all Shareholders on the Register of Members at the close of business on Friday 21 April 2023.

Further information on dividends can be found in note 26 to the accounts on page 149.



## Directors' report continued

### Dividend waivers

The Wickes Employee Benefit Trust (EBT) and the Wickes SIP Trust hold shares in the Company in connection with the operation of the Company's share plans. An evergreen dividend waiver is in place on the shares held by the EBT and for shares held by the SIP Trust that have not been allocated to employees.

### Major Shareholders

As at 31 December 2022, the Company had been notified of the following interests in voting rights pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules. Between 31 December 2022 and the date of this report, Solas Capital Management, LLC notified the Company that it had dropped below the 3% reporting threshold.

Ordinary shares	Number of shares	% of voting rights
<b>Solas Capital Management, LLC</b>	<b>7,806,924</b>	<b>3.01</b>

### Employment policies

The Company's policies and related guidance are designed to create a modern and inclusive working environment and provide support to colleagues through the key moments that matter in their personal and work life and help them to feel at home at Wickes.

Family friendly and wellbeing policies have been designed to support colleagues' mental health and wellbeing as well as their financial health. Policies encourage and promote equal treatment, and any decisions relating to any aspect of employment are free from bias. Colleagues feel safe in speaking up where unacceptable behaviour is experienced.

We recognise the benefits of inclusion and diversity within our workforce and encourage equality of treatment and opportunities in all aspects of employment, including recruitment, training and development, and promotion. This is reflected in all employment policies and processes which are designed to ensure that anyone with a disability is treated fairly and any form of discrimination is not tolerated.

We regularly review our facilities and working practices to ensure we cater for people with special requirements or disabilities. Line managers are given support and coaching to help understand mental or physical health and wellbeing conditions so they can make suitable adjustments to ensure their colleagues can perform at their best and feel at home at Wickes, including any colleagues who may have become disabled during employment.

We do not tolerate any kind of disability discrimination. We focus on ability and not disability, ensuring that all colleagues are empowered to flourish. To achieve this, the Wickes Ability network exists to champion each colleague's own ability to ensure they reach their full potential and to highlight opportunities where we can continue to improve.

The Company's culture and values are critical to sustaining an engaged workforce, but we know things can sometimes go wrong. Grievance and disciplinary policies have been designed to ensure all colleagues are treated fairly in line with our values and in a professional and sensitive manner. Colleagues know where to go for support and guidance is available to help them every step of the way.

Policies are designed to engage and retain talent in the business and set out the behaviours expected, what colleagues are entitled to, where they can go for help and how we will treat all colleagues fairly and consistently.

### Colleague engagement

We know that our high levels of colleague engagement and unique culture are what make our colleagues feel at home at Wickes. We communicate with colleagues regularly through a variety of channels tailored to each area of the business to ensure they are informed about the business direction, including Company performance, and that they are listened to and inspired to play their part in delivering our strategy and purpose.

We engage with our colleagues formally and informally, using weekly newsletters, regular 'team 5s' (informal team briefings), 'The Scoop' intranet communications, Google communities, and monthly CEO Company wide updates via email, video and town halls. We also host an annual managers' meeting.

We use these many communication channels to engage colleagues in the Company's share schemes, thereby giving them the opportunity to share in the future success of the business and give them a personal connection to Company performance. More information on colleague reward and engagement can be found in the Directors' Remuneration report on pages 101-114 and the Section 172 statement on pages 55-59.

Colleagues have an opportunity to give regular feedback through our annual colleague engagement surveys, topical mini surveys, listening roadshows with our Executive team and quarterly Employee Voice sessions. In November, we held a virtual Employee Voice session which was represented by 17 colleague voices, and the Plc Board was represented by our designated

Non-executive Director for employee voice, Sonita Alleyne. The matters raised are fed back and discussed by the Board.

### Human Rights and Modern Slavery Policy

The Company is opposed to all forms of unethical business behaviour. We are committed to ensuring there is decent, fair and safe work for all, both directly and indirectly throughout our supply chain, as set out in our Human Rights Policy and Modern Slavery and Human Trafficking Policy. Through our supplier audits we monitor human rights standards. We recognise the harmful impact that modern slavery has on individuals and society and we are committed to help prevent these illegal practices. The Company's statement on Modern Slavery is reviewed and approved by the Board on an annual basis and published on the Company's website [www.wickesplc.co.uk](http://www.wickesplc.co.uk)

### Anti-bribery Policy

We have a zero-tolerance approach to bribery. Our anti-bribery programme is built around a clear understanding of how and where bribery risks affect our business and comprises key controls of: policies (including anti-bribery, gifts and entertainment, conflicts of interest, charitable donations); procedures (such as conducting due diligence on suppliers); training all colleagues annually on bribery risks; and ongoing assurance programmes to monitor the effectiveness of controls. We encourage any instances of alleged bribery and corruption to be reported either through line management or through the anonymous whistleblowing platform. All reports are thoroughly investigated and the Board receives reports at least annually on any breaches of policy.

### Anti-Fraud Policy

We take a zero-tolerance approach to fraud and any activity which amounts to fraud or is a dishonest act is prohibited. We have a anti-fraud policy and training module that all colleagues are required to



complete annually. We ask colleagues to complete due diligence on any third parties before contracting with them. We encourage any suspected incidents of fraud to be reported to a line manager or via our anonymous whistleblowing platform. We are committed to assisting the police in any fraud investigations and will endeavour to recover any wrongfully obtained assets.

### Political Donations Policy

The Group's policy is not to make donations to political parties and has made no such payments to either political groups or individual candidates, nor did it incur any political expenditure during the year.

The Company is seeking to renew the authority to make political donations at the forthcoming AGM, within the limits set out in the notice of that meeting. This is on a precautionary basis to avoid any unintentional breach of the relevant provisions of the Act.

### Events after the balance sheet date

No important events have occurred after the balance sheet date.

### Statement of disclosure to auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that the Director has taken all the steps that they ought to have taken to make themselves 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 s.418(2) of the Act.

### Branches

The Company does not have any branches outside of the UK.

### Research and development

The Company does not undertake any research or development activities.

### Additional disclosures

Other information that is relevant to this Directors' report and which can be incorporated by reference to this report can be located as follows:

Applicable disclosures required pursuant to Listing Rule 9.8.4R

Long term incentive schemes LR9.8.4(4)	108
Dividend waivers LR9.8.4(12)(13)	116

Sections (1)(2)(5)(6)(7)(8)(9)(10)(11)(14) are not applicable.

### Other disclosures incorporated by reference to this Directors' report

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Future likely developments	1-72
Financial review and KPIs	60-62, 31-32
Directors' interests in shares	107
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Financial instruments and financial risk management	153-154
People policies and colleague engagement	35-39, 116
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Streamlined Energy and Carbon Reporting (SECR) disclosures	43

### Cautionary statement regarding forward-looking information

Where this Annual Report contains forward-looking statements, these are based on current expectations and assumptions, and speak only as of the date they are made. These statements should be treated with caution due to the inherent risks, uncertainties and assumptions underlying any such forward looking information.

The Group cautions investors that a number of factors, including matters referred to in this document, could cause actual results to differ materially from those expressed or implied in any forward looking statement. Such factors include, but are not limited to, those discussed under principal risks and uncertainties on pages 66 to 70.

Forward looking statements can be identified by the use of relevant terminology including the words: 'may', 'will', 'seek', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe' or other words of similar meaning and include all matters that are not historical facts. They appear in a number of places throughout this Annual Report and Accounts and include statements regarding the intentions, beliefs or current expectations of our officers, Directors and employees concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the business.

Neither the Group, nor any of its officers, Directors or employees, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Annual Report and Accounts will actually occur.

Undue reliance should not be placed on these forward looking statements. Other than in accordance with our legal and regulatory obligations, the Group undertakes no obligation to publicly update or revise any forward looking statement, whether as a result of new information, future events or otherwise.

The Company has chosen, in accordance with s.414C(11) of the Act, and as noted in this Directors' report, to include certain matters in its Strategic report that would otherwise be required to be disclosed in the Directors' report. The Strategic report can be found on pages 2-72 and includes an indication of future likely developments in the Company, details of important events and the Company's business model and strategy.

The Directors' report, which comprises pages 74-100 and pages 115-117, has been approved by a duly authorised Committee of the Board of Directors on 22 March 2023 and is signed on their behalf by:

**Helen O'Keefe**  
General Counsel and Company Secretary  
22 March 2023

## Statement of Directors' Responsibilities

# STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

Under company law, the Directors are responsible for preparing the Annual Report and Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law, they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law. The Directors have elected to prepare the parent company financial statements in accordance with UK accounting standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Group and parent company and of the Group's profit or loss for that period. In preparing each of the Group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements;

- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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 parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing the Strategic report, Directors' report, Section 172 statement, Directors' Remuneration report and Corporate Governance statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule 4.1.14R, the financial statements will form part of the annual financial report prepared using the single electronic reporting format under the TD ESEF Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format.

### Responsibility Statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- 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 that they face.

The Statement of Directors' Responsibilities has been approved by the Board of Directors and is signed on their behalf by:

**David Wood**  
Chief Executive Officer  
22 March 2023

**Mark George**  
Chief Financial Officer  
22 March 2023