

At a glance

OUR VISION

A Wickes project in every home

OUR MISSION

To be the partner of choice for Home Improvers and Local Trade

OUR PURPOSE

To help the nation feel house proud

OUR VALUES

We are proud of our special culture where everyone is welcome and given the opportunity to thrive. We are guided by a set of values we call our Winning Behaviours



A UNIQUELY BALANCED BUSINESS SUPPORTING 3 CUSTOMER PROPOSITIONS



LOCAL TRADE

We are trusted by local tradespeople to provide the quality products they need at great value, saving them time and money.

Our digital TradePro membership scheme offers a standard 10% discount across the store and our Wickes own brand has built a strong reputation with Local Trade over the past 50 years.

881,000
TradePro members



DESIGN & INSTALLATION

For customers who are looking to buy a new bathroom, kitchen or home office, we offer a full service from concept design to installation.

Our team of design consultants and nationwide network of Wickes-approved installers are on hand to support the customer with their project.

>3,000
installer teams



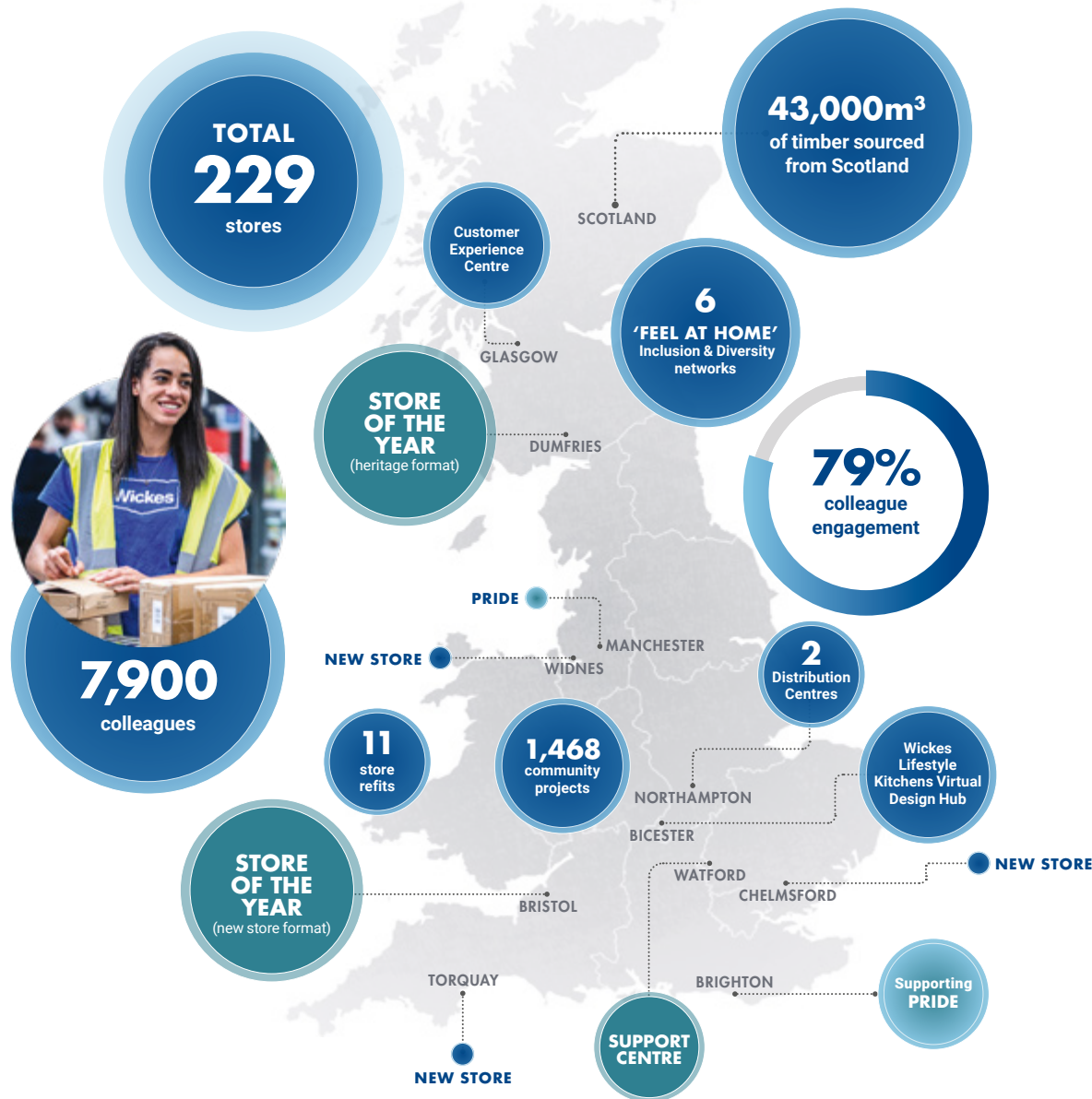
DIY

We provide a highly curated range of branded and own brand products in store, and further products online, to help customers undertake their DIY project. We pride ourselves on great value, simple, clear pricing and good stock availability.

Our store teams and online guides are there to provide customers with expert advice and knowledge to support them.

c.60%
of sales are Wickes own brand

As a leading UK home improvement retailer and employer, we have stores across England, Scotland and Wales and are proud to support our local communities



As we grow, we are committed to doing so sustainably. Our Built to Last Responsible Business programme focuses on People, Environment and Homes

See page 34

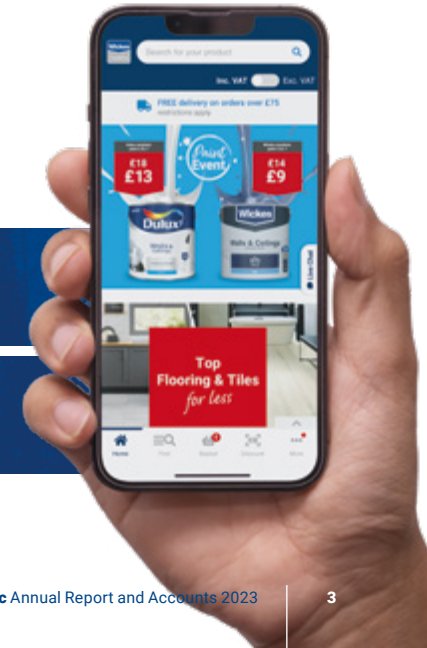


DIGITALLY-LED, SERVICE-ENABLED

2/3rds of sales are digitally enabled

16% digital visits market share*

* Source SimilarWeb.



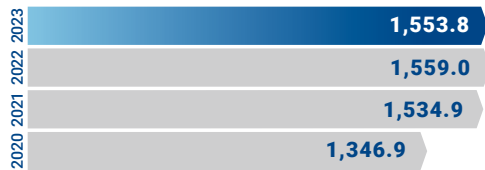
Financial and strategic highlights

Financial highlights

Adjusted revenue (£m)¹

2022: £1,559.0m

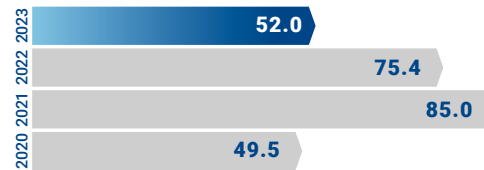
£1,553.8m



Adjusted PBT (£m)²

2022: £75.4m

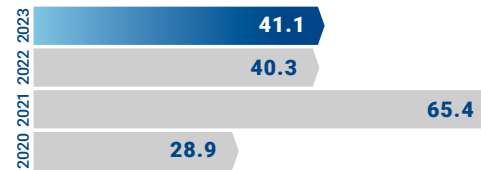
£52.0m



Statutory PBT (£m)

2022: £40.3m

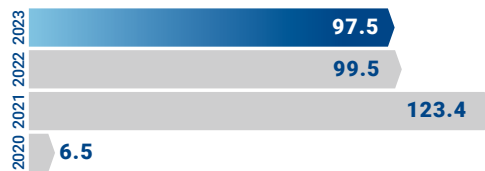
£41.1m



Cash (£m)

2022: £99.5m

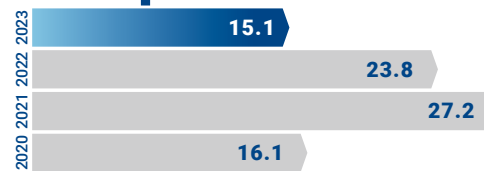
£97.5m



Adjusted basic earnings per share (p)³

2022: 23.8p

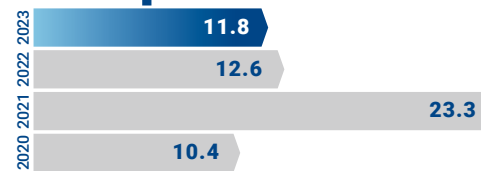
15.1p



Statutory basic earnings per share (p)

2022: 12.6p

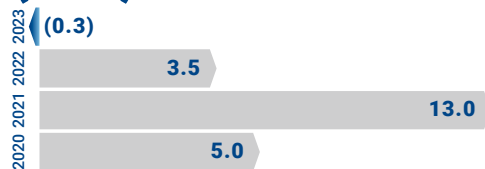
11.8p



LFL sales growth (%)⁴

2022: 3.5%

(0.3)%



Dividend per share (p)

2022: 10.9p

10.9p



Free cash flow (£m)⁴

2022: £29.0m

£46.1m



Strategic highlights



New store openings

2023 has been an exciting year for growing our store estate. Across our three new stores in Chelmsford, Widnes and Torquay, we've created around 90 new jobs, and brought the Wickes experience to thousands more customers.



Enhancing our digital TradePro scheme

Local Trade are our most strategically valuable customers, spending on average ten times more than a DIY customer. We have grown membership of our digital TradePro scheme by 18%, developing new benefits and rewards for members.



Wickes Lifestyle Kitchens

We have seen a step change in the growth of Wickes Lifestyle Kitchens range, with sales up 24% since it was relaunched, successfully accessing the value end of the kitchens market.

1 Refer to note 5 on page 150; 2 Refer to note 9 on page 152; 3 Refer to note 11 on page 154; 4 Refer to note 32 on page 168.

Built to Last Strategy: progress update



Data subject to independent limited assurance by DNV.
 DNV's limited assurance statement is available on our website at
www.wickesplc.co.uk/company/responsible-business/policies-and-reporting/

	Focus area	Our targets	Progress in 2023	Further information	Alignment with UN Sustainable Development Goals (SDG) and Targets
PEOPLE	Inclusion and diversity	By the end of 2023, progress gender diversity in leadership roles: 1. 33.75% females in store leadership; and 2. 45% females in Support Centre leadership	1. 33.98% females in store leadership (3.72% increase compared with 2022: 30.26%) 2. 43.54% females in Support Centre leadership (slight decrease in performance compared with 2022: 44.31%)	See page 37	SDG 10 Reduced Inequalities Target 10.2
	Learning and development	Offer and support 200 Early Career places each year from 2022 to 2024	280 Early Career places were provided in 2023; 248 of these were via an apprenticeship programme	See page 38	SDG 4 Quality Education Target 4.4
	Charity and community	Raise £2 million for our charity partner, The Brain Tumour Charity, between April 2023 and April 2025 Support 1,500 projects across our local communities in 2023	In the first 9 months of the partnership, we raised £718,060 and made an additional corporate donation of £10,000 We supported 1,468 projects across our local communities, reaching an estimated 500,000 people	See page 43 See page 42	SDG 3 Good Health & Wellbeing Target 3.4 SDG 9 Industry, Innovation & Infrastructure Target 9.1
ENVIRONMENT	Climate change	Reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions 42% by 2030 from a 2021 base year	36.9% reduction in Scope 1 and 2 GHG emissions compared with 2021 baseline	See page 44-45	SDG 7 Affordable & Clean Energy Target 7.3
		45% of our suppliers by emissions covering purchased goods and services will have science-based targets by 2027	23 of our suppliers have set SBTi-validated science-based targets, which equates to 23.8% of our Scope 3 GHG emissions	See page 44-45	SDG 7 Affordable & Clean Energy Target 7.3
		Reduce absolute Scope 3 GHG emissions from the use of sold products 42% by 2030 from a 2021 base year	14% reduction in absolute Scope 3 GHG emissions from the use of sold products compared with 2021 baseline	See page 44-45	SDG 12 Responsible Consumption & Production Target 12.2
HOMES	Products	50% (by revenue) of our own brand products classified as supporting sustainability	We are working to define products that support sustainability in accordance with the Green Claims Code, establish a baseline and set a date when we plan to achieve this target.	See page 50-51	SDG 13 Climate Action Target 13.1
FOUNDATIONS	Safety	Our aim is: Everyone home safe and well, every single day	1.8% reduction in Lost Time Accident Frequency rate and 11% reduction in actual customer accidents	See page 52-53	SDG 8 Decent Work & Economic Growth Target 8.8
	Packaging	Eliminate all unnecessary customer (primary), secondary and tertiary packaging across our own brand products by 2023	All unnecessary packaging has been removed from Wickes own brand products in 2023	See page 55	SDG 12 Responsible Consumption & Production Target 12.5
		100% (by weight) of customer packaging on our own brand products will be easy to recycle or reuse by 2025	99.5% of packaging (by weight) on Wickes own brand products was classified as easy to recycle or reuse	See page 55	SDG 12 Responsible Consumption & Production Target 12.5
	50% (by weight) of customer plastic and paper packaging on our own brand products will come from recycled materials by 2025	43.6% of our packaging (by weight) used on Wickes own brand products was sourced from recycled materials (plastic packaging 42.7%, paper packaging 44.8%)	See page 55	SDG 12 Responsible Consumption & Production Target 12.5	

INVESTING IN growing responsibly



Christopher Rogers
Chair of the Board

I am incredibly proud to be part of this great business, which continues to navigate successfully these challenging economic times, by putting its customers and colleagues at the heart of everything. On behalf of the Board and myself, I'd like to take this opportunity to thank our colleagues who do such a tremendous job every day, taking care of our customers and each other.

Performance

In 2023, sales were broadly flat with a 0.3% decline to £1,553.8m, and adjusted profit for the year was down at £52.0m. In addition to the impact of the accounting treatment of our investment in IT, this reduction in profit reflected a more difficult UK home improvement market as the cost of living crisis dampened demand, coupled with the steep

This year the Local Trade part of our business has been particularly strong, compensating for a softer market for DIY and Design & Installation.

Investing to win

The Wickes business has a clear strategy, which is focused on our key growth levers (outlined in pages 21-27). The management team has executed strongly on these growth levers in 2023 and continued to invest in them, within the envelope of a disciplined capital structure. In July, we outlined a new capital allocation policy (see more information on page 13) that reflects the strength of the balance sheet, our confidence in our future growth strategy and our focus on delivering strong Shareholder returns.

“The management team has executed strongly on these growth levers in 2023 and continued to invest in them, within the envelope of a disciplined capital structure.”

rise in energy and other costs. Despite the worsening economic backdrop, we have continued to invest in our growth levers as we wish to keep on strengthening the business and positioning Wickes as a leader in the market.

The cost of living crisis continues to cast a shadow over people's lives and is causing people to think more carefully about how they spend their money. Yet the desire and need to improve and repair our homes remains constant and at Wickes we are well placed to help the nation with their home improvement projects, whether they are using a local tradesperson, our kitchen and bathroom Design & Installation service or doing it themselves.

Enhancing our digital capability is one of these strategic growth levers and this year the separation of our IT systems from Travis Perkins Plc has been successfully delivered substantially on time and on budget. With this transition now complete, we are developing an in-house technology leadership team, which is focused on implementing and delivering a 'cloud-first' strategy, providing us with the capability to rapidly utilise emerging technologies. Whilst recognising that this will take several years to develop, I'm excited about the opportunities that this will unlock for the business.



Our culture

At Wickes, we have a very special culture, where everyone is welcome and where people are given the opportunity, encouragement and support to flourish. This is shown in our colleague engagement scores, with high levels of 'overall engagement' at 79% and low colleague turnover rates compared to the retail sector. You can read more about how we embed and monitor our culture on pages 36-43

As the cost of living crisis continues to impact colleagues as well as customers, we have introduced a number of measures to provide increased financial and wellbeing support. In January 2023, we upweighted our annual salary increase and brought this forward from April. We have also introduced a 'Salary Advance' policy to give colleagues more flexibility as to when they can access their pay. Following a successful pilot, we extended and improved our free breakfast offer, replacing it with a 'Brunch Box' that all store colleagues can take advantage of. We are also mindful to continue to enhance our comprehensive wider wellbeing support, and in the year we introduced Digicare, a suite of wellbeing services for all colleagues which includes digital GP, home health test kits, and mental health support, all free of charge.

Dividend

When we announced the new capital allocation framework in July, we stated our intention to maintain the dividend in absolute terms for this year, given our strong balance sheet and confidence in the business. The Board is therefore pleased to recommend a final dividend of 7.3 pence per share, taking the full year ordinary dividend to 10.9 pence per share.

Board

I am pleased to report that Laura Harricks joined the Board as a Non-executive Director in June 2023. With a background in e-commerce, marketing and strategy consulting, as well as deep experience of developing omnichannel customer journeys, she is proving a great asset to the Board. Diversity of Board experience was at the front of our minds when we recruited Laura, and we remain on a journey to increase diversity in the broadest sense, on the Board and across the business. You can read about the progress we are making on pages 37 and 97-99.

I believe it is vital that, as a Board, we dedicate time to get out and about to see and experience the great work that is happening right across the business. This year, we've had highly valuable and enjoyable visits to the Customer Experience Centre, our digital design hub for Wickes Lifestyle Kitchens based out of the Bicester store, as well as a visit to our brand new store which opened in Chelmsford in July.

Looking ahead

Economic headwinds have made 2023 a challenging year and we expect the external environment to continue to be difficult in 2024. However, our relentless focus on controlling costs at the same time as investing significantly in our growth levers has resulted in market outperformance, as we help customers with their home improvement projects.

We have exciting growth plans, underpinned by our commitment to grow responsibly. I am pleased that we have continued to enhance our external environmental, social and governance (ESG) disclosures demonstrating our commitment. You can learn more about our ESG matters in the Responsible Business section of this report.

I, along with the Board and all my Wickes colleagues, are looking forward to another year of delivering our growth plans and helping the nation feel house proud.

Christopher Rogers Chair of the Board

18 March 2024

"At Wickes, we have a very special culture, where everyone is welcome and where people are given the opportunity, encouragement and support to flourish."

INVESTING IN helping the nation feel house proud



David Wood
Chief Executive Officer

This has been another year of strong progress for Wickes. Our robust trading performance, targeted investment programme and disciplined cost control have delivered profits ahead of expectations. In the current economic climate, our unrivalled focus on providing great value and outstanding customer service has underpinned this performance. I would like to thank each of my colleagues for their continued dedication and support, enabling us to achieve record levels of customer satisfaction.

We delivered a robust sales performance in 2023, benefiting from a great value and service-led proposition and underpinned by our balanced business model. We continued to achieve market share gains¹ in our Retail business, driven by

Market

The UK home improvement sector represents a large and attractive market of c.£27bn² and we have a relatively small market share of c.6% presenting us with a significant opportunity for long term growth. The market has grown at c.2.5% on average over the past ten years, driven by the high average age of the UK's housing stock, the rising number of UK households and increasing home ownership. People are also spending more time in their homes as a result of the rise of hybrid working, while there is an increasing trend of consumers investing in their homes for improved energy efficiency.

The cost of living crisis has led to pressure on consumer spending in the UK, due to rising

“We delivered a robust sales performance in 2023, benefiting from a great value and service-led proposition and underpinned by our balanced business model.”

impressive growth in membership of the TradePro scheme and volume growth in a number of strategically important categories. Our Design & Installation delivered sales were slightly down for the full year with sales declines in the second half reflecting the more challenging market environment for big ticket projects and the normalisation of our post-Covid order book.

As expected, overall profitability declined versus 2022, reflecting a market with softer demand and high cost inflation. Nonetheless our productivity programme enabled us to offset all cost increases other than energy and as a result we were able to deliver adjusted PBT ahead of expectations.

mortgage rates and rental costs, as well as continued inflation across energy, food and fuel. Whilst on average the Wickes customer base tends to be slightly older and more affluent than the UK average, these cost of living pressures have nonetheless had an impact on our business. High levels of interest rates have suppressed UK housing transactions, which are often a trigger to undertake major home improvement projects, although this is typically partially offset by renovations to properties in which consumers decide to stay for longer. Our exposure to new build housing is very limited.

1) Source: GfK GB point of sale data, sourced from GfK DIY Category Reporting December 2023.

2) Source: GfK, Mintel and Wickes estimates.

The high cost of energy has motivated consumers to seek out ways to improve the energy efficiency of their homes. The average household energy efficiency rating for England and Wales is band D³ and the UK's 28.6m homes are among the least energy efficient in Europe, losing heat up to three times faster than in continental Europe⁴. At Wickes we recognise how important climate change is and we are committed to helping our customers to improve the sustainability of their homes, to save money on their energy bills and to reduce their carbon footprint.

The February 2024 report from our proprietary Mood of the Nation survey shows that UK consumers are increasingly planning to put more money into savings or to undertake smaller home improvement projects over the next year, rather than undertaking large projects like a new kitchen or bathroom. The survey also shows that local trade professionals remain very busy, with more than 50% of tradespeople having a pipeline of work over three months and 1 in 4 having a pipeline of work of more than 12 months.

Strategic progress

We have continued to build on the strong operational progress made since demerger, in developing and extending our growth levers. These contribute to an improvement in our products and services, saving our customers time and money. Continued investment in these growth levers will drive further market share growth in the coming years.

In 2023, we have taken a number of actions to respond to more challenging market conditions such as investing in new ranges for customers looking to undertake small home refreshes, including our paint range, curtain poles and shelving. We have also seen a step change in

sales of our relaunched Wickes Lifestyle Kitchens range⁵, which appeals particularly to customers with a lower budget. This range now includes a free design service which has proven popular with both landlords and homeowners.

We have continued to invest in our low-cost, right-sized stores. We refitted another 11 stores in 2023, showcasing our full offer of kitchens and bathrooms, and taking the proportion of stores in the new format to 77%. We continue to see strong returns and sales uplifts in our refitted stores.

The refit programme also enables us to upgrade the efficiency of multi-channel order pick and despatch, which drives sales densities and underpins our 30-minute Click & Collect promise. All these initiatives are reflected in our customer satisfaction metrics, which have risen in all areas of the business: Self Serve in store, Click & Collect, Home Delivery and Design & Installation.

We opened three new stores in 2023, in Chelmsford, Widnes and Torquay. We are pleased with the initial performance of the new store opening programme, relative to our expectations and returns criteria.

LFL sales across the Group were -0.3% compared to 2022. Within this, Retail saw three consecutive quarters of positive LFL sales growth, driven by a positive volume performance from Q2 onwards. Design & Installation experienced a positive first half but a weaker second half, as a result of a softer market environment for large consumer purchases and the normalisation of our post-Covid order book.

Selling price inflation slowed throughout the year, driven by lower commodity costs such as timber. Price inflation was slightly negative by year end and we expect inflation to be broadly flat in 2024.



We continue to work closely with our suppliers to maintain price leadership and our gross margins improved slightly year-on-year.

We faced significant cost headwinds this year with materially higher energy costs, an increase in the National Minimum Wage of 9.8% and general inflationary pressures across the business. However the successful implementation of our productivity plan helped to offset these headwinds, with the exception of energy. Further investment in energy saving initiatives, such as LED lighting and centralised heating controls, has helped reduce the impact of rising energy costs.

Winning for Trade

Our TradePro membership scheme showed increasing momentum in 2023 with 135,000 new customers enrolling, taking our total membership to 881,000. Local traders continue to switch to Wickes for its strong value credentials and simple discount scheme, as well as the convenience of our 30-minute Click-and-Collect service. The scheme saves both time and money for local traders, who benefit from our standard 10% discount across the store, regardless of spend level.

Our TradePro app has been further improved with new account features including digital receipts, a filter to show pricing excluding VAT, and project planning functionality. We run regular communications programmes using our Missions Motivation Engine (MME) which uses machine learning to further personalise the customer experience, driving engagement and incremental sales. We have launched a new loyalty scheme, TradePro Rewards, which aims to build deeper relationships with our most strategically valuable customers (worth ten times the value of an equivalent DIY customer) and to increase the frequency with which they shop and the amount they spend.

Sales from TradePro members in the year increased by 11% compared to 2022. A 19% growth in the number of active customers was partially offset by a slight decline in average basket size as tradespeople have been managing their material quantities more carefully.

3) ONS Energy efficiency of housing in England and Wales 2023.

4) Decarbonising Buildings: Insights from Across Europe, published by the Grantham Institute – Climate Change and the Environment at Imperial College London, December 2022.

5) Sales of Wickes Lifestyle Kitchens which include a design element are classified as Design & Installation revenues, whereas Self Serve purchases of the Wickes Lifestyle Kitchen range are classified as Retail revenues.

Chief Executive Officer's review continued

Accelerating Design & Installation

Design & Installation delivered sales decreased by 1.7% over the year. The first half saw strong sales growth as we successfully worked through the elevated order book from the Covid period. However in the second half we experienced a more challenging market environment for larger ticket purchases, as well as delays in Order Fulfilment as a result of a new software implementation, which has since been resolved.

We have seen increased attachment rates of customers choosing to use Wickes to fit their kitchen and bathroom products, which leads to incremental spend on tiling, flooring and joinery, increasing the overall project value. Targeted recruitment of installer teams remains strong and we now have more than 3,000 installer teams offering nationwide coverage.

We continue to digitise our installation service, with installers now using our field service management software (FSM). This software systemises each of our steps along the installation process, reducing manual activity and potential human error. Alongside many other benefits, this has increased the speed of the customer journey.

Our new Customer Experience Centre is now live for all new installation customers, giving every project a named individual who will coordinate and manage communication between the customers, installers and product delivery teams. This has reduced the number of incoming queries as well as the average time to installation and this highly positive outcome for new customers has been reflected in a Net Promoter Score of 92%.

Wickes Lifestyle Kitchens has performed well since its relaunch with sales in the second half +24%. The range is designed to better serve the high-volume market for lower price point kitchens

and offers significant opportunities for further growth. Customers are now able to use our free design service for a Wickes Lifestyle Kitchen and this has proven popular with both homeowners and landlords.

Whilst leads in our showrooms have slowed significantly during 2023, as a result of the more challenging market conditions, our conversion rates continue to strengthen, underpinned by our unique customer proposition.

DIY Category Wins

We continue to strive for the best possible range, price and availability for our customers. Our right-sized stores sell a carefully curated range of c.9,000 SKUs and we are constantly reviewing the range to ensure that each product category is meeting expectations. This year we have conducted 17 range reviews across categories including decorating, flooring, electrical, hardware and roofing. We have also added innovation for smaller projects on lower budgets, such as paint ranges, curtain poles and shelving. Customers remain interested in making their homes more energy efficient and we have responded with new products, in the lighting category in particular. Categories which have seen strong volume growth this year include shelving & storage, power tools and paint.

We have successfully broadened our brand proposition, from our heritage in trade and heavy-end DIY to now address a younger and more female customer base. The proportion of Wickes' DIY customers who are female has increased from just 16% in 2019 to 27% in 2023⁶, following our proactive marketing to women, including developing rich online and social media content to help develop DIY skills and bring DIY to life in a relevant way.

Digital capability

We are investing further in our digital capabilities to deliver an integrated multi-channel shopping experience for our customers.

We use our predictive MME to deliver tailored content to customers to help them complete their home improvement missions and this is driving significant revenues. We have a comprehensive suite of MME-led programmes of marketing emails and app notifications, all of which are optimised for timing, audience and content for our different customer profiles, with incrementality measured against control groups.

“We have an exciting pipeline of new stores planned for the coming years, as we target an overall estate of 250 stores over the medium term.”

We have also used technology to improve our fulfilment capability and modernise our order management solutions. This has enabled the roll-out of our very popular 30-minute Click & Collect service, which has resulted in a 6.7% growth in Click & Collect sales this year and record customer satisfaction levels.

In 2023, we increased our range of digital payment options by implementing both Apple Pay and Google Pay for online transactions (already in use in stores). This has increased our conversion rates by speeding up the check-out process for customers. We have also accessed the growing Buy Now Pay Later ('BNPL') market by adding Klarna to our online payment options, which has brought incremental revenue opportunities and access to a younger customer demographic.

Store investment

Investment in our store network continues, to modernise the stores, increase our showroom space and create additional fulfilment space for Click & Collect and Home Delivery. 11 store refits were successfully completed during 2023. Our refit programme continues to deliver c.25% ROCE with strong sales uplifts, in particular in Design & Installation. The programme continues, with 77% of the network now in our new format.

Our new store opening programme is gathering momentum, with three new stores opened during 2023 in Chelmsford, Widnes and Torquay. We have

an exciting pipeline of new stores planned for the coming years, as we target an overall estate of 250 stores over the medium term.

During 2023, we closed four stores (Wigan, Loughborough, Paignton K&B and Darlington) which were not meeting our returns criteria. We therefore ended the year with 229 stores.

Enhanced store service model

Our '4C' model aims to meet our customers' needs through all four of our store network journeys: Self Serve, Assisted Selling, Order Fulfilment and the Design & Installation showrooms. Our approach offers a seamless shopping experience for customers and ensures that our store estate works hard for us. We have made changes to the store estate to increase back of house capacity for Click & Collect and Home Delivery Order Fulfilment, while reducing

5) Sales of Wickes Lifestyle Kitchens which include a design element are classified as Design & Installation revenues, whereas Self Serve purchases of the Wickes Lifestyle Kitchen range are classified as Retail revenues.

6) Wickes proprietary customer data 2023.

the impact on customers in the store. We have also transitioned to a new delivery partner which has helped to improve customer satisfaction.

This continued focus on how best to serve our customers has resulted in record customer satisfaction scores ('CSAT') in 2023. Self Serve customers who rate Wickes as 'excellent' or 'good' has increased by 4 percentage points ('ppts') year-on-year to 85%, whilst CSAT for our Click & Collect and Home Delivery⁷ services has improved by 1ppt and 2ppts respectively. CSAT also continues to trend upwards in Design & Installation, with the key Lead to Order part of the process up 1ppt this year to a record 86%.

A winning culture

The Wickes culture has evolved over the past fifty years to become a modern, inclusive workplace where all colleagues can feel at home and have the opportunity to grow their skills and develop their career. We continue to engage with colleagues so that they are informed, inspired and motivated to play their part in delivering our strategy through exceptional levels of customer service. This year we have enabled all store managers to work flexibly and have introduced a number of cost of living initiatives to help colleagues.

Our annual colleague engagement survey seeks both quantitative and qualitative feedback from colleagues on a range of subjects and assesses overall colleague engagement. In 2023, our colleague engagement score was 79%⁸, which indicates a strong level of colleague engagement with the business.

Responsible Business Strategy update

2023 was the first full year of delivering our Responsible Business Strategy, Built to Last. This has been a year of integrating the strategy

across our business and our supply chain, with continued progress made across all three pillars of the strategy and our foundation topics.

The health and safety of our colleagues and customers remains our number one priority and is one of the key foundations of our Responsible Business Strategy. In 2023, we demonstrated a continued reduction in injury numbers across the business and an improved performance in our Accident Frequency rate and number of lost time incidents, following a number of very strong years of pleasing performance.

We are committed to reduce the impact of the packaging we use in our own brand products, and we have removed 115 tonnes (annually) of plastic packaging, which is a reduction of 7% like-for-like volume compared with 2022.

People

Inclusion and diversity remains central to our people strategy through our 'Feel at Home' colleague-led inclusion and diversity programme. Following a successful trial, we are launching a new flexible working approach to all store management roles. Our 2023 Gender and Ethnicity Pay Gap report shows continued improvement in our gender pay gap, and a favourable ethnicity pay gap result.

Our Early Careers offering continues to focus on attracting and developing the skills our business needs for the future. In the year, we supported 280 individuals into Early Career placements, with 248 of these enrolled on an apprenticeship programme.

We employed on average 7,919 people in 2023, compared to an average headcount of 8,340 in 2022. As a result of the new supply chain logistics contract which went live in January, 339 colleagues transferred to the logistics supplier under the TUPE regulations.

In 2023, we opened three new stores (Chelmsford, Widnes, and Torquay) and closed four (Wigan, Loughborough, Paignton K&B and Darlington). When we need to close stores, we take all reasonable steps to support our colleagues who are affected with securing alternative employment with Wickes.

We launched a new two-year charity partnership with The Brain Tumour Charity and in 2023, with the generosity of our colleagues, customers and suppliers, we raised £728,000 towards our £2 million target. All of our stores participated in the Wickes Community programme during the year, supporting around 1,500 projects across our local communities.

Environment

After receiving validation from the SBTi for our near term science-based targets ('SBT') in 2022, we have made significant progress towards achieving our Scope 1 and 2 SBTs by switching to a 100% renewable electricity contract from April 2023 onwards. During 2023, we achieved a 36.9% reduction in Scope 1 and 2 emissions compared to 2021. We are collaborating closely with our strategic suppliers to work towards achieving our two Scope 3 SBTs, and a meaningful proportion of our suppliers now have their own SBTi-validated targets.

For our second CDP (Carbon Disclosure Project) Climate submission we successfully increased our rating from a B- to a B, and for our first-ever CDP Forests submission, we were pleased to achieve a rating of C. We are continuing to work to understand our nature impacts and by the end of 2023 we stopped sourcing compost containing peat. Timber remains a significant part of our business and in 2023 we once again achieved a level of 99.8% of the timber sold having either an FSC or PEFC Chain of Custody certificate, confirming that it had been responsibly sourced.

Homes

In line with our purpose to make the nation feel house proud, and supporting our customers with the increased cost of living, we want to help our customers save energy and reduce the carbon footprint of their homes. We launched new product ranges to expand our offer, and we now offer solar PV products, air source heat pumps and charging kits for electric vehicles. We also provide information and guidance on our customer website and in-store to help our customers make informed choices on how to save energy, with a particular focus on the significant benefits of good insulation.

The acquisition of Solar Fast gives us a majority stake in a leading, nationwide operator in the emerging and exciting market for energy saving solutions. The market for domestic solar installations in the UK is growing from an estimated c.£1.1bn in 2024 to c.£1.5bn per year by 2028⁹ and is a fragmented market with no clear brand leader. This acquisition enables us to rapidly accelerate our Design & Installation growth lever, capitalising on our expertise in installing major home improvement projects. The Wickes brand has been trusted by home improvers for over 50 years and with Solar Fast as part of our proposition we will be perfectly placed to support them with their energy saving plans and to help them feel house proud.

Wickes' balanced business model and proven growth strategy affords the Group resilience in the current uncertain environment, leaving us well positioned to win in the UK's large and growing home improvement market, and to continue to deliver for our colleagues, customers and shareholders.

David Wood
Chief Executive Officer

18 March 2024

7) Home Delivery refers to customer deliveries fulfilled from stores.

8) The colleague engagement score is an average score in response to the main engagement questions covering respondents' likelihood to recommend Wickes as a place to work, likelihood to recommend Wickes' products or services, likelihood to remain at Wickes and overall job satisfaction. These engagement questions form part of a wider annual colleague survey.

9) Source: Wood Mackenzie UK PV Capacity Forecast.

Sustainable competitive advantage driving investment returns

LARGE AND GROWING MARKET

The c.£27bn UK home improvement market¹ has grown at 2.5% pa over the past 10 years², driven by increasing home ownership, the rising number of households, people spending more time at home due to hybrid working and consumers investing to make their homes more energy efficient.

2.5%

per annum for past 10 years

1. Source: GfK, Mintel and Wickes estimates
2. Source: GfK, between 2013-2023

MID SINGLE-DIGIT SALES GROWTH

Our balanced business model enables us to access three customer propositions of Local Trade, Design & Installation and DIY, offering greater resilience through the economic cycle. Wickes has just c6% share of the UK RMI³ market, offering significant opportunity for future growth. Continued market share gains and underlying market growth should generate mid single-digit revenue growth over the cycle.

7

Growth Levers

3. Repair, Maintenance & Installation

PROFIT GROWTH GREATER THAN REVENUE GROWTH

Our proven growth levers are successfully driving sales densities, profit contribution and returns from stores. Our efficient model keeps operating costs low, generating operating leverage so that over the economic cycle we would expect to grow profit faster than revenue.

c.20

new stores over 4-5 years

STRONG CASH FLOW

Our profitable business model generates strong operational cash flow. This cash flow supports future investment into proven growth levers such as store refits and digital, as well as enhancing shareholder returns through dividends and share buybacks. In 2023 we unveiled a revised capital allocation policy (see next page).

£37.2m

returned to Shareholders in 2023

Capital allocation policy

Strong balance sheet



Operate with net cash at all times
Cash of at least £50m at year end
RCF provides additional liquidity

Investing in the business



Capex of c.2% of sales (post IAS38)
Refits, new stores and IT
Target blended ROIC >15%

Ordinary dividend



Target dividend cover
of 1.5x – 2.5x EPS in
normal trading

Return of surplus cash



Excess cash will be
returned to shareholders

Strong balance sheet supports growth and capital returns

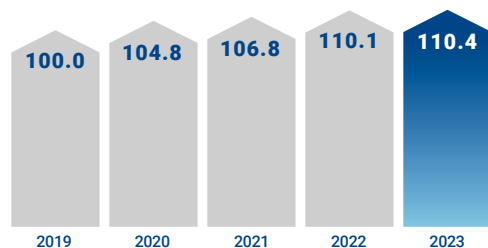
- Maintain strong balance sheet with significant liquidity at all times
- Hold minimum £50m cash at December year end, the seasonal low point
- Average cash considerably higher in a normal trading cycle
- RCF provides additional liquidity
- Capital investment to maintain store estate and invest in high-returning proven growth levers
- Target dividend cover 1.5x – 2.5x EPS. Currently paying out above the target range but expect cover to rebuild in future years
- Share buyback programme to return excess cash to shareholders
 - Initial £25m programme underway

Market review

UK home improvement remains a large and attractive market of £27bn, of which Wickes has a relatively small share. Our three customer propositions, across Local Trade, Design & Installation and DIY, mean that we span the entire market and can support customers however they decide to improve their homes.

We have a long track record of market share gains as a result of our business model, digital investment and focus on customer service.

Market share 2023*



The home improvement market has seen significant change over recent years, as it's been impacted by major global economic and social events, most notably climate change, the pandemic and the cost of living crisis. People have been forced to change the way they live, whether that's spending more time in their homes and gardens, cutting back on spending or finding ways to save energy. At Wickes, we seek to understand these fundamental changes to consumer behaviour through regular and comprehensive consumer research, and we use our insight to evolve and enhance our products and services to meet our customers' needs.

* Source: GfK GB PoS data, sourced from GfK DIY Category Reporting December 2023



We're customer curious

To find out what our customers are thinking, we conduct regular research in the form of our monthly 'Mood of the Nation' survey (of around 1,000 households and tradespeople), our six-monthly 'Barometer' survey (of around 2,000 households and tradespeople), monthly online customer focus groups and quarterly face-to-face customer focus groups. We believe it's important that all our colleagues, not just management, can get closer to our customers so we make all our research available internally and also share some key findings from our Barometer research on our corporate website.

Over the following three pages, we have pulled out what we see as the key short term and long term market growth drivers within the UK's home improvement sector and shared our consumer insights, along with how we are adapting our propositions to meet the needs of our customers.

- The cost of living crisis
- The UK housing market
- The role of the home
- Saving energy
- Digitally enabled retail

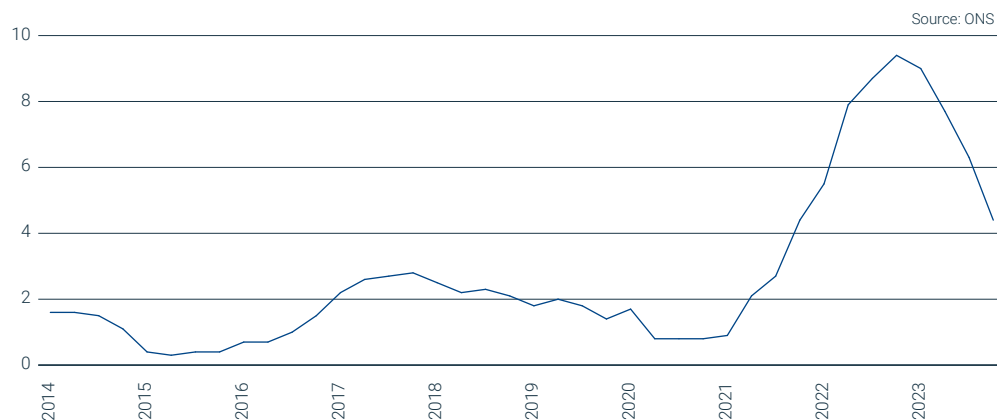
In the short term, the UK home improvement market is being impacted by two key economic factors: the cost of living crisis and a slowdown in the UK housing market.

The cost of living crisis

2023 has been another year of global political turbulence, with events having an impact on economies around the world. In the UK, consumers are experiencing pressures on their disposable income as a result of rising mortgage rates, rental costs and continued inflation across energy, food and fuel.

Wickes has a certain degree of resilience in the face of these pressures, given that typically the customers who use our Design & Installation service or tradespeople to undertake their home improvement projects tend to be older and have more disposable income, however we are not immune to the customer trends.

Annual CPIH inflation rates from 2014 – 2023



Source: ONS

* Consumer Prices Index including owner occupiers' housing costs.

Our approach

- As customers find ways to save money, they are more discerning on price and are shopping around more. Our value credentials, the strength of the Wickes own brand (which is around two thirds of sales) and our simple and clear pricing policy stand us in good stead.
- In 2023, we have seen strong demand for our own brand products as customers trade into Wickes' great quality and value, whilst our 10% flat rate discount for all TradePro members continues to be popular with tradespeople, and has helped drive an 18% increase in TradePro membership in the year.
- We proactively review our ranges to ensure we are providing customers with good product choice and maintaining our great value price proposition. In 2023, we conducted 17 range reviews and, as part of these reviews, in response to customer insight we introduced new ranges aimed at smaller DIY projects, such as selling curtain rails for the first time.
- We price check thousands of key stock items every week and aim to remain 2-3% cheaper than competitors, to ensure that we are always offering great value to customers. Our high stock turn enables us to pass through price changes quickly, such as the falling price of timber in autumn 2023.
- During 2023, we also launched our 'Seasonal Savers' promotions to offer discounted prices on a targeted number of key products that customers might need for their seasonal projects.
- For customers looking to purchase a new kitchen, our new Wickes Lifestyle Kitchens range means we can offer highly competitive, affordable kitchens (from £1,000 to £4,000), with a free design service. For customers looking to purchase a Wickes Bespoke Kitchen or bathroom, we offer highly competitive finance rates. The launch of the Klarna credit proposition means that customers are able to spread out their payments, which has introduced new customers to Wickes and driven higher average online transaction values.
- To help our DIY and Local Trade customers with payment solutions to suit their needs and preferences, we continue to increase the range of payment options, with the launch of Apple Pay and Google Pay, following the successful launch of Klarna last year.

The UK housing market

The Bank of England increased interest rates every month from December 2021 until August 2023 and mortgage rates have consequently risen to their highest level in over a decade. These high levels of interest rates have suppressed UK housing transactions, which are often a trigger to undertake major home improvement projects, although this is typically partially offset by renovations to properties in which people decide to stay for longer.

The level of new home sales has also declined, although our exposure to new build housing is very limited.

What our customers are telling us

88%
of home improvers have undertaken as many or more home improvement projects in the past 12 months.

+30%
increase in people doing smaller DIY projects such as putting up shelves, pictures and curtain rails (up from 35% to 45% in a year).

1 in 4
tradespeople have work lined up for the next 12 months or more.

1 in 2
tradespeople are doing more price research than normal.

in 2023
we have seen a subdued consumer environment for larger projects, with fewer new leads in the market.

* Wickes Barometer survey April 2023.

Market review continued

Despite the current economic headwinds, we believe that the long term market fundamentals for the UK's home improvement sector remain strong.



The role of the home

Although the pandemic lockdowns ended in 2021, they have had a lasting effect on how we use our living space. Many businesses have embraced hybrid working practices and working from home is now commonplace.

Having spent more time at home, people have a new appreciation for their homes and gardens, and want them to reflect the way we are living and working today, fuelling further desire from homeowners and tenants to invest in their properties. Another positive outcome of the pandemic was that it ushered in a new wave of DIYers, encouraging more young people and women to try their hand at DIY, which is a trend that has continued.

What our customers are telling us

We recently conducted research into the way people use their kitchens and how this has changed. The Wickes Great Kitchen Report found out some fascinating details about what we want from our kitchens, including the following:

56% rated the kitchen as probably the most important room in their house.

23% said their experience of the pandemic changed the way they use their kitchens.

76% said it's important that their kitchen caters for their pet.

According to our Home Improvement Barometer April 2023 survey :

7 out of 10 people say gardening DIY is one of the most popular jobs around the home.

22-34 years Younger adults (aged 22-34 years) are more likely to do more home improvement jobs than people over 55 years old.

8 out of 10 people believe that DIY has made them enjoy their house and garden more.

Our approach

- We proactively market to a younger and female audience. In 2023, we continued our partnership with celebrity influencer Kimberley Walsh, and launched Kimberley's own paint colour – Blue Haze. We regularly produce short videos with hints and tips aimed at less experienced DIYers to help them with their home improvement projects, and across our digital and social channels we have seen an 88% increase in TikTok followers in the year as well as high levels of engagement with our posts.
- We continue to innovate in our kitchen and bathroom ranges to ensure that we are always on trend, and in the summer we relaunched our showroom kitchens as 'Wickes Bespoke Kitchens' with eight brand new ranges.
- To appeal to customers on a smaller budget, our Wickes Lifestyle Kitchens range offers beautiful kitchens with a free design service
- As gardens and outdoor space play an increasingly important role in people's homes, we continue to enhance our ranges, and have introduced a number of Wickes own brand garden power tools and Supagrow products, including a new peat-free compost.

Saving energy

The cost of energy continues to be a significant burden on people's finances, in spite of a moderate decline in energy prices from last year's all-time highs, and there is an urgent need to make our homes more energy efficient.

According to the ONS 2023 report*, the average household energy efficiency rating for England and Wales is band D. A 2022 report, 'Decarbonising Buildings: Insights from across Europe' published by Imperial College London noted that "the UK's 28.6 million homes are among the least energy efficient in Europe and lose heat up to three times faster than on the continent".

At Wickes, we recognise how important tackling climate change is and we are committed to helping our customers to improve the sustainability of their homes and, at the same time, save money on their energy bills.

* ONS Energy efficiency of housing in England and Wales 2023

What our customers are telling us

48% of people say the main reason for installing greener options is to save money on their energy bills. 14% say it is to cut their carbon emissions.

6 out of 10 people would consider using more sustainable materials or energy saving appliances when renovating their kitchens.

3 out of 4 people say that cost is the main barrier to installing energy saving solutions.

2 out of 3 tradespeople say they have installed at least one energy saving product in their customers' homes.

Wickes Home Improvement Barometer April 2023





Our approach

- We are taking a number of measures to help our customers improve the sustainability of their homes. Our interactive online 'Energy Efficient Home' provides hints and tips on how to make the home more energy efficient and linking directly to products to purchase. In November, we partnered with NatWest to make the Wickes Energy Efficient Home available to NatWest's customers as part of their Home Energy Hub service. We have also run a number of social media campaigns to target consumers with energy saving products, along with promotions on energy saving products, such as a discount of 25% on rolls of loft insulation to support customers as winter approached.
- As part of our ongoing range reviews, we have also introduced a number of new energy products and services in the year, including solar products, electric vehicle chargers and air source heat pumps. We have also revamped the Wickes own brand LED lighting range to provide customers with even better value on this easy to fit, energy saving product.
- We continue to work on a taxonomy and labelling strategy to enable customers to make informed decisions about the products they purchase and their environmental impact.

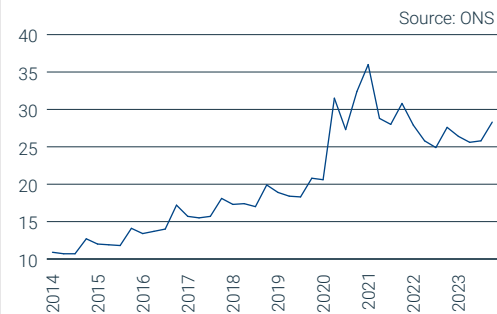
Digitally enabled retail

In today's retail environment, customers expect to be able to transition seamlessly from browsing on a mobile device to picking up an item in store.

They use digital channels as a source of inspiration and information, and have come to expect a streamlined, personalised shopping experience. There is also a shift from traditional payment types to digital wallet payment types, such as Klarna, Apple Pay or PayPal. As a result, businesses are having to adapt to the changing preferences of their customers, even more so since the pandemic.

At Wickes, whilst two thirds of our sales are digitally enabled, 98% of sales, go through our stores, which makes it vital that our stores are designed and managed to meet all the shopping needs of our customers and maximise operating efficiencies. We do this through our unique '4C' service model, which incorporates four customer shopping routes – Design & Installation, Self Serve, Assisted Selling and online Order Fulfilment (Click & Collect or Home Delivery).

Digital sales as a share of total UK retail market



What our customers are telling us

According to our customer satisfaction surveys (CSAT) all four measures of customer service across the routes they choose to shop have either increased or are flat year on year

Top Two boxes (Good and Excellent ratings):

Click & Collect

82% (2022: 81%)

Home Delivery (direct from suppliers)

84% (2022: 84%)

Self-service

85% (2022: 81%)

Home Delivery (fulfilled by stores)

89% (2022: 87%)

Our approach

- We are investing significantly in our digital capabilities by moving to a cloud-based infrastructure, which is being implemented by our in-house technology team. This enables us to be agile and swift to implement leading digital solutions that will further enhance the customer experience.
- We are already using AI technology, in the form of our Missions Motivation Engine, to capture data and insight into customers' shopping missions and to tailor our communications to them accordingly. This is delivering incremental sales and has won a number of awards, including the Chartered Institute of Marketing's Best Industry Campaign Award 2023. We will continue to develop this in the longer term to enhance the customer experience and deliver competitive advantage.
- In 2023, alongside the roll out of the Klarna credit proposition, which was launched in 2022, we continued to develop our payment options, with the introduction of Apple Pay and Google Pay, as well as digitising our gift card offer.
- We are seeing more customers choosing to use Click & Collect to shop with us. The roll-out of a new digital picking app for colleagues, combined with reconfiguration of picking and fulfilment areas within the store, has enabled us to reduce our Click & Collect service time from 60 to 30 minutes, providing a better customer experience, encouraging more customers to use this channel and delivering operating efficiencies.
- In addition to digital investment, we continue to invest in our store estate and the in-store shopping experience. In 2023, we refitted 11 stores and reconfigured a further 17 stores to create additional fulfilment space for Click & Collect and Home Delivery. To give even more customers the opportunity to visit a Wickes store, we opened three new stores in the year in Chelmsford, Widnes and Torquay.



Business model

WE CAN SUPPORT ALL CUSTOMERS WITH THEIR HOME IMPROVEMENT PLANS



LOCAL TRADE

We are trusted by local tradespeople to provide the quality products they need at great value, saving them time and money



DESIGN & INSTALLATION

For customers who are looking to undertake a major home improvement project such as a new bathroom or kitchen we offer a full service from concept design to completion



DIY

We provide branded and own brand products to help customers undertake their DIY project, whatever it may be

WE DELIVER OUR UNIQUE CUSTOMER PROPOSITION THROUGH

We use our digital strength to gain insight into our customers' shopping habits and to optimise the shopping experience for all our customers

7,900 highly engaged colleagues who are passionate about delivering our purpose – to help the nation feel house proud

An inclusive and diverse modern workplace where colleagues can 'feel at home' and perform to the best of their ability



Our 229 stores are located on quality retail parks across the UK that are convenient and easy for customers. Each store has a distinctive 4C service model (see page 26) to provide an integrated and seamless shopping experience for customers

A highly curated range of quality products at great value, with simple clear pricing

For over 50 years, the trusted Wickee brand has been synonymous with home improvement in the UK

OUR PROVEN GROWTH LEVERS ENABLE US TO GROW MARKET SHARE CONSISTENTLY

WINNING FOR TRADE

TradePro growth

DIGITAL CAPABILITY

Continued development of a seamless offer

DIY CATEGORY WINS

Getting our fair share in underweight categories

STORE INVESTMENT

High return on investment refits, exploit new space

ACCELERATING DESIGN & INSTALLATION

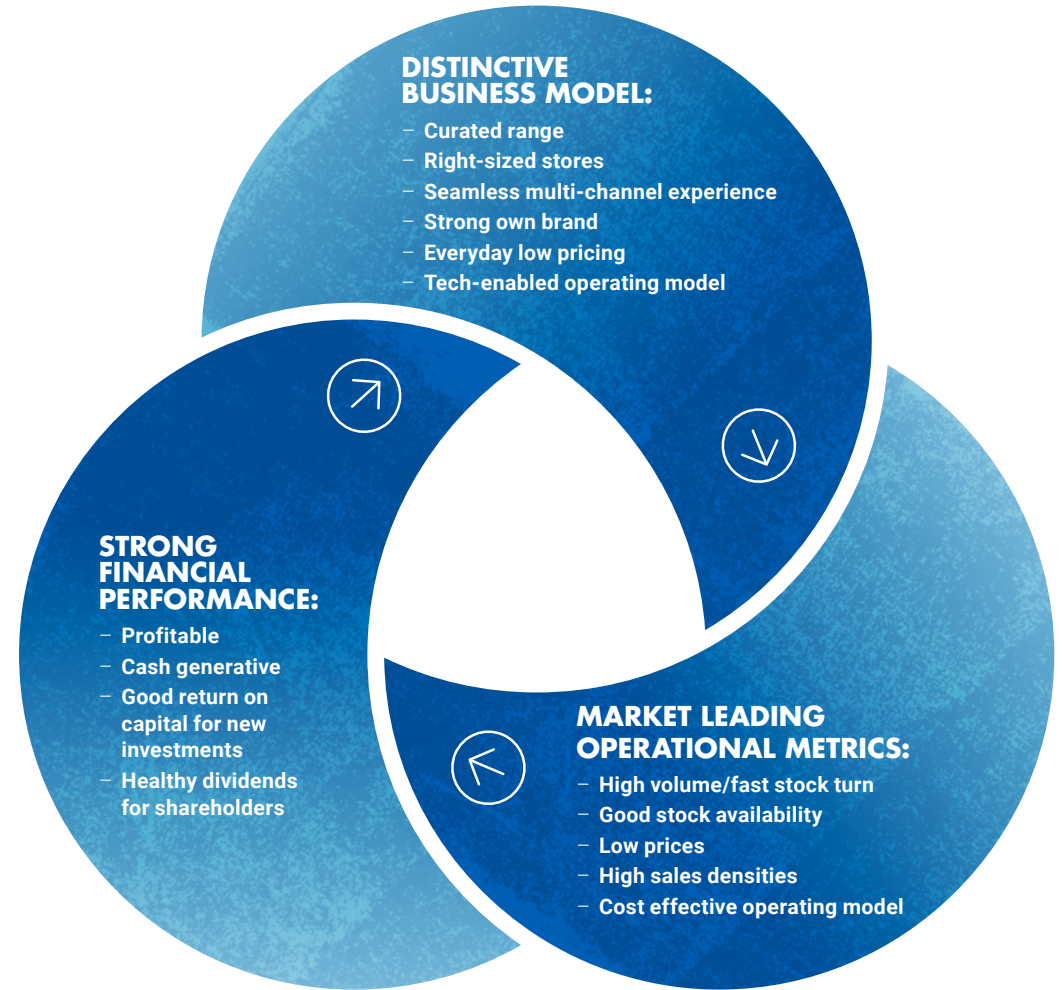
Natural category extensions, broadening the proposition

ENHANCED STORE SERVICE MODEL

Laying the foundations for future growth

➤ See pages 21-27 for more details on our growth levers

OUR EFFICIENT OPERATING MODEL ENABLES US TO DELIVER GREAT VALUE FOR CUSTOMERS AND TO GROW THE BUSINESS PROFITABLY



➤ See Section 172 on page 68 for further information about how the success of the Company benefits all our stakeholders

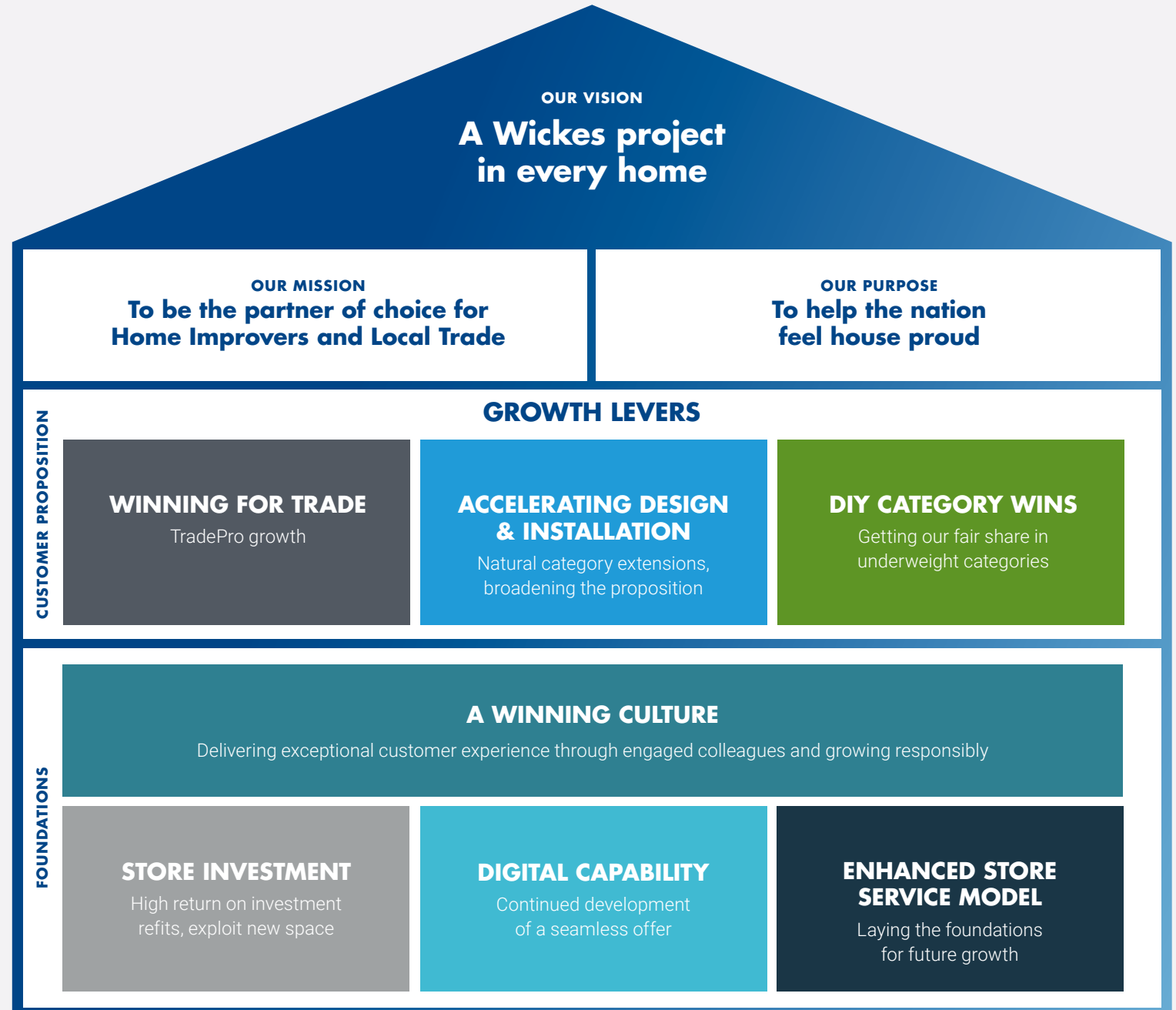
Our growth levers

We have a clear framework to win, which is guided by our vision, mission and purpose.

We aim to continue developing our digitally-led, service-enabled proposition across Local Trade, Design & Installation and DIY through focused efforts on key strategic levers, which we call our 'growth levers'.

The distinctiveness of our business model and significant investment in our growth levers will help us to win in the UK's home improvement market.

These growth levers remain relatively immature, with more to go for. In 2023, we have made good progress on each of them, as outlined in the following pages.



Strategy in action

GROWTH LEVERS

WINNING FOR TRADE

Our TradePro membership scheme offers a simple digital scheme for tradespeople, trade federations and business to business (B2B) customers, designed to save them time and money, offering a flat 10% discount across the store and online.



STRATEGIC FOCUS

- Increase our active TradePro customer base through recruiting and retaining more members to our scheme, at the same time extending the scheme to larger businesses (B2B) and through partnerships with trade federations to establish Wickes as the preferred partner for the trade.
- Continue to develop our Missions Motivation Engine to use data and analytics to gain a greater understanding of our TradePro customers and their shopping 'missions' so that we can further personalise the customer experience, increase the relevance of our communications and drive engagement, loyalty, sales and incremental margin.
- Enhance our TradePro Rewards scheme to build deeper relationships with our most strategically valuable customers and increase the frequency with which they shop with us and the amount they spend.

WHAT WE ACHIEVED

- Increased TradePro membership, enrolling over 137,500 new customers in 2023, bringing total membership to 881,000 and growing sign-ups by 18% and sales by 11%.
- Onboarded eight trade federations to our TradePro scheme.
- Launched 'TradePro Rewards', offering a range of membership benefits from wellbeing offers and discounted offers through to prize competitions and discounts on business-related services.
- Improved our digital offer for TradePro members with new account features including digital receipts, the ability to view prices without VAT and project planning functionality.
- Ran four communications programmes targeting Local Trade customers using our Missions Motivation Engine.

FOCUS FOR 2024 AND FUTURE OPPORTUNITIES

- In 2024, we will continue to build on the success of our B2B strategy by increasing our partnerships with trade federations and starting to build partnerships with organisations which employ larger numbers of tradespeople.
- We will also continue to expand our rewards programme, adding such services as skip hire, insurance and media subscriptions, and we have plans to develop additional features on the TradePro app such as a dedicated 'buy now, pay later' solution and improved visibility of pricing and fulfilment options.
- Improve our Missions Motivation Engine programmes by expanding our use of first and third party data to reach our trade customers via new digital channels.

18%
growth in TradePro members

881,000
TradePro members

CASE STUDY

Growing TradePro members through partnering with industry federations

In August, we successfully launched our B2B programme for TradePro with the goal of increasing the reach of our scheme into larger organisations and trade networks through federation partnerships.

In 2023, we entered into partnerships with eight federations including Alcumus SafeContractor, Napit and Trustmark, which between them have over 80,000 registered tradespeople. As a result, an additional 2,000 tradespeople have already signed up to our TradePro scheme. By working with various federations, we are also able to negotiate discounted federation memberships that we can then offer to our existing TradePro customers as an added-value benefit.

“Extending the reach of TradePro into trade federations is a win-win. Not only does it increase membership but, importantly, it enables us to establish new partnerships with key trade-focused organisations, thereby helping deliver future customer acquisition, grow awareness of the programme and provide discounted offers for members to drive engagement and build loyalty.”

Gary Kibble – Chief Marketing Officer

ACCELERATING DESIGN & INSTALLATION

Accelerate growth in Design & Installation through digital development and product innovation.



STRATEGIC FOCUS

- Grow Design & Installation by enhancing and innovating the existing proposition, introducing new kitchen and bathroom ranges, and refreshing our showrooms.
- Develop natural extensions into adjacent installation categories to increase overall home improvement project spending.
- Maximise our Missions Motivation Engine to create digital communications that inspire and engage customers with their home improvement projects.
- Capitalise on the volume opportunity in the more affordable kitchen market with our Wickes Lifestyle Kitchens range.
- Secure the strength of our base of Wickes approved installer teams to increase competitive advantage.
- Create a unique digitally enabled, high-service installation process.

WHAT WE ACHIEVED

- Rebranded showroom kitchens as 'Wickes Bespoke Kitchens' and introduced eight new ranges.
- Achieved strong growth in bathrooms, with over 300 new product launches. Wickes is now the most prominent bathroom brand in the UK*.
- 24% sales growth in Wickes Lifestyle Kitchens since relaunch in the second half, primarily driven by the introduction of a new virtual design service
- Developed and launched the new Wickes Customer Experience Centre (CEC) to strengthen our Design & Installation service.
- Introduced field service management (FSM) technology, which automates the booking of installer teams to customers, thereby simplifying the process between customers and installers.
- Continued to see increasing attachment rates of tiling, flooring and joiner sales to kitchen and bathroom projects, with trials of new Design & Installation service propositions ongoing.
- Launched a Bathroom Installer Apprenticeship (alongside our successful Kitchen Installer Apprenticeship) and welcomed two cohorts on to the programme in the year (for more information, see page 38.).

FOCUS FOR 2024 AND FUTURE OPPORTUNITIES

- In 2024, all new Design & Installation customers will automatically be enrolled within the CEC.
- Continue to innovate with best-in-class product ranges and make it easier for customers to design and curate their new kitchen or bathroom digitally.
- Continue to grow our Installer Apprenticeship programmes, supporting people to achieve their apprenticeship and facilitate them becoming a Wickes approved installer.
- Manage our installer base to meet customer demand.
- In this highly fragmented marketplace, there is opportunity to take share through our national installer proposition and we will continue to build attachment rates of other installer services, such as tiling and flooring.

24%
growth in sale of
Wickes Lifestyle
Kitchens since relaunch

>3,000
installer teams

CASE STUDY

New Customer Experience Centre

In 2023, we have undertaken a number of measures to build upon our installation capabilities and resources to deliver an enhanced service for our Design & Installation customers.

A key initiative has been the development of a new CEC, where customers are given a personal point of contact to guide and support them throughout their design and installation journey. We also introduced new technology to automate the booking of installer teams, to provide digital design plans for our installers and to automate our quality control procedures and checks, making the installation process much simpler and more efficient for both parties.

While it is early days for this new approach, we are seeing strong CSAT scores, with three quarters of customers using the CEC having an excellent or good experience and a Net Promoter Score (NPS) of 92%. With improved overall coordination of activities, we are seeing fewer customer queries and a reduction in the average length of time from the purchase of a new kitchen or bathroom to it being fully installed.

“Wickes provides customers with a full design to installation service for their dream kitchen or bathroom. With our new resource and technology, this customer journey has been enhanced even more.”

Tony Brown – Installations Director

* Source: Salience Search Marketing survey of search and social media rankings

DIY CATEGORY WINS

Provide an in-depth and carefully curated range in store with an extended range online to offer customers the best range, price, availability and convenience.



STRATEGIC FOCUS

- Grow our existing proposition and volumes by targeting large markets for DIY projects to get our fair share in underweight categories.
- Increase our appeal to both younger and more female audiences to broaden our customer base.
- Conduct a programme of range reviews seeking to innovate and evolve our product offering.
- Ensure good availability of our highest-demand products in store and use targeted promotional activity to optimise sales.
- Ensure our highly curated product range supports an efficient operating model, enabling simpler and more efficient product range changes and reducing complexity for distribution and in-store stocking activities.
- Utilise our Missions Motivation Engine to target DIY customers to drive conversion and average spend.

WHAT WE ACHIEVED

- Completed 17 range reviews in a number of key areas including refreshes to gardening, decorating and flooring as well as selected parts of electrical, hardware and roofing. These reviews further innovated and expanded our product range in key customer segments, addressing range gaps and building on successful previous changes.
- Focused on product ranges for smaller home improvement projects, such as shelving and decorating, in response to customer insights.
- To help customers decarbonise and improve the energy efficiency of their homes, we have introduced new energy saving products, including EV chargers and air source heat pumps.
- Ran two communications programmes targeting DIY customers, 'DIY Inspiration' and 'HouseMove Heroes', using our Missions Motivation Engine

FOCUS FOR 2024 AND FUTURE OPPORTUNITIES

- Next year and in the longer term, we will continue to target those categories where we are currently underweight to increase market share.
- Identify new categories to develop, particularly for our extended online-only ranges, working with key suppliers to ensure we develop non-cannibalising ranges that broaden our appeal and therefore sales opportunities.
- Help customers understand the environmental benefits of different buying choices through our product ranges, labelling and promotional activity.

17
range reviews conducted

CASE STUDY

Enhancing our roofing category range

In 2023, we conducted a review of our roofing range, which includes such products as flashing, breather membranes and felt. As with all range reviews, we started by reviewing our poorer performing Stock Keeping Units (SKUs) and identifying where there was duplication to create space for new products. We used data from multiple roofing suppliers to identify top performing product lines, we looked at competitors' ranges to see where we had potential range gaps, and we reviewed and understood customer expectations for this category.

With DIY customers accounting for around two thirds of roofing product sales, we conducted analysis to see how we could continue to strengthen this base, at the same time as growing our Local Trade sales by adding new products to the range aimed specifically at trade professionals.

In stores, we changed the displays so that all roofing-related products were grouped together to help customers with their roofing 'mission'. We updated point of sale (POS) and design displays through the use of QR codes and imagery, and improved our digital content using lifestyle imagery and optimised search terms.

"This was a very comprehensive range review and it's driven excellent outcomes, with year-on-year category growth of 14% and market share for roofing products up 4%."*

Mark Cooke – Commercial Director

* Source: GfK.

Strategy in action continued

GROWTH LEVERS

STORE INVESTMENT

We continually review the footprint of our store network, utilising a 'right size, right place, right cost' approach, to ensure our stores are strategically located for maximum footfall and to act as fulfilment centres for digital sales across the network.



STRATEGIC FOCUS

- Accelerate our new store opening programme, targeting around 20 new stores over five years in new catchments or existing Wickes conurbations with high demand and high customer density.
- Continue to invest significantly in our store refit programme.
- Improve the efficiency of our operations and create a consistently welcoming, user-friendly experience for our customers through the process of 'right-sizing' stores.
- Target high-volume stores to increase their storage capacity to facilitate more Click & Collect and Home Delivery orders.
- Improve energy efficiency and reduce carbon emissions across the estate through investment in energy saving technologies.

WHAT WE ACHIEVED

- Refitted 11 stores. 175 stores are now in our new store format.
- Refitted stores increased sales by c.20% (c.65% in Design & Installation and c.10% across DIY and Local Trade), which is sustained in subsequent years. Refitted stores continue to deliver an increase in ROCE of 25%, on average.
- Reconfigured 17 stores (excluding refits) to create additional fulfilment space for Click & Collect and Home Delivery.
- Opened three new stores in Chelmsford, Widnes and Torquay and closed four stores which were not meeting our returns criteria.
- In April 2023 we switched to a 100% renewable electricity contract across the estate, cutting our Scope 2 carbon emissions (see page 45). Continued the roll-out of LED lighting and, by the end of 2023, 85% of stores have been upgraded.
- Continued the roll-out of heating controls and, by the end of 2023, 48% of stores have been upgraded.
- Installed air source heat pumps (ASHPs) in our new Torquay and Chelmsford stores, resulting in a total of four stores now with ASHPs fitted.
- Continued site assessments to identify opportunities for solar photovoltaic panels. Seven stores are now fitted with on-site solar generation.
- Voltage optimisation trialled in one store to inform further implementation in 2024.

FOCUS FOR 2024 AND FUTURE OPPORTUNITIES

- In 2024, we will introduce the Wickes brand to more customers through our new store opening programme, targeting four new stores.
- We will undertake eight store refits next year as part of our accelerated refit and refresh programme.
- For our stores built to our 2025 specification we will install air source heat pumps, solar panels and EV chargers as standard.

3

new stores in Chelmsford, Widnes and Torquay

>75%

of stores in new store format

CASE STUDY

Opening our new store in Torquay

As part of our programme to open around 20 new stores in five years, we identified Torquay as a town that would benefit from a Wickes store. We worked with a specialist location planning agency to understand the local catchment and demographics, undertake competitor analysis and model sales. Our data showed it was a desirable location to position a Wickes store, providing an opportunity to expand our multi-channel fulfilment to areas that cannot be served by our existing Exeter store.

Following almost a year of construction and fitting out, with the creation of 30 new jobs, our colleagues welcomed their first customers on 3 November. With a square footage of c.30,000sq ft, the store includes a Design & Installation showroom of over 4,000sq ft as well as 5,000sq ft of outdoor space. As with all new stores, we have incorporated elements into the build that support our journey to net zero, including two EV charging bays and 94 solar panels – which we expect will produce around 30% of the store's energy. As part of the Wickes Community Programme, Torquay store colleagues are supporting local good causes through product donations and volunteering.

"Torquay is a great example of how we are growing responsibly, supporting the local community through job creation and charitable giving, and introducing ways to reduce carbon emissions as we seek to transition to a net zero economy."

Sarah Taitt – Property Director

DIGITAL CAPABILITY

We are investing significantly in our digital capabilities to integrate our online and in-store offerings to deliver a seamless and inspiring shopping experience for our customers.



STRATEGIC FOCUS

- Develop our digital ecosystem to modernise our technology, creating a future platform for growth and more agile change capability.
- Leverage digital marketing channels and our machine-learning Missions Motivation Engine to engage and support customers by creating tailored inspirational and helpful content to help them complete their home improvement projects.
- Continuation of our payment strategy to provide Local Trade and DIY customers with payment platforms to suit their needs and preferences.
- Further improvements to our fulfilment capability and customer offer by modernising our order management solutions and carrier management capability.
- Continued development of digital solutions to make it easier for colleagues to pick products for Click & Collect and Home Delivery orders.

WHAT WE ACHIEVED

- Grown our digital visit market share to 16%, as measured by SimilarWeb.
- Increased our participation of Click & Collect orders through improved digital signposting of the 30-minute service, new digital picking solutions for colleagues and more accurate stock visibility. This has led to record CSAT scores for Click & Collect of 82% (see page 17).
- Increased the range of payment options for customers with the launch of Apple Pay and Google Pay, following the successful launch of Klarna last year.
- Made our Wickes gift cards available in digital format.
- The expansion of our Missions Motivation Engine programmes has delivered incremental revenues across TradePro, Design & Installation and DIY marketing campaigns.
- Introduced new functionality across our digital channels, including improvements to website navigation, producing innovative content through shoppable video functionality and our interactive Energy Efficient Home, and the provision of digital receipts for customers in store.

FOCUS FOR 2024 AND FUTURE OPPORTUNITIES

- In 2024, we will continue to expand our digital payment options.
- 2024 will also see the introduction of new digital tools to help customers understand, select and visualise paint colours before buying them, with paint being our most common DIY purchase.
- Continue to improve our Design & Installation digital proposition, making it easier for customers to design and curate their new kitchen or bathroom online.
- Continue to invest in our DIY, TradePro and colleague apps to improve functionality for customers and colleagues.
- Further develop our Missions Motivation Engine to deliver greater customisation and personalisation of content to help customers with their home improvement projects.

16%
digital visit market share

CASE STUDY

House Move Heroes

In 2023, we used our Missions Motivation Engine to launch our 'House Move Heroes' programme, aimed at helping those customers who are in the process of moving house. Using our data insights, we are able to target customers with relevant campaigns based on the stage of the house move journey they are on, whether that's packing up their existing home or undertaking DIY projects in their new home.

We teamed up with TV property presenter Phil Spencer and his property advice platform Move iQ to create the House Move Heroes hub, which is sited all in one place on www.wickes.co.uk and features how-to guides, checklists and helpful videos to empower customers who are moving house.

"Moving home can be a very stressful and daunting experience. With our House Move Heroes programme, we're able to give simple, accessible, practical advice to customers to support all stages of their move. Our campaign approach, mixed with expert content, is unique to Wickes and the hub is a great destination for customers looking for a bit of help."

Paul Canavan – Director of Digital

Strategy in action continued

GROWTH LEVRS

ENHANCED STORE SERVICE MODEL

Our unique '4C' model is designed to meet all our customers' needs through our Self Serve, Assisted Selling, Order Fulfilment and Design & Installation Showroom areas of the store.



STRATEGIC FOCUS

- Continue to develop and roll out our 4C model, which is critical to offering a seamless shopping experience for all our customers.
- Integrate digital capabilities across the four areas of the store to provide a seamless shopping experience, improve efficiency and give us significant competitive advantage.
- Continue to grow our Click & Collect and Home Delivery services through increased storage capacity, introducing service-enabling technology and securing best-in-class delivery partners, thereby ensuring outstanding customer service and a reduced cost to serve.

WHAT WE ACHIEVED

- Made further physical changes to the store estate to increase back of house capacity in order to improve the fulfilment of Click & Collect and Home Delivery, resulting in c.28,300 sq ft of additional space. Almost 80% of the estate now has space optimised to deliver across all four areas of the 4C model.
- Record levels of customer satisfaction, with customers giving the following ratings for Top Two boxes (Excellent and Good) – Click & Collect 82%, Home Delivery 84% and Self Serve 85%, (see page 17).
- Successfully transitioned to new delivery partners after one of our key delivery partners, Tuffnells, ceased trading.
- The nature of our 4C service model, which has a dedicated manager and team per area, has meant that we have been able to redesign working patterns to make all management roles open to flexible working. Following a successful pilot, this is being rolled out to all store managers, for more information see page 34.

FOCUS FOR 2024 AND FUTURE OPPORTUNITIES

- In 2024, we will add further functionality to the app our colleagues use to help them pick items for customers, such as stock management and pricing information.
- We will continue to optimise space across the estate and maximise future digital innovations in order to deliver efficiencies and enhance the customer experience across all four areas of the store.
- Developing products that support customers with saving energy and reducing the carbon footprint of their homes.

21%
increase in OLI (online in store)
sales

CASE STUDY

Growing our Assisted Selling 'OLI' channel

A key component of our 4C store model is the Assisted Selling channel, OLI, which is short for 'online in store'. OLI is an online terminal that colleagues and customers can use to search for products that are not stocked in the store. There are around 33,000 products available on OLI, and customers can place an order online and arrange for Click & Collect or Home Delivery.

In 2023, we focused on strengthening OLI customer participation by upskilling colleagues with customer service training based on our approachable, curious and resourceful (ACR) customer service behaviours. We identified Wickes Lifestyle Kitchens as an area of opportunity for driving OLI participation and sales. This was supported by a number of initiatives including training for store colleagues, customer services and support functions, along with regional roadshows, weekly performance reporting and Local Trade customer events. As a result, around a third of all Wickes Lifestyle Kitchens were purchased using OLI in 2023.

"OLI is going from strength to strength, with sales up 21% in the year. It's popular with customers and colleagues alike, as it provides a simple, efficient way for colleagues to ensure they can always say yes to the customer and help them find what they need for their home improvement project."

Fraser Longden – Chief Operating Officer

A WINNING CULTURE

Delivering exceptional customer service through engaged colleagues and growing responsibly.



STRATEGIC FOCUS

- Build on our strong foundations of inclusion and diversity to maintain a culture where everyone can feel at home.
- Build a strong and diverse pipeline of talent that focuses on Early Careers.
- Upskill and develop our colleagues through learning and development programmes.
- Create a modern workplace, with opportunities for colleagues to work flexibly and access benefits to support their overall wellbeing.
- Engage with colleagues so they are informed, listened to, inspired and motivated to play their part in delivering our strategy and purpose through providing exceptional levels of customer service.
- Build our leadership capabilities by focusing on internal progression and increasing internal talent through our leadership development programme.
- Develop and implement our Responsible Business Strategy.
- Living our Winning Behaviours to support our strategy and culture (see page 36).

WHAT WE ACHIEVED

- Introduced a number of cost of living initiatives to help colleagues, including a £3.5m investment in bringing forward the annual salary review, extending the free breakfast provision in stores, and offering a ‘Salary Advance’ scheme
- Achieved national recognition for our Inclusion & Diversity (I&D) work (see page 41).
- Introduced ‘DigiCare’, a suite of wellbeing services for all colleagues.
- Following the success of our flexible working trials for store managers, operations and duty managers, we rolled this out to all stores in December
- Made significant progress in improving the diversity of our store teams
- Broadened our apprenticeships provision with the launch of a Wickes Bathroom Installer Apprenticeship and supported 280 colleagues into Early Careers placements. Featured in RateMyApprenticeship’s Best 100 Apprenticeship employers list 2023.
- Announced The Brain Tumour Charity as our new charity partner.
- Made significant progress across all areas of our Responsible Business Strategy (see pages 34-66).

FOCUS FOR 2024 AND FUTURE OPPORTUNITIES

- In 2024, we will launch our new employer brand, with a clear employee value proposition and attraction strategy.
- Implement and embed the new flexible working offer as we build a modern workplace.
- Longer term, we will continue to improve our data and insight to help us accelerate our I&D strategy and create a culture where everyone can feel at home.
- Continue to build skills in our communities and drive diverse pipelines through our Early Careers and apprenticeship programmes.
- Continue to provide colleagues with financial and wellbeing benefits and support.
- Increase awareness of our Built to Last Responsible Business Strategy with internal and external stakeholders.

79%
colleague engagement

1,468
local community
projects supported

CASE STUDY

Making all store management roles open to flexible working

In 2023 we conducted a six month pilot across 14 stores to trial flexible working for store managers, operations managers and duty managers. Working with external consultants, Timewise, we undertook research on these roles to fully understand the barriers to flexible working and to design, trial and evaluate a flexible working model that supported managers to deliver their roles with greater flexibility, input and control over their working patterns.

The results were very positive with 96.5% of store managers taking part either ‘satisfied’ or ‘very satisfied’ with their working hours at the end of the pilot (up from 66.5% pre-pilot). As a result, we have subsequently rolled this out to all stores, with all store management roles now open to flexible working.

“My team has experienced and led amazing results in working flexibly. Giving them greater flexibility over their working patterns has created a work-life balance that supports the needs of their working time, and gives them time for other aspects of their personal or family life.”

Gav Harrison – Regional Leader

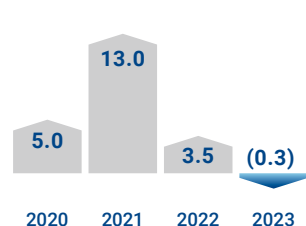
Key performance indicators

Financial

GROWTH LEVERS KEY:

- 1 Winning for Trade
- 2 Accelerating Design & Installation
- 3 DIY category wins
- 4 Store investment
- 5 Digital capability
- 6 Enhanced store service model
- 7 A winning culture

Group LFL sales (%)¹



DESCRIPTION
A measure of the underlying sales growth of products to Local Trade, DIY and Design & Installation customers

DEFINITION
The performance of sales to Local Trade, DIY and Design & Installation customers from stores that have been open for more than 12 months

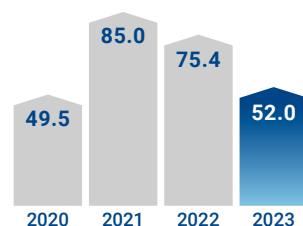
LINK TO GROWTH LEVERS
LFL sales is a measure of how successful we have been in developing our growth levers



REMUNERATION LINKAGE
Linkage is via the impact of LFL sales growth on Adjusted PBT

TARGET
We aim to grow market share from the existing store estate in order to generate operating leverage

Adjusted PBT (£m)²



DESCRIPTION
Profit before tax adjusted for items that are material in size or unusual in nature as presented as part of the income statement

DEFINITION
Adjusted PBT is our key profit target to measure underlying performance and is calculated before deducting adjusting items, such as impairments or demerger / IT separation costs, although statutory pre-tax profit is also important

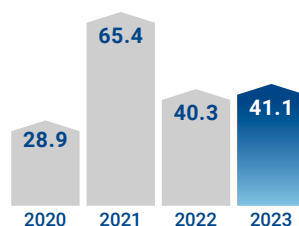
LINK TO GROWTH LEVERS
Adjusted PBT is a key measure of the efficiency of the business and the returns we deliver on our growth investment



REMUNERATION LINKAGE
Adjusted PBT represents 70% of the annual bonus target for Executives

TARGET
We aim to grow adjusted PBT each financial year, although this will be dependent on market and competitive conditions

Statutory PBT (£m)



DESCRIPTION
Profit before tax in the financial year on a statutory basis, as reported in the income statement

DEFINITION
Statutory profit before tax

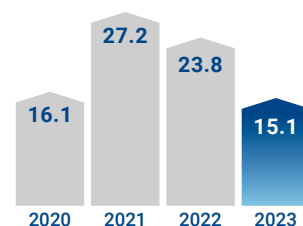
LINK TO GROWTH LEVERS
Profit before tax is a key measure of the efficiency of the business and the returns we deliver on our growth investment



REMUNERATION LINKAGE
Linked to Adjusted PBT

TARGET
We aim to grow statutory PBT each financial year, although this will be dependent on market and competitive conditions

Adjusted basic EPS (p)³



DESCRIPTION
A measure of how much profit after tax the company makes for each share in issue

DEFINITION
Post-tax adjusted profit divided by the average number of shares in issue, before adjusting for share options

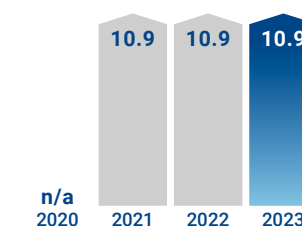
LINK TO GROWTH LEVERS
EPS growth is closely linked to profit growth. It also reflects the effects of the capital allocation policy, in particular the share buyback programme



REMUNERATION LINKAGE
Adjusted basic EPS represents 60% of the Long Term Incentive Plan target for Executives

TARGET
We aim to grow adjusted basic EPS each financial year, although this will be dependent on market and competitive conditions. Adjusted EPS will also benefit from delivering the targeted share buyback

Dividend per share (p)



DESCRIPTION
A measure of how much adjusted profit the Company distributes for each qualifying share in issue

DEFINITION
The amount per ordinary share the Company distributes to shareholders of that financial year's retained profit. The Company targets dividend cover of 1.5 times to 2.5 times EPS

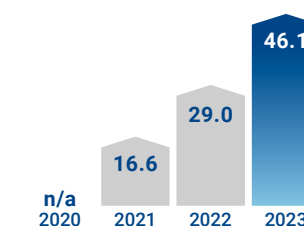
LINK TO GROWTH LEVERS
Dividends to shareholders reflect the company's success in executing its growth levers, and in generating cash that it can return to them



REMUNERATION LINKAGE
Dividends are an important element of Total Shareholder Return (TSR) and are also enabled by the achievement of free cash flow targets

TARGET
We target dividend cover of between 1.5 times and 2.5 times EPS

Free cash flow (FCF) (£m)⁴



DESCRIPTION
Cash flow available for distribution or debt repayment in any given financial year, after investing in the business and paying tax and interest

DEFINITION
Cash generated from operations, before the impact of adjusting items, after capex, interest and tax

LINK TO GROWTH LEVERS
All growth levers are important in driving sales and profitability, which in turn support free cash flow



REMUNERATION LINKAGE
Free cash flow represents 20% of the annual bonus target for Executives

TARGET
Under normal conditions, we would expect to generate positive free cash flow, although this will be dependent principally on the level of profitability and investment in capex and working capital

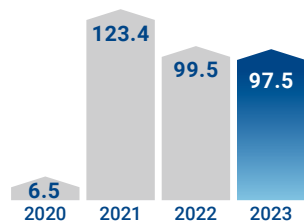
1 Refer to note 5 on page 150; 2 Refer to note 9 on page 152; 3 Refer to note 11 on page 154; 4 Refer to note 32 on page 168.

GROWTH LEVERS KEY:

- 1 Winning for Trade
- 2 Accelerating Design & Installation
- 3 DIY category wins
- 4 Store investment
- 5 Digital capability
- 6 Enhanced store service model
- 7 A winning culture

Operational

Cash (£m)



DESCRIPTION

A measure of year end cash

DEFINITION

The total value of our year end balance of cash and cash equivalents

LINK TO GROWTH LEVERS

Cash is not directly linked to growth levers alone, but will be influenced by our performance across the business



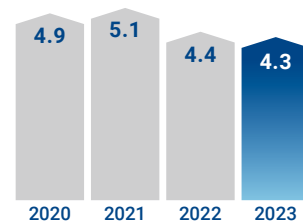
REMUNERATION LINKAGE

Linkage is via profit and free cash flow performance

TARGET

Our capital allocation policy has a target minimum cash balance of £50m

Stock turn⁴



DESCRIPTION

A measure of how efficient we are in converting our stock into sales

DEFINITION

Cost of goods sold excluding installation services divided by the average of financial year start and financial year end inventory

LINK TO GROWTH LEVERS

More rapid stock turn, especially relative to the creditor payment cycle, is a key driver of free cash flow



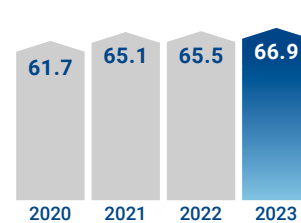
REMUNERATION LINKAGE

Linkage is via the impact on FCF

TARGET

We aim to maintain stock turn at around 5x, although this is dependent on trading conditions, product mix, supply chain issues, and targets for product availability

Digital sales progression (%)



DESCRIPTION

This measures how successfully we are engaging with our increasingly digital customer base

DEFINITION

The proportion of customer journeys which start online, plus direct digital sales such as Local Trade, Click & Collect and Home Delivery orders

LINK TO GROWTH LEVERS

Our customer base is increasingly digital, and if we do not serve them well our market share and profitability will suffer over the long term



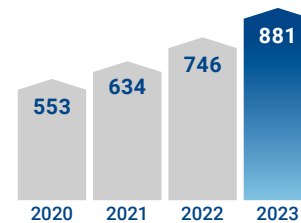
REMUNERATION LINKAGE

Linkage is via the impact on sales and profit performance, and the returns we generate from our digital investments

TARGET

We expect our digital participation to grow over time as we serve our customers' digital demands

TradePro members (k)



DESCRIPTION

TradePro is our digital membership club for Trade offering a 10% discount on all purchases

DEFINITION

Total number of TradePro members

LINK TO GROWTH LEVERS

Servicing trade customers is central to our offer, and reflects our strengths in digital, pricing and convenience



REMUNERATION LINKAGE

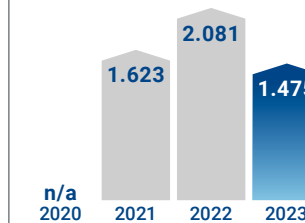
Linkage is via profitable growth of trade sales

TARGET

We aim to have one million TradePro accounts which would ensure sales here continue to grow faster than the Company average

Responsible Business

Carbon emissions (m tonnes)



DESCRIPTION

We are acutely aware of our impact on the environment and this measure covers emissions from our own stores, transportation and our wider supply chain

DEFINITION

Scope 1, 2, and 3 carbon emissions

LINK TO GROWTH LEVERS

We are committed to being a responsible business, and emissions reductions are a key part of this



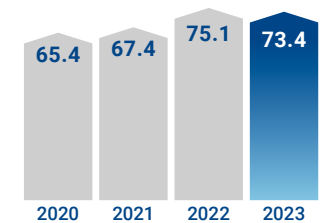
REMUNERATION LINKAGE

Near term science-based targets represent 10% of the Long Term Incentive Plan for Executives

TARGET

Deliver near term science-based targets

Store leadership diversity (%)



DESCRIPTION

We want to build a more diverse and inclusive workforce, for the good of our colleagues and customers

DEFINITION

The proportion of stores that have at least one female in every store leadership team

LINK TO GROWTH LEVERS

We strive to grow an inclusive and diverse business in order to best support the needs of our customers and communities



REMUNERATION LINKAGE

Gender diversity targets represent 10% of the annual bonus for Executives in 2023 and in 2024 it will also cover ethnicity

TARGET

Over the long term, the aspiration is to achieve a balance of males and females across all our store leadership teams

Financial review



“Our financial results have demonstrated a robust performance in challenging market conditions.”

Mark George
Chief Financial Officer

Revenue of £1,553.8m reflects flat LFL sales growth for the year. The first half saw strong sales growth across the business whereas the second half was affected by the softer market environment for Design & Installation in particular. Gross margin increased by 19 basis points, reflecting a more stable inflationary environment, careful management of price and promotions, and productivity in distribution costs.

Despite a strong productivity programme, significant increases in operating costs, including higher energy prices and the 9.7% increase in the National Minimum Wage, meant that adjusted profit before tax on a pre-SaaS basis declined by 21.1% to £59.5m (2022: £75.4m). On a post-SaaS basis, adjusted profit before tax was £52.0m, which was ahead of market consensus. Statutory profit before tax increased by 2.0% to £41.1m (2022: £40.3m) reflecting lower adjusting items as the separation from Travis Perkins Plc reached its conclusion and lower net impairment charges.

There was £97.5m of cash on balance sheet at the year end (2022: £99.5m), after £10.1m of share buyback activity. Average cash through the year was £154.9m (2022: £153.6m).

Revenue

Adjusted revenue for the 52 weeks to 30 December 2023 was £1,553.8m (2022: £1,559.0m), a decrease of 0.3% on the prior year. Net selling area was flat year on year as new store openings in Chelmsford, Widnes and Torquay were offset with closures of some older stores. Full year LFL sales were -0.3%.

Retail revenue – sales from products sold to DIY customers and local trade professionals –

increased by 0.1% to £1,189.1m (2022: £1,187.9m). Retail LFL revenue increased by 0.1%, with three consecutive quarters of positive LFL performance from the second quarter onwards. This performance was driven by positive volume growth in the second half, with marginal selling price deflation towards the end of the year.

Our TradePro business continues to perform strongly, with double digit sales increases in the year. This is driven by increasing membership numbers, as local traders continue to choose Wickes to save them time and save them money.

Sales performance was strongest in the interior paint, decorative accessories and flooring categories. The Wickes Lifestyle Kitchens range also had a strong sales contribution following its relaunch during the year.

Wickes remains highly competitive on price, with weekly benchmarking of thousands of items to ensure we are competitive on the lines that matter most. Our strategy is to offer everyday low pricing with limited use of targeted promotions so that our customers can rely on consistent and transparent pricing.

“Retail LFL revenue increased by 0.1%, with three consecutive quarters of positive LFL performance from the second quarter onwards.”

“Our productivity programme enabled us to offset all cost increases other than energy and as a result we were able to deliver adjusted PBT ahead of expectations.”

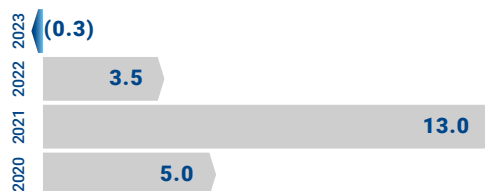
Design & Installation delivered revenue – sales from projects sold by our showroom design consultants – were £364.7m (2022: £371.1m), a decrease of 1.7%. The first half was notable for strong delivered sales as we successfully worked through the elevated order book from the pandemic period. The second half was characterised by a more challenging market environment for larger ticket purchases and delays in Order Fulfilment as a result of a new software implementation, which has since been resolved. LFL sales for the full year decreased by 1.7%.

The attachment rate of customers choosing to use Wickes installation continues to be strong, driving increased average order values.

The order book has continued to normalise from its pandemic peak and ended the year close to normal levels. Whilst the level of new leads in the market has been subdued throughout the second half, cancellations remain at normal, low levels.

Statutory revenue decreased by 0.6% to £1,553.8m (2022: £1,562.4m).

LFL sales growth (%)



Gross profit

Adjusted gross profit for the full year was £568.1m, in line with the prior year (2022: £567.1m). Adjusted gross profit margin increased by 19 basis points, primarily reflecting the impact of a more stable inflationary environment (particularly in the second half) and careful management of range, price and promotions.

Distribution costs, taken within gross profit, were lower as a percentage of sales year-on-year following a number of initiatives to improve productivity, including the consolidation of warehouse capacity and the outsourcing of some of our logistics operations.

Statutory gross profit decreased to £565.0m (2022: £572.2m) primarily reflecting the revised presentation for the prior year of net unrealised gains and losses on remeasurement of foreign exchange derivatives held at fair value relating to economic hedges. In 2022, these net unrealised gains and losses were presented in net finance costs, whereas in 2023 these amounts have been presented in cost of sales, in order to reflect that these foreign currency derivatives are entered into to mitigate the foreign exchange volatility arising from our purchase of inventory. The effect of these adjustments has been to reduce cost of sales in 2022 by £1.7m and to increase net finance costs by the same amount, as described in note 6.



“Adjusted gross profit margin increased by 19 basis points, primarily reflecting the impact of a more stable inflationary environment and careful management of range, price and promotions.”

Financial review continued

Operating profit

Adjusted operating profit of £73.8m decreased by 29.0% year on year (2022: £103.9m) and the adjusted operating profit margin decreased to 4.7% (2022: 6.7%). The decline in operating margin reflects the impact of pressure on operating costs due to wage inflation, rising energy prices and other inflationary factors as described above, coinciding with an environment of weaker consumer demand. These cost increases were partly mitigated by productivity gains of £22m which offset inflationary cost increases except energy costs.

Statutory operating profit decreased by 8.6% to £62.9m (2022: £68.8m).

Net finance costs

Adjusted net finance costs were £21.8m (2022: £28.5m). The improvement in net finance costs relates primarily to the higher interest income received on our cash deposits, which is an offset to the IFRS16 interest charges due on store leases, which were little changed year-on-year.

Adjusted profit before tax

Adjusted profit before tax for the full year, after the impact of SaaS, was £52.0m (2022: £75.4m), a decline of 31.0% year-on-year.

Adjusting items

Pre-tax adjusting item charges were £10.9m (2022: £35.1m). These comprise a reversal of non-cash right-of-use asset impairment charges of £(3.7)m (2022: nil), which partially offset non-cash right-of-use asset impairment charges of £2.7m (2022: £15.4m); IT separation project costs of £8.8m (2022: £24.4m) representing the final charges in relation to the separation from our former parent company Travis Perkins Plc; and net unrealised foreign exchange losses of £3.1m (2022: £1.7m gain).

Profit before tax

Profit before tax for 2023 increased to £41.1m (2022: £40.3m) reflecting lower adjusting items as the IT separation project concluded and lower net impairment charges, offset by the reduction in adjusted profit before tax as described above.

Tax

The tax charge for the year was £11.3m compared to £8.4m in 2022.

The underlying effective tax rate (before adjusting items) for the full year was 26.7% (2022: 20.2%). This was driven primarily by the increase in UK corporation tax rates from 19% to 25%, effective from 1 April 2023.

Tax credit on adjusting items was £2.6m (2022: £6.8m).

Capital expenditure

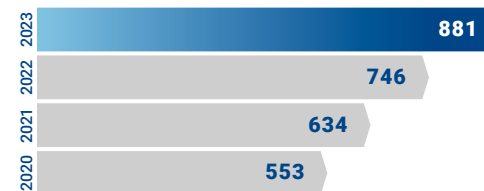
Capital expenditure in 2023 was broadly in line with our expectations at £38.2m (2022: £40.4m).

The largest component of capex was £20.4m investment in the store estate (2022: £24.7m), of which refits were £12.9m, new stores £5.8m and other store capex across the estate £1.7m. There was £6.1m investment in our digital capabilities (2022: £9.3m), as we continue to develop our multi-channel offer.

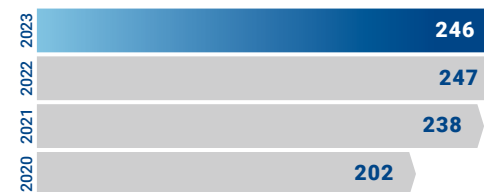
The reduction in capex year on year is due principally to a high proportion of our IT investment now being directed towards SaaS platforms which, in line with our accounting policies, must be expensed (see note on Alternative Performance Measures for details). SaaS project expenses of £7.8m were incurred in 2023 (2022: nil).

We expect capital expenditure for 2024 to be c.£30m driven by continued investment in the store estate and further IT capital expenditure as we continue to enhance our operating systems and customer experience. In addition we expect to invest c.£10m in SaaS IT projects, which will be expensed through the income statement.

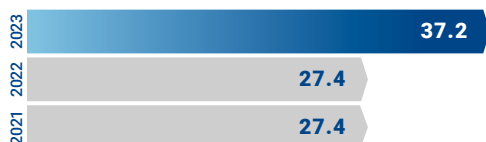
TradePro members (k)



Sales density (£ per square foot)



Cash returned to shareholders (£m)



Dividends declared in respect of the relevant year plus share buybacks

Cash / net debt

Net cash at year end was £97.5m (2022: £99.5m), broadly flat year-on-year. This cash balance is stated after the execution of £10.1m of share buybacks. Average cash across the year was £154.9m (2022: £153.6m).

Operating profit excluding impairment decreased year-on-year, resulting in cash flows from operations decreasing to £177.0m (2022: £189.1m). Cash flows related to working capital movements were £2.6m (2022: £(28.7)m), with the material cash outflow in 2022 driven by a large stock build. The increased interest received of £7.2m (2022: £1.9m) reflected higher prevailing interest rates available for cash on deposit. Cash outflows from financing activities of £150.4m (2022: £141.9m) include £111.7m (2022: £109.7m) related to lease liabilities, £27.4m dividend payments (2022: £31.2m) and £10.1m of share buybacks (2022: nil).

The inventory position of £195.5m (2022: £201.6m) reflects the planned reduction of stock during the year to more normal levels following the stock build in 2022. Stock turn remained healthy at 4.3x.

IFRS16 net debt reduced to £578.3m (2022: £591.8m), reflecting the maturity profile of our leasehold store portfolio. IFRS16 leverage was 3.3x (2022: 2.9x).

“Net cash at year end was £97.5m, broadly flat year-on-year and slightly ahead of our guidance.”

Dividend

The Board has recommended a final dividend of 7.3p per share, in line with prior guidance, which will be paid on 6 June 2024 to Shareholders on the register at the close of business on 26 April 2024. This will bring the full year dividend for 2023 to 10.9p. The proposed final dividend is subject to the approval of Shareholders at this year's Annual General Meeting.

The shares will be quoted ex-dividend on 25 April 2024. Shareholders in the UK may elect to reinvest their dividend in the Dividend Reinvestment Plan (DRIP). The last date for receipt of DRIP elections and revocations will be 15 May 2024.

Mark George
Chief Financial Officer

18 March 2024

Introduction to Responsible Business



Sonita Alleyne

Chair of the Responsible Business Committee

As Chair of the Responsible Business Committee, I am pleased to introduce the Responsible Business section of this annual report.

2023 was the first full year of delivering Built to Last, the business's Responsible Business Strategy. I am proud of the progress made in 2023 by the business as it works to integrate the objectives and targets of the Responsible Business Strategy across its operations and supply chain. The Responsible Business highlights of the year for the Board are as follows:

- Undertaking detailed analysis of colleague ethnic diversity mix compared with census data and being the first retailer to complete the Flair Impact race and ethnicity survey.
- Moving to a new energy contract in April 2023, so that 100% of the electricity used by the business is supplied by renewable electricity.

“We have been impressed with the progress of the Early Careers programme, and really pleased that the business has beaten its target of providing 200 Early Career places in 2023 by supporting 280 colleagues through the programme.”

- Entering the market for air source heat pumps and solar products, and expanding our support and advice for customers to reduce energy costs.

The business made great progress in 2023 with delivering its Responsible Business Strategy targets, and an overview is given on page 5.

We have been impressed with the progress of the Early Careers programme, and really pleased the business has beaten its target of providing 200 Early Career places, by supporting 280 colleagues through the programme. The business has also made significant progress with addressing the negative impacts of packaging. Working with key suppliers, the business has worked hard to eliminate unnecessary packaging on its own brand products, and is on track to hit the 2025 packaging targets, increasing recycled content as well as increasing the recyclability of packaging on own brand products.

Whilst the business made great progress, it narrowly missed two Responsible Business targets it set for 2023.

It met the target for increasing females in store leadership roles, but the business just missed its target to improve gender balance in Support

Centre leadership teams. Thorough analysis has been undertaken to understand the reasons behind this, including the barriers for women to progress and further interventions we can take to tackle this.

Although we fell just short of our Community Programme target of 1,500, we did support

1,468 community projects during the year – 48% more than 2022 – reaching an estimated 500,000 people. We plan to continue to promote the scheme to the local communities near our stores to encourage further uptake in 2024.

The Board and I remain committed to facing the challenges that lie ahead for the business to continue to address material social and environmental impacts, whilst balancing positive commercial performance.

Sonita Alleyne
Chair of the Responsible Business Committee
18 March 2024

Built to Last

Our Responsible Business Strategy directly supports our purpose of helping the nation feel house proud.

We are building a business we are proud of:

- where all our colleagues can feel at home and are empowered to support their communities and customers;
- by supporting the fight against climate change and taking action to protect the natural environment; and
- by helping our customers to save energy and reduce the carbon footprint of their homes.

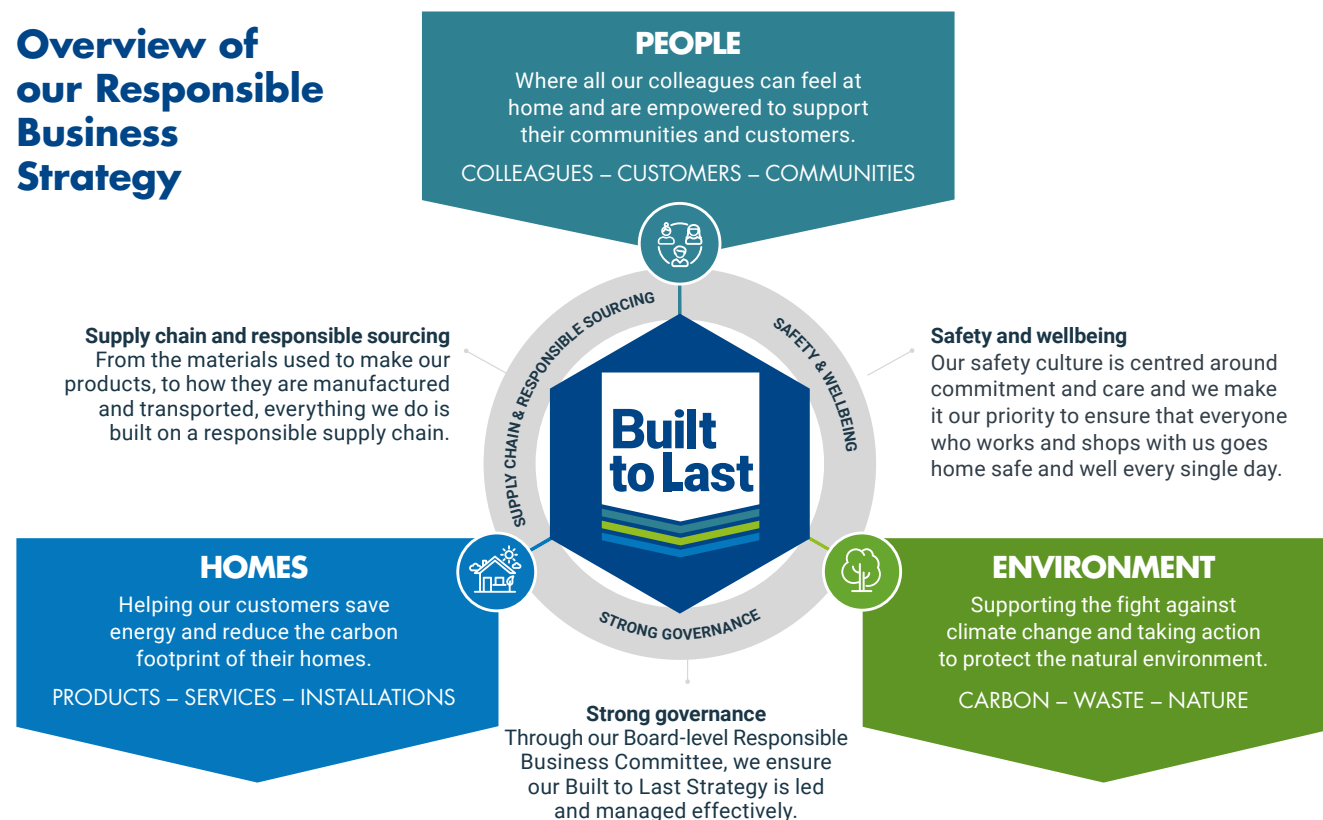
2023 was the first full year of delivering Built to Last, our Responsible Business Strategy, and we have focused on integrating it into the business. In 2023, our inclusion and diversity targets were linked to the Executive annual bonus scheme, and our near term science-based targets were linked to the Long Term Incentive Plan for 2023-2025.

Understanding what's important

When we developed our Built to Last Strategy in 2021, we engaged with our key stakeholders to inform our understanding and assessment of our material sustainability topics. We address our priority topics through three pillars: People, Environment and Homes. These are underpinned by our Foundations – these are topics we measure and manage to ensure we continue to operate responsibly through our business and supply chain activities.

Throughout 2023, we have continued to engage with key stakeholder groups, including our colleagues, customers and investors to ensure that we continue to focus on the topics that are of most importance to them. We have updated our strategic framework to include nature, recognising that this is an area that we can impact through our supply chain and the use and disposal of some of our products.

Overview of our Responsible Business Strategy



The launch of the UK Green Claims Code in 2021 has provided a helpful framework for us to align how we talk to our customers about our products and services. We have revised the terminology in our Homes pillar to reflect this.

Governance

Our Responsible Business Committee (a sub-committee of the Plc Board) is responsible for guiding and overseeing the development and delivery of our Responsible Business Strategy. Our Responsible Business Working Group brings together leaders in the business to work together to deliver the strategy. Further information on these governance arrangements in the context of climate-related risks and opportunities is set

out in our Climate-related Financial Risk report on pages 57-68 and the Responsible Business Committee report on pages 107-110.

Disclosure

We recognise that disclosing our performance is an essential part of building trust with our stakeholders by demonstrating how we are performing with the delivery of our Responsible Business Strategy. We disclose our performance on ESG issues through several external benchmarks. We have aligned our climate-related disclosures with the UK's current requirements (see page 57). In 2023, we submitted our second response to CDP Climate Change and improved our overall score from B- to B, keeping us in the management category, and our Supplier

Engagement Rating from B to A-. For our In addition, we submitted our first full response to CDP Forests, and achieved a score of C (placing us in the awareness category).

In this report, we have included how our strategy maps to the UN Sustainable Development Goals (SDGs) – in the Responsible Business summary (page 5) we identify the specific targets of eight of the 17 SDGs that our strategy aligns with. We have also aligned with disclosing against the Sustainability Accounting Standards Board (SASB) standard for our sector; Multiline and Speciality Retailers & Distributors. This can be found on page 56.

PEOPLE

OUR OBJECTIVE

We are building a business we are proud of, where all our colleagues can feel at home and are empowered to support their communities and customers.

OUR TARGETS

- A gender balanced team across all roles and functions at Wickes
- A business that reflects the communities we serve through ethnic diversity and leadership ethnicity balance
- Offer and support 200 Early Career places each year from 2022 to 2024
- Raise £2 million for our charity partner over the 2-year partnership
- Wickes' Community Programme to support 1,500 projects across our local communities each year

At Wickes, our people are our greatest asset. We're building a space where all our colleagues can feel at home. This means that everyone can bring their authentic selves to work and are empowered to support their communities and customers.

Culture

We live by our five Winning Behaviours which are the foundations of our culture. Our Winning Behaviours are underpinned by a strong sense of personal responsibility. We want all our colleagues to understand and display these to support us in achieving our future plans.

1. **Winning:** we relentlessly pursue our targets, celebrate and share successes, support all colleagues and embrace challenges positively.
2. **Can do spirit:** we say 'yes' to challenges, go the extra mile for customers and take initiative.
3. **Being at your best:** we approach every day with fresh enthusiasm, lead by example and learn every day.
4. **Humility:** we acknowledge we don't have all the answers and are honest and accountable.
5. **Authentic:** we embrace our true selves, respect our colleagues and have courage to face tough conversations.



Key performance indicators

73.4%

stores that have at least one female in leadership team

23%

voluntary colleague turnover

39.9%

of all our colleagues identify as female

280

Early Career placements supported in 2023

12.8%

of all our colleagues identify as Black, Asian or other ethnic minority

£719,060

raised for our new charity partner, The Brain Tumour Charity

79%

overall colleague engagement (calculated from four engagement questions in colleague survey)

1,468

projects supported across our local communities

Reward and ways of working

We continue to be guided by our colleague reward principles, which include placing colleague wellbeing at the heart of our proposition and offering competitive and fair rewards. We offer practical help through our colleague-led working group, and in 2023 we brought forward the pay review from April to January to support our lower paid colleagues with the cost of living, resulting in a £3.5m investment. We pay the National Minimum Wage as a minimum. This is supplemented by 'Gainshare', our store profit share plan, which incentivises and rewards team performance whilst also helping us keep our costs flexible. We do not have any zero hours contracts, and all our colleagues are on a minimum of 16 hours a week (unless the colleague has requested otherwise).

In August, we introduced 'Salary Advance' to give colleagues more flexibility as to when they can access their pay. We have also enhanced our comprehensive wider wellbeing support. In May, we introduced 'Digicare', a market leading suite of wellbeing services for all colleagues, which includes digital GP, home health test kits, and mental health support, all free of charge. We were shortlisted for the 'Best Healthcare and Wellbeing Strategy' at the Workplace Savings & Benefits Awards to recognise excellence in employee benefits.

We remain committed to fostering an engaged and inclusive workplace, with a flexible working approach that balances the needs of the colleague with their team and the wider business. Following the success of our store manager flexible working trial in 2022, we expanded the trial to Operations and Duty Managers in 2023. The results continue to be positive, with satisfaction of work-life balance of colleagues in trial stores rising from 66.5% to 96.5% (measured by a survey of colleagues from participating stores). All store colleagues were given the opportunity to give feedback on and insight into how stores can prepare for the wider flexible working roll-out in 2024.

Inclusion and diversity

In 2023, we have continued to focus on driving inclusivity across the business, and increasing diversity to reflect the communities we serve. Our Inclusion and Diversity policy sets out how we are creating an inclusive culture and diverse workforce through our colleagues' journeys with Wickes. We're proud to have our work on diversity recognised by being shortlisted in two categories at the Burberry British Diversity Awards in 2023; Wickes was shortlisted for Company of the Year and Fraser Longden, Chief Operating Officer, was shortlisted for Diversity Champion of the Year.

We continue to publish our gender pay gap reports on our website, and for 2023 we also included our ethnicity pay gap following the Government's guidance published earlier in the year. For the 12 months to April 2023, our median gender pay gap improved to 0.07% (2022: 2.57%) and our median ethnicity pay gap was -0.74%.

We believe that a balance of genders in our leadership teams will benefit our business and our colleagues. We set targets for 2023 to increase gender balance in the leadership teams of our stores and our Support Centre. To recognise the importance of these targets, we linked these to our Executive Remuneration 2023 Annual Bonus Scheme (see pages 120-121). The methodology for how we measure these targets and the independent

Director, senior manager and employee gender and ethnicity breakdown¹

	Gender				Ethnicity					
	Male		Female		White	Ethnic minority ³		Unknown		
Plc Board	5	71.4%	2	28.6%	6	85.7%	1	14.3%	0	0%
Executive Board	6	75.0%	2	25.0%	7	87.5%	1	12.5%	0	0%
Senior managers ²	68	65.4%	36	34.6%	82	78.9%	12	11.5%	10	9.6%
All other colleagues	4,613	60.0%	3,082	40.0%	5,368	69.8%	990	12.9%	1,337	17.4%

¹ The data for this disclosure is as at 31 December 2023

² Senior managers: D2 Director level, D1, senior leadership roles, M3 Senior management including technical and Head of Department roles.

³ All ethnic groups except White British and White ethnic minorities.

limited assurance statement of our performance is available on our corporate website.

At the end of 2023, 33.98% of our store leadership teams were female, exceeding our target of 33.75%. We fell slightly short of our target of 45% of females in Support Centre leadership roles, achieving 43.54%. 73% of our stores have at least one female in the management team, just slightly lower than 75% in 2022. As part of our aim to achieve gender balanced teams, we are continuing to support women with career development and provide incentives (such as flexible working) to help increase this in the future. We partnered with Encompass Equality to participate in their research to understand the key drivers of why women leave their jobs. We are reviewing the insights to understand what further interventions we can implement and help to achieve our 2024 target to increase female representation across our management population.

We want to ensure that our business reflects the communities we serve through ethnic diversity at both operational and leadership levels. In 2023, we mapped each of our store colleagues' ethnicity data against the local 2021 census data. We have been pleased to see that we are already reflecting the local ethnic diversity in some of our regions, and we are using this data to set targets for ethnicity leadership, and encourage all colleagues to disclose their ethnicity.

CASE STUDY

FLAIR Anti-racism survey with Flair Impact

Led by the Raising Awareness and Action on Cultural Ethnicity (RAACE) network, in 2023 we began a three-year partnership with Flair Impact, a racial equity technology company, to undertake an anti-racism survey amongst our colleagues.

As the first retailer to partner with Flair Impact, this partnership has allowed us to better understand how race affects our entire workforce's experience of work and develop a measurable action plan focused on:

- providing training for colleagues to intervene if witnessing racial microaggressions;
- providing appropriate wellbeing services to colleagues; and
- implementing a policy and process to report racist incidents at work.

"We're excited to be working with Flair Impact to hear directly from our colleagues about their attitudes and experiences of race in the workplace and to use this insight to focus on what we need to do to improve the retention, progression and inclusion of our colleagues from ethnic minority backgrounds."

David Wood – Chief Executive Officer

Colleagues



Early Careers

Building skills in our local communities through our Early Careers offering is essential to ensure we continue to attract and develop the skills required for future growth at Wickes. We have an opportunity to support social mobility within our communities by ensuring we offer the skills and support required for young people to gain employment and succeed in our business.

apprenticeships within the kitchen, bedroom and bathroom sector. We also featured on RateMyApprenticeship's Best 100 Apprenticeship Employers for 2023-2024.

Looking ahead, our apprentices are poised to increasingly contribute to our installation work. It is also hugely positive that three of our early graduates have now taken on apprentices of their own, further nurturing talent for the future.

“Since its launch in 2019, Wickes’ 17 apprenticeship programmes have seen 913 people either complete or currently engaged in an apprenticeship.”

In 2023, we supported 280 people into Early Careers placements (248 people enrolled on an apprenticeship programme, 27 work experience placements, and five graduate, intern and business placements). People in these placements are more diverse in terms of gender and ethnicity when compared with our colleague population overall. Driving growth through this channel will ensure we can develop the diverse talent pipelines for the future and reflect the communities we serve. Since its launch in 2019, Wickes’ 17 apprenticeship programmes have seen 913 people either complete or currently engaged in an apprenticeship.

One of our key focuses is developing a skilled workforce and securing a sustainable installer workforce for the future. Our Installer Apprenticeship Programme is an integral part of this and saw us awarded an Outstanding Achievement by the British Institute of Kitchen, Bedroom & Bathroom Installation for our longstanding work on

Employment

We employed on average 7,919 people in 2023, compared to an average headcount of 8,340 in 2022. As a result of the new supply chain logistics contract that went live in January 2023, 339 colleagues transferred to the supplier pursuant to TUPE Regulations.

In 2023, we opened three new stores (Chelmsford, Widnes, and Torquay) and closed four (Wigan, Loughborough, Paignton K&B, and Darlington). When we need to close stores, we take all reasonable steps to support our colleagues who are affected with securing alternative employment with Wickes.



CASE STUDY

Fitted Furniture Apprenticeship

“I am a Bathroom Apprentice based in the West Midlands. I started my Level 2 Fitted Furniture Apprenticeship in July 2023, and I’m really enjoying it.

I’m learning new skills such as plumbing and tiling, building my knowledge and having fun. Being involved in the Wickes apprenticeship scheme has given me a great opportunity to learn a trade, gaining practical experience whilst still earning a wage.

I would recommend the apprenticeship scheme to other people who are thinking of starting their own bathroom fitting business – it is a great way of gaining a trade while earning, with knowledgeable and experienced people to provide support when you need it.”

Sophia Fearon – Bathroom Apprentice

Colleague Voice

At Wickes, we remain committed to fostering transparent communication with our colleagues. We employ a variety of formal and informal initiatives, ensuring regular, open and robust two-way dialogue. Each initiative is championed or led by an Executive Board or Plc Board member. Our independent Non-executive Director Sonita Alleyne takes the lead on ensuring colleague views are heard by the Board and taken into consideration in their decision making.

Our listening channels

We've continued our listening initiatives in 2023 to support our 'always on' approach:

Colleague Voice: Held annually, we invite a variety of colleagues to meet with independent Non-executive Director Sonita Alleyne on behalf of the Plc Board, where they can ask questions on various topics.

Colleague engagement survey: This annual survey seeks both quantitative and qualitative feedback from colleagues on a range of subjects and assesses overall colleague engagement. In 2023, our colleague engagement was 79% (2022: 80%), which is calculated from four engagement questions included in our colleague survey.

'Hangout with the Exec' sessions: These quarterly virtual roadshows give store, Distribution and Support Centre managers the opportunity to ask the Executive questions on any subject.

Inclusion and Diversity network surveys: In the year we undertake a variety of external surveys to support the objectives and insights of our I&D colleague networks and wider strategy.

Cost of living working group: Following its conception in 2022, we have continued to bring together a cross-section of colleagues quarterly to share their thoughts, insights and ideas as to how the business can provide support to colleagues during the cost of living crisis.

Colleague feedback and outcomes Culture

Feedback: Colleagues continue to tell us that Wickes has a strong culture, with people at the heart of what makes this a great place to work. A high level of empathy is demonstrated across the organisation from leaders to colleagues. New members joining the team feel our culture is our best-kept secret. Our Winning Behaviours are well embedded and demonstrated across the business, and colleagues indicated that there were opportunities to provide greater financial recognition in this area.

Outcome: Feedback inputted into our employer brand for activation in 2024. Our Instant Reward Pot has been made more accessible for store managers to recognise colleagues.

Strategy and purpose

Feedback: Colleagues are confident in the direction of our strategy and feel that our balanced business gives us a competitive edge. They are proud of our Built to Last Strategy and are pleased that it is broader than just the environment. However, they would like more regular communications on our progress.

Outcome: Continue to focus on our Built to Last communication, both internally and externally, with a particular focus on Homes and Environment.

Inclusion and diversity

Feedback: Colleagues continue to be proud of our extensive I&D agenda and activity. Our survey in partnership with Flair Impact showed that while colleagues not identifying as 'White' do not believe that their ethnicity is a barrier to feeling included at work, there were areas where we could further develop colleagues' understanding of racism and its impact.

Outcome: The action plan from the Flair survey includes rolling out bystander intervention for colleagues, introducing appropriate workplace counselling services and implementing a simple policy and process to report racist incidents.

Pay and benefits

Feedback: Colleagues value our total package. They appreciate our colleague discounts, the Wickes Rewards scheme and the host of other benefits we offer, but they feel we have a greater opportunity to advertise these benefits. Colleagues feel that to have further transparency in pay bandings could help their progression in the business.

Outcome: The Reward team is working on improving how we can better communicate both our enhanced benefit and wellbeing offering and the value of our overall total reward package.

Career development

Feedback: Colleagues recognise that our culture of personal responsibility encourages them to drive their own development supported by their manager. However, they feel that more structure is required in the Performance Development Plan (PDP) process.

Outcome: The performance management process is on the People team's priorities to review and improve for all areas of the business.

Meaningful work

Feedback: We heard that colleagues (primarily store and distribution colleagues) felt further attention on the volume and breadth of the work they do would help to give a greater sense of satisfaction.

Outcome: We are enhancing the level of support given to line managers on balancing the volume of work and providing Learning & Development support. The Operations leadership team has this as a priority on its engagement plan.

Feel at home

We are building a space where anyone – no matter who they are or where they're from – can feel at home. Our inclusion and diversity programme is spearheaded by our six colleague-led 'Feel at Home' networks to drive awareness and education of our diverse communities.



Ability

Building a workplace that everyone can access

"Disabled does not mean less able. We want to give everyone opportunities to thrive and support colleagues to make the most of their ability."

Helen O'Keefe – General Counsel and Company Secretary and Ability Executive Sponsor

We want Wickes to be a place that champions each colleagues' own ability to ensure they reach their full potential, enabling them to deliver exceptional customer service, all the while taking into account their and their family's needs.

We're into the second year of working with Change 100, an internship programme offering paid summer work placements, professional development and mentoring for talented university students and recent graduates with any disability or long term condition. In the summer of 2023, the Customer Insight team hosted an intern from the programme as an Insights Analyst.



Balance for Better

Building a workplace where gender balance is fair

"Balanced teams are much more successful than teams that have a gender bias. We want every colleague to have the right opportunities to shine and reach their full potential, irrespective of gender."

Gary Kibble – Chief Marketing Officer and Balance for Better Executive Sponsor

The priority areas for the network are creating a more balanced workforce across all levels, and empowering all colleagues to reach their full potential by having access to the right opportunities, allowing us to retain and attract talent.

In 2023, the network introduced the Balance for Better podcast which saw colleagues speak about breaking down gender stereotypes and societal norms. With the Reward team, the network expanded the use of Peppy, a women's health, fertility and menopause app, to include men's health, empowering our male colleagues to take control of their health with personalised care from experts.



Pride

Building a workplace that the LGBTQ+ community can call home

"It's important for us to be visible in our support. Everyone, regardless of sexuality or gender identity, is welcome and supported at Wickes."

Fraser Longden – Chief Operating Officer and Pride Executive Sponsor

The Pride network objective is to create a positive and supportive environment that allows our LGBTQ+ colleagues to reach their full potential.

We ranked 11th in the top 100 Stonewall Workplace Equality Index 2023 and were awarded a gold accreditation for the second year running. We attended Brighton Pride and Manchester Pride with a float, supported by our LGBTQ+ colleagues from across the business. The Pride network won 'Large Brand or Organisation of the Year' at the 2023 Bank of London Rainbow Honours.



RAACE

Building a workplace with diversity at every level

"We believe that when different backgrounds, cultures, nationalities and perspectives come together, we can be more creative, more inclusive and more productive."

Mohamed El Fanichi – Chief Information and Technology Officer and RAACE Executive Sponsor

The RAACE network works to create more opportunities and provide support for colleagues and external candidates from ethnically diverse communities to professionally progress to, and within, the leadership team at Wickes. The network also leads activities to increase awareness, education, and celebration of diverse cultures, religions and races.

2023 marked the first year of our RAACE Ally Programme, designed to train colleagues and give a greater understanding on issues around race, including privilege and microaggressions. In 2023, we trained over 250 managers across the business.



Wellbeing

Building a workplace that prioritises wellbeing

“We want to create a place of wellbeing where our colleagues can feel good and function well, and are supported through any challenges they may face.”

Sonia Astill – Chief People Officer and Wellbeing Executive Sponsor

We are committed to creating a workplace that supports our colleagues’ physical, mental and financial wellbeing.

We appointed broadcaster Jeff Brazier as our Wellbeing Ambassador for 2023. The newly created position is part of our ongoing investment and commitment to support colleague and customer wellbeing. As a trained life coach and grief counsellor, Jeff has been working with us on wellbeing content for all colleagues, from live talks to bitesize videos accessible to all.

Our Wellbeing network continues to partner with St John Ambulance to provide all our line managers, including every store manager, with Mental Health First Aid Training. We have around 565 Mental Health First Aiders available to all colleagues.



Future Focus

Building a workplace that embraces tomorrow

“We’re focused on supporting the next generation of colleagues and customers, through looking at ways we can positively influence business sustainability, colleague development and the communities we serve.”

Mark Cooke – Chief Commercial Officer and Future Focus Executive Sponsor

As part of being a responsible business, the Future Focus network supports our ambitions to create a business that is ready for the future, where everyone can thrive, regardless of age, experience and background. The network also looks to support young people in building a better future for themselves, their families and their communities.

The network supported our Early Careers initiative through a dedicated Early Careers group, offering training and networking opportunities with more senior members of Wickes. Colleagues from the Support Centre, Distribution Centre and all stores were invited to take part in A Big Litter Pick to collect rubbish in their local areas. As part of National Recycling Week, the network gave insight into how cardboard, plastic and pallets returned from stores are recycled when they are returned to our Distribution Centre.

External recognition for our work on inclusion and diversity

We are proud of the external recognition the Company and individual colleagues have received during 2023 for our work to address inclusion and diversity in our business:

- Wickes: shortlisted for Company of the Year at the Burberry British Diversity Awards.
- Wickes: ranked 11th in the top 100 Stonewall Workplace Equality Index 2023 and awarded a gold accreditation for the second year running.
- Wickes Pride network: won the award for Large Brand or Organisation of the Year at the 2023 Bank of London Rainbow Honours Awards.
- Chloe Howe, co-lead of Balance for Better: nominated for *‘INvolve – The Inclusion People 2023 Heroes Woman’s Role Model list’* for the second year in a row.
- Fraser Longden, Chief Operating Officer: shortlisted for Diversity Champion of the Year at the Burberry British Diversity Awards.
- Lauren Cross, co-lead of Wellbeing: shortlisted for two awards at the Great British Workplace Wellbeing Awards for *‘Most Inspiring Employee of the Year’* and *‘Breaking the Silence’*.
- Lee Burrows, co-lead of Pride network: nominated for *‘Top 10 Future Leader’* at the British LGBT Awards.
- Zee Botchway, co-lead of RAACE: nominated finalist in the *‘FMCG, Retail, Hospitality & Tourism’* category of the 2023 Black Talent Awards.



CASE STUDY

Zee Botchway

Co-lead of RAACE network and Senior Procurement Manager

When did you get involved with the network?
I was asked to set up a network to represent colleagues from an ethnic minority background in 2018. We named the network Raising Awareness and Action on Culture and Ethnicity, or RAACE, in 2022.

Why were you attracted to leading the network?
Being the co-lead Chair of the network is a powerful vehicle for personal and professional development. For me, it aligns with my future career aspirations by providing me with leadership experience, networking opportunities, and a platform to make a positive impact on workplace culture.

What was your best RAACE moment of 2023?
I developed and delivered Allyship workshops for our Wickes colleagues. Connecting directly with over 189 store managers, 13 regional leaders, and key leaders across the business has resulted in some great conversations.

Overall, how would you summarise your experience?
Dynamic, impactful and collaborative.

Customers and community

Our customers

Understanding our customers' views and needs is a cornerstone of our approach to stakeholder engagement, and is covered in detail in our Market review (pages 14-17) and Section 172 statement (pages 68-71).

We continue to seek to mirror the values and diversity of our communities so we can best support our customers. We want everyone to feel at home in a Wickes store and everyone is welcome.

For those customers shopping online, we ensure that all our digital content is easily accessible and incorporate best-practice accessibility standards on our website. We have recently added subtitles to all 150+ of our inspirational 'how to' videos to support hearing impaired customers and added those subtitles as the default setting for video content.

We have extended the support of our Wellbeing Ambassador, Jeff Brazier, to our TradePro members, who are now able to access his coaching content to help with their wellbeing.

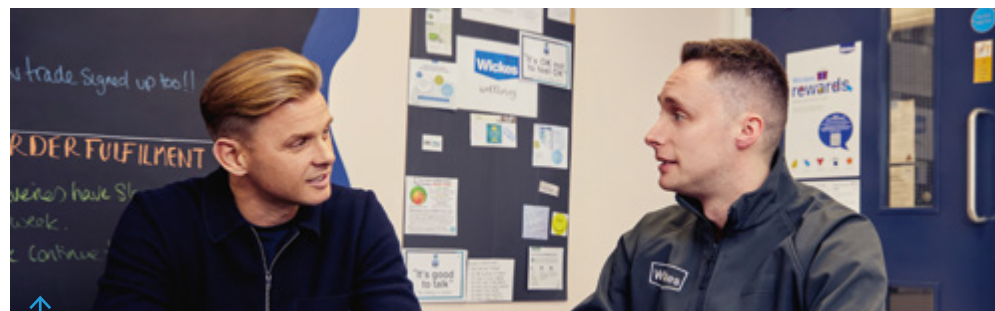
We know that, for many of our customers, financial wellbeing and cost efficiencies continue to be top of mind. In store, we have provided energy saving advice to help mitigate rising energy bills against

the backdrop of the cost of living. For more information on this, please see the 'Homes' section.

Our 'Let's care for each other' ethos is not just an internal principle but also extends to the communities we serve; we have a zero tolerance stance on physical, verbal or racial abuse against colleagues or customers. We stand in solidarity with fellow retailers by participating in Shop Kind, an initiative designed to tackle violence and abuse against shopworkers.

"I'm looking forward to working closely with Wickes colleagues and customers, and exploring their own stories around wellness and mental health."

Jeff Brazier – Wellbeing Ambassador



Wickes Wellbeing Ambassador
Jeff Brazier talking to a colleague

Our local communities

We empower and support our colleagues to give back to their communities. The Wickes Community Programme allows and encourages our colleagues to support good causes in their local communities by donating Wickes products. Stores have access to a dedicated product fund of £300,000 per year to support local initiatives to maintain and renovate their local communities. In 2023, the Wickes Community Programme supported 1,468 projects, an increase of 48% on last year, across England, Scotland and Wales, and reached an estimated 500,000 people.

We are proud to announce Crown Paints as the Wickes Community Programme's official paint partner. They have pledged to donate 34,000 litres of paint each year to local communities through our Community Programme, which will enable our stores to support even more good causes around the UK.

In 2023, we launched a five-month volunteering trial to colleagues in 40 stores, our Distribution Centre and Support Centre. Colleagues were connected to local projects using a platform called Neighbourly, to give them the opportunity to donate some of their work time and make a difference in their local communities. 155 colleagues took part across the Company, volunteering 772 hours of their time to support community projects with gardening and painting. In 2024, we will review the outcomes of the trial and plan to produce a volunteering policy and expand the opportunity for workplace volunteering to all our colleagues.



CASE STUDY

Community Programme winners

Last year, the ROC Garden, a Blackpool-based charity empowering unemployed people back into work by training them to become gardeners, was the winner of a £10,000 grant in the National Wickes Community Programme Competition. Its proposal was to develop a repurposing site to handle green waste for the benefit of the local community in Blackpool. The site was officially opened in October 2023.

The aim of the site is to reuse, recycle and repurpose green waste collected from the day-to-day work carried out by ROC Garden teams in Blackpool. The green waste collected will be 'repurposed' to create compost, mulch, wood chips or other repurposed natural products useful for people's gardens, and the local community will be invited to come and collect it for free.

"We were delighted to be the winners of the Wickes Community Programme competition."

James Baker – ROC Garden Development Manager

Charitable giving

Our partnership with YoungMinds, the UK's leading charity fighting for children and young people's mental health, came to an end in March 2023 after an mutually rewarding three years. In the final three months of our partnership, our colleagues' and customers' incredible fundraising efforts propelled us beyond our £2 million target and we raised £2,335,255 for YoungMinds over the length of the partnership (of which £88,078 was raised in 2023).

This year we announced The Brain Tumour Charity, the UK's largest dedicated brain tumour charity, as our new charity partner. It was chosen through a rigorous three-month process involving colleague nominations and voting. Starting in April 2023 and continuing until April 2025, our mission is to raise £2 million to support The Brain Tumour Charity's vital work in fighting brain tumours on all fronts.

In the first nine months of our partnership, we directly donated £10,000, and we leveraged funds totalling £718,060 to The Brain Tumour Charity from colleague fundraising, plastic bag sales, customer donations and donations from our suppliers.

All 230 of our stores took part in four '50p-ask' customer fundraising events supported by bake sales and other in store activities. In total, we raised £488,266 from customer donations. Our suppliers also helped raise an incredible £170,000 at our annual Charity Dinner. These are just some of the amazing activities organised by our charity champions.

Amidst the economic challenges of 2023, our colleagues have generously given to a variety of charities through our 'Give As You Earn' partnership, over the past 12 months. This allows colleagues to make regular, tax-free donations to a charity of their choice. Over 680 colleagues have donated £43,456 to more than 110 different charities, including The Brain Tumour Charity.

"This partnership with Wickes is transformational for us, and Wickes colleagues have been tremendous in both their fundraising efforts and raising awareness of the Charity, which will enable us to reach more people affected by a brain tumour diagnosis and support them to live longer and better lives."

Dr Michele Afif – CEO of The Brain Tumour Charity

CASE STUDY

Better Safe Than Tumour Campaign

We have used our reach to promote The Brain Tumour Charity's Better Safe Than Tumour Campaign to colleagues and customers. Knowing the signs and symptoms of a brain tumour can lead to a faster diagnosis, which could reduce the impact of a brain tumour. The primary symptoms in all people facing a brain tumour are vision changes, balance issues and a persistent headache, but these vary by age and circumstances. Please visit <https://bettersafethantumour.com> if you are facing any of these symptoms or are concerned about a loved one.



↑ Wickes colleagues fundraising for The Brain Tumour Charity

LOOKING FORWARD

We want all of our colleagues and customers to feel at home. In 2024, we plan to:

- align our policy and practices to deliver our goals;
- connect young people with careers and skills in retail and DIY; and
- improve the quality of our data to enable us to measure progress against targets that bring the greatest shift around gender and ethnicity.



ENVIRONMENT

OUR OBJECTIVE

We are building a business we are proud of, by supporting the fight against climate change and taking action to protect the natural environment.

OUR TARGETS

- **Operations: Reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030 from a 2021 base year**
- **Supply chain: 45% of our suppliers by emissions covering purchased goods and services will have science-based targets by 2027**
- **Products: Reduce absolute Scope 3 GHG emissions from the use of sold products by 42% by 2030 from a 2021 base year**

Our approach

In 2023, we reviewed and updated our Environment Policy to reflect the commitments set out in our Responsible Business Strategy. The updated policy is available on our website, and has been communicated to all our colleagues.

The Company's environmental management controls are designed with the international environmental management system (EMS) standard ISO 14001 in mind. We are continuing to establish our EMS, ensuring that environmental controls are integrated into key business decision making processes.

We intend to commission an independent audit of our EMS against ISO 14001 in 2024, after which we expect to develop a timeline to achieve certification.



Climate change

We recognise the substantial risk that climate change poses to humanity and the environment, and we continue to focus on mitigating our impact and preparing our business for a future with a changing climate. As is common with other businesses in the retail sector, 98% of our emissions arise from our value chain (Scope 3). This is due to the large volume and range of products we sell. Our greenhouse gas footprint can be found on page 48.

Wickes is committed to playing our part to achieve the UK's 2050 net zero target, and also to help our colleagues and customers transition to a low-carbon economy in a fair and equitable way. We pledged our support to the British Retail Consortium's (BRC) Climate Action Roadmap when it was first launched in 2021, and we are collaborating with our sector peers to fully decarbonise the retail industry and achieve net zero by 2040.

We received validation in 2022 from the Science Based Targets initiative (SBTi) for our near term science-based targets that cover our Scope 1, 2 and most material Scope 3 emissions.

A significant proportion of our products are timber derived. Therefore, we assessed if we met the SBTi's threshold to set an additional target where emissions related to Forest, Land and Agriculture (FLAG) exceed 20% of our overall emissions. In 2023, total emissions from products with FLAG-related emissions represented 16.7% of our footprint. We intend to continue to review our footprint against this criterion each year.

Throughout 2023, we have been developing detailed delivery plans towards achieving our near term targets and we will continue to refine these as well as improving our methodology for calculating our footprint.



“Throughout 2023, we have been developing detailed delivery plans towards achieving our near term targets and we will continue to refine these as well as improving our methodology for calculating our footprint.”

Emissions from our direct operations (Scope 1 and 2 market-based) decreased by 36.9% compared with our baseline of 2021 (2022: 11% decrease compared with 2021). In April 2023, we moved the procurement of the electricity for all of our stores, Distribution Centres and Support Centre to a renewable electricity contract. This has contributed to a significant reduction of GHG emissions arising from our Scope 2 activities. We have also continued to focus on improving the energy efficiency of our estate and our fleet (further information on this can be found on page 49).

Following the introduction of our EV policy for company cars in 2022, we now have 34% electric vehicles and 44% hybrid and plug-in hybrids in our corporate car fleet. From 2025, all new corporate cars ordered will be electric. In June 2023, we launched a low-emissions car salary sacrifice scheme for our colleagues provided by Tusker, and 2.15% of the eligible population had ordered a car through the scheme by the end of 2023.

By the end of 2023, 23 of our suppliers that contribute most significantly to our supply chain carbon emissions have set a science-based target (SBT), all validated by the SBTi. This represents 23.8% of our Scope 3 emissions. In 2023, we focused our engagement on our top 20 suppliers (by emissions) to understand where they are on their journey towards achieving net zero, and we are really pleased with the engagement and commitment of our strategic suppliers. We will be expanding our proactive engagement throughout our supplier network.

In 2023, emissions from the use of products we sold in the year decreased by 14.1% compared with our 2021 baseline (2022: 18% decrease compared with 2021). These emissions are based on internationally recognised estimates of greenhouse gas emissions produced whilst a product is being used across its lifetime. The reason for this change compared to 2022 is due to updates in emissions factors and the mix of products sold in the year.



CASE STUDY

BRITISH RETAIL CONSORTIUM'S

Climate Action Roadmap

As a signatory to the BRC's Climate Action Roadmap since 2021, we have been using the five Pathways for Decarbonisation as a framework to guide our approach. We are making good progress with the roadmap's 2025 milestones

- 1. Placing GHG data at the core of business decisions** – we publicly report our full GHG emissions, and we are engaging with our suppliers on setting SBTs.
- 2. Operating efficient sites powered by renewable energy** – our estate is powered by renewable electricity and we install 100% LEDs in new stores.
- 3. Moving to low carbon logistics** – we collect GHG performance data from our logistics providers.
- 4. Sourcing sustainably** – we achieved a C in our 2023 Forest response to CDP.
- 5. Helping our colleagues and customers love low carbon lifestyles** – we support our customers with information to help them choose products that are energy efficient or can reduce household carbon emissions.

➤ Find out more online www.brc.org.uk/climate-roadmap



CASE STUDY

Low-carbon stores

In November, we opened our new 2,400sq m store in Torquay. We have incorporated energy efficient and low-carbon features into the design and build, including an air source heat pump and electric vehicle chargers.

The site is 100% powered via our renewable electricity contract, and we will be fitting solar panels in 2024. These features have resulted in the store achieving an A-rated Energy Performance Certificate.

“With our estate of 229 stores and two distribution centres, we’re actively exploring ways to maximise energy efficiency and decarbonise our existing estate. When developing new stores, we collaborate with developers to incorporate low-carbon features, prioritising the long term sustainability of our estate.

We aim to strike a balance between our journey toward a low-carbon footprint and ensuring comfort for our valued colleagues and customers, all while making sound strategic financial investments for a sustainable future.”

Sarah Taitt – Property Director



CASE STUDY

Tackling packaging

Collaborating with our suppliers to look at alternative packaging solutions for our own brand products has been critical to us achieving our target to eliminate unnecessary packaging.

It is vital that any alternative material meets its primary purpose of protecting the product, and remains commercially competitive. Our suppliers rose to the challenge, and our customers can now see the improvements on our shelves and we can see the impact in our packaging data.

Now that we have removed unnecessary packaging on our own brand products, we are working to ensure PVC and polystyrene packaging components are replaced by lower environmental impact alternatives.

In September, we started diverting cardboard packaging, collected at our Northampton Stores Distribution Centre, to nearby Smurfit Kappa sites in Tamworth and Birmingham, where it is recycled into new cardboard packaging. We expect to send over 2,000 tonnes of card packaging waste each year to Smurfit Kappa. Some of our UK suppliers will use this 100% recycled content card for our own brand packaging.

Energy and resource efficiency

Improving the energy efficiency of our estate has continued to be a focus for the business in 2023. This year, we reduced the energy consumption of our property estate by 0.48% and stores by 0.41% compared with 2022. We incorporate energy efficiency into the design of our new store and refit programmes, as well as rolling out improvements across the estate. A list of energy efficiency measures we have implemented in 2023 can be found on page 49 in our SECR update.

Managing our fuel consumption by our fleet operations is also important. With upgrades in our tractor units, we have seen a 5.2% improvement in our fleet fuel efficiency compared to 2022. In December, we conducted tests and reviews for the roll-out of a wagon and drag outbase truck solution for our kitchen and bathroom delivery network, which is expected to reduce road journeys, fuel consumption and carbon emissions, whilst maintaining service delivery. A full launch is planned for 2024, following the roll-out of training.

In 2023, we have completed energy audits as required by the mandatory Energy Savings Opportunity Scheme (ESOS) Phase 3, and we are on track to submit our notification of compliance to the Environment Agency in 2024. The audits will identify further energy efficiency opportunities to implement in future years.

Our direct use of water is limited to colleague catering and welfare, and cleaning our stores and fleet vehicles. We consumed 57,821m³ of water in 2023 (an improvement compared with 66,388m³ consumed in 2022).

Waste and recycling

We produce a lot of waste from our business activities. The majority (around 90%) is generated from our kitchen and bathroom installations, with the rest (around 10%) from our store operations.

We are working with our waste contractors who support our installer network to better understand current waste disposal routes and identify opportunities to reduce waste that is sent to landfill and increase recycling rates.

Waste from our stores that is easily recyclable (e.g. card, wood, plastic wrapping) is returned to our Distribution Centre for consolidation and segregation before being collected by specialist recycling contractors. With the majority of the highly recyclable store waste returned to the Distribution Centre, we recycled 11.6% of the remaining in-store waste in 2023; including waste returned to the Distribution Centre, we recycled 39% of the store generated waste.

This year, we started collaborating with some of our suppliers to discuss opportunities to capture our waste packaging material, recycle it and use it in some of our own brand products and packaging. We will continue to work on opportunities to increase the amount of waste which is recirculated back into our products and packaging.

Ultimately our goal is to do more to reduce and reuse waste from our stores, Distribution Centres and offices. In 2024, we will be reviewing our waste streams, developing more robust data reporting processes, and reassess future waste and recycling targets in line with UK Government policy.

Nature

Our business is both reliant upon nature and impacts nature (through product sourcing and our new store programme). We welcome the launch of the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations in 2023, which provides a framework to identify and assess our business's current and potential nature-related risks and opportunities in the short, medium and long term. We also welcome the commencement of the UK's biodiversity net gain policy in 2024 and we will meet these new requirements when constructing our new stores.

We acknowledge the scientific evidence that global nature is deteriorating and biodiversity is declining.

(FSC) or the Programme for the Endorsement of Forest Certification (PEFC) (2022: 99.8%). We completed our first CDP Forests submission in 2023, achieving a score of C. Completing this has helped us to understand in more detail where our timber is sourced from.

By the end of 2023, we stopped sourcing compost containing peat. We are selling our existing stock in line with the UK Government's plan to stop the retail sale of all bagged peat compost in England and Wales by the end of 2024.

We plan to work to understand our nature-related risks and opportunities in the coming years as the framework continues to mature.

“By the end of 2023, we stopped sourcing compost containing peat and we welcome the UK Government’s plan to stop the retail sale of all bagged peat compost in England and Wales by the end of 2024.”

Of particular relevance to the retail sector is the link between product sourcing and forest risk commodities (such as wood and palm oil) and the connection with illegal deforestation.

We estimate that, in 2023, 35% of our revenue was from timber-based products. We have strict supplier requirements to ensure that the timber used in our products is sourced responsibly (see pages 51-54), and in 2023 we updated our Timber Sourcing Policy. We only purchase material which complies with the UK Timber Regulations and, in 2023, 99.8% of our timber had a Chain of Custody certified by either the Forest Stewardship Council

Engagement and collaboration

The Future Focus colleague network has delivered engagement activities in 2023, driving engagement on environmental activities across the business, including a Company wide litter-picking competition and 'no disposable coffee cups' campaign in the Support Centre.

We continue to learn from and collaborate with our peers in the retail sector through our membership of the British Retail Consortium and the Retail Energy Forum, and with our global peers through our membership of the European DIY Retail Association and the Global Home Improvement Network (EDRA/GHIN).



In 2023, 99.8% of timber we sold had a Chain of Custody certificate issued by either the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC) (2022: 99.8%).

LOOKING FORWARD

We will continue to play our part in the fight against climate change and take action to protect the natural environment. In 2024, we plan to:

- develop more detailed plans on how we will deliver our near-term science based targets;
- continue to collaborate with suppliers and others in our industry to collectively deliver net zero;
- identify further opportunities to reduce waste and increase recycling; and
- further our understanding of our nature-related risks and opportunities.

Greenhouse gas and Streamlined Energy and Carbon Reporting (SECR)



Selected KPIs have been subject to independent limited assurance by DNV. DNV's limited assurance statement is available on our website: <https://www.wickesplc.co.uk/company/responsible-business/policies-and-reporting/>

Greenhouse gas emissions

	2021 Emissions (tCO ₂ e)	2022 Emissions (tCO ₂ e)	2023 Emissions (tCO ₂ e)
Scope 1	23,087	17,484	19,806
Scope 2 (market)	14,541	15,722	3,938
Scope 2 (location)	9,687	8,585	9,212
Total Scope 1 and 2 (market)	37,628	33,206	23,744
Scope 1 and 2 carbon intensity (tCO ₂ e/1,000sq ft)	5	5	3.15 ¹
Scope 3 Category 1 – Purchased goods and services ²	1,075,463	1,590,648	1,011,287
Scope 3 Category 11 – Use of sold products	362,655	294,996	311,436
Scope 3 Category 12 – End of life treatment	120,951	119,973	88,401
Scope 3 Other (categories 3, 5, 6, 7, 9 and 13) ³	26,351	42,940	40,995
Total Scope 3³	1,585,420	2,048,557	1,452,119¹
Total greenhouse gas emissions³	1,623,048	2,081,763	1,475,862¹

1 Scope 1 and 2 carbon intensity, Total Scope 3 and Total Greenhouse Gas Emissions were not included in the scope of assurance for 2023.

2 For 2023, we have included emissions from Scope 3 Category 2 Capital Goods with Category 1 Purchased Goods and Services as we have identified opportunities to align with the capitalisation process of purchased goods and services. We will incorporate this methodology change into our 2021 rebaselining exercise that we will carry out in 2024, when we will also recalculate 2022 and 2023 in line with the improvements.

3 For 2023, we have excluded all emissions in Scope 3 Category 4 Upstream Transportation and Distribution as we have identified opportunities to significantly improve on the previous assumptions made in 2021 and 2022. We will incorporate this methodology change into our 2021 rebaselining exercise that we will carry out in 2024, when we will also recalculate 2022 and 2023 in line with the improvements.

Greenhouse gas emissions overview

We measure our GHG footprint across all three scopes, in line with the Greenhouse Gas Protocol Corporate Standard. We have identified further opportunities to improve our methodology and key exclusions are included in the footnotes to the table, with key assumptions included in our method statement.

The majority of our emissions (98%) continue to arise from our Scope 3 activities, specifically from these categories: purchased goods and services (68%), use of sold products (21%), and end of life treatment of products (6%). We have reported a decrease in overall emissions compared with 2022. This can be mainly attributed to the reduction in emissions from Scope 2 (market-based) and improvements in our methodology.

Our emissions across Scope 1 and 2 have reduced by 28.5% compared with 2022, and by 36.9% compared with our 2021 baseline. This is primarily as a result of the introduction of a renewable electricity contract in April 2023 for all our purchased electricity. Therefore, we are making encouraging progress to meeting our near term target to reduce Scope 1 and 2 by 42% by 2030. Through improvements in how we deliver our distribution by outsourcing some of the operations to our logistics partner Wincanton, this has resulted in some Scope 1 emissions moving to Scope 3. This has triggered our SBTi recalculation policy, and we will rebaseline our 2021 GHG footprint in 2024.

Our Scope 3 emissions have decreased by 29.1% compared with 2022, this can be partly attributed to improvements in our methodology and our temporary exclusion of emissions from transportation and distribution. We will factor this into our rebaselining exercise in 2024. Emissions for our purchased goods and services reduced by 6% compared with our 2021 baseline. We have focused on improving the materials and weight data of the Goods for Resale products we sold in 2023. We are currently using standard emissions factors for key materials. We will explore with our suppliers when we will be able to understand more specific emissions for the products we sell. Although emissions for use of sold products reduced by 14% compared with 2021 baseline, we saw a 5.6% increase compared to 2022. This can largely be attributed to changes in product mix.

For more information about how we are identifying and mitigating our financial risks and opportunities associated with these emissions, please see our TCFD response on pages 57-66. For more detail on our emissions calculations and methodology, our method statement is available to view on the Responsible Business pages of our website www.wickesplc.co.uk.

Assurance

Independent limited assurance was carried out on selected KPIs by DNV, in accordance with DNV's assurance methodology Verisustain™ and the ISAE 3000 revised standard. For more details on the engagement and the methodology, please refer to the Assurance Statement available on the Responsible Business pages of our website www.wickesplc.co.uk.

Streamlined Energy and Carbon Reporting

	Group/UK 2021 ¹	Group/UK 2022 ¹	Group/UK 2023 ¹
Annual GHG emissions (Scope 1 and 2 market tCO ₂ e)	37,628	33,206	23,744
Annual energy use (MWh)	114,515	170,003 ²	159,994
Emissions intensity (tCO ₂ e/1,000sq ft)	5	5	3.15

¹ The Group does not conduct any activities in the offshore area.

² Following a review annual energy use for 2022 has been restated (originally stated as 98,141 MWh).

Methodology

We have reported our GHG emissions and energy consumption in accordance with the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations. To calculate our SECR emissions, we have followed the GHG Reporting Protocol – Corporate Standard, using an operational control approach, and the emissions factors used were from the UK Department for Energy Security & Net Zero 2023 Government Greenhouse Gas Conversion Factors for Company Reporting, and CEDA emissions database.

Our Scope 1 emissions were calculated from monthly invoice data for stationary emissions, fuel consumption and mileage data for mobile emissions, and heating and cooling asset registries for fugitive emissions. Our Scope 2 emissions were calculated from monthly electricity invoice data, using market- and location-based emissions factors to reflect our current operational energy contracts. Market-based emissions were also used for our Scope 1 and 2 intensity metric.

For more detail on our emissions calculations and methodology, our method statement is available to view on our website www.wickesplc.co.uk.

Energy efficiency action

In 2023, we reduced the energy consumption of our property estate by 0.48% and store energy consumption by 0.41% compared with 2022. This was delivered through the work of our store colleagues to monitor and manage their consumption, the roll-out of energy efficiency technology, and upgrades as part of our store refit programme.

We implemented the following energy efficiency measures in 2023 to address our electricity, gas and diesel consumption:

- With upgrades in our tractor units, we have seen a 5.2% improvement in our fleet fuel efficiency compared to 2022.
- Continued roll-out of LED lighting and, by the end of 2023, 85% of stores have been upgraded.
- Continued roll-out of heating controls and, by the end of 2023, 48% of stores have been upgraded.
- Continued replacement of diesel forklift trucks with electric powered ones, and, by the end of 2023, 83.6% of stores have electric powered forklift trucks only.
- Air source heat pumps (ASHPs) installed in our new Torquay and Chelmsford stores, resulting in a total of four stores now with ASHPs fitted.
- Continued site assessments to identify opportunities for solar photovoltaic panels, and, by the end of 2023, seven stores are fitted with on-site solar generation.
- Voltage optimisation trialled in one store to inform further implementation in 2024.
- Improved reporting to store managers on energy performance.

HOMES

OUR OBJECTIVE

We are building a business we are proud of, by helping our customers save energy and reduce the carbon footprint of their homes.

OUR TARGETS

50% (by revenue) of our own brand products classified as supporting sustainability.

A key market driver for our business is the drive to make the UK's homes more energy efficient and promoting products and services that support sustainability is a potential area of growth for our DIY and Design and Installation customers.

In our 2022 Annual Report, we published an ambition to help the nation make their homes more sustainable, with a supporting target to achieve 50% of our own brand products classified as supporting sustainability.

Throughout 2023, we have undertaken further work to ensure that our strategic focus is aligned with our customer proposition and the ways in which we communicate this meet the Competition and Markets Authority's Green Claims Code. We have reframed our objective to focus on helping our customers save energy and reduce the carbon footprint of their homes.

To provide further clarity we have defined the product groups that we highlight to customers that support sustainability. We use three labels to explain how these products support this objective: supports energy efficiency; supports water efficiency; and generates renewable energy and/or reduces carbon footprints. Products that fall into these groups contribute to the UK meeting its net zero goal by 2050, therefore this is the main strategic focus areas of our Homes pillar.

We also currently highlight products that contain recycled materials or that contain responsibly sourced timber.

We are developing criteria for our colleagues and our suppliers to provide clear guidance on how we define products that support sustainability. We have also provided an overview of our approach to our customers on our customer website.

We are continuing to classify our products according to our guidance. This will allow us to establish a baseline and report in future years how the sale of products classified as supporting sustainability contributes to our business.



Understanding what is important to our customers

We regularly check in with our key customer groups to ensure that we understand how the growing awareness of sustainability may be influencing buying decisions. In the home improvement retail sector, our DIY customers have told us that value for money is key when making product choices and that the cost of living continues to be driving interest in products that can reduce their energy bills.

We are also seeing a small but growing number of customers who want to be less reliant on energy companies, and are looking at local energy generation and renewables. With our trade customers, we have seen a growth in demand for installing more energy saving solutions and products that will help to save money.

Our customers are seeking information, advice and reassurance on measures that will help to reduce their energy bills. To this end, we have been mindful to ensure we are using clear, informative product information which helps reduce the risk of using terms that could be ambiguous and therefore misleading.



Helping our customers save energy and reduce the carbon footprint of their homes

Products included within this category support our customers with: energy efficiency (such as insulation, energy efficient lights and appliances); water efficiency (e.g. water flow restrictors); moving away from fossil fuels (e.g. air source heat pumps, electric vehicle charging equipment); or generating renewable electricity (e.g. solar PV panels).

Improving insulation in homes is the key first step to reducing energy costs. Throughout the year, we continued to promote the benefit of insulation; for example highlighting that the ideal minimum thickness for loft insulation is 270mm.

We also launched new product ranges to expand our offer to help our customers reduce the carbon footprint of their homes. We now offer solar PV products, air source heat pumps and charging kits for electric vehicles.

We provide information and guidance on our customer website and in store to help our customers make informed choices on how to save energy and reduce the carbon footprint of homes. In store, we provide prompts in the form of 'wobblers' positioned next to key products (such as insulation) as part of our Assisted Selling model. On our website, we provide an interactive guide to an 'Energy Efficient Home', product information and installation guidance for key products.

We have continued our partnership with the Energy Saving Trust to provide our customers with impartial and independent energy saving advice.

Offering products that have a lower environmental impact

Reducing the environmental impact of the products and services that we provide is a key focus area of the environmental pillar of our Responsible Business Strategy. Specifically, we are improving our understanding of the carbon impact of the products and services in the supply chain, when they are in use and at the end of their life. Two of our science-based targets focus on these areas.

We currently highlight products to our customers that contain recycled materials. With the advance of product eco-labels and product carbon footprinting, we expect to be able to expand the types of products we include in this category in future years.

We are continuing to explore with our suppliers opportunities to bring to market products in our standard ranges which provide value to our customers, meet our quality standards and have a substantiated reduced environmental impact compared with alternatives on the market.



SCAN ME
OUR ENERGY EFFICIENT HOME GUIDE

Our energy saving advice for customers can be found on www.wickes.co.uk/ideas-advice/energy-saving-advice

Products that are certified as responsibly sourced

Responsibly sourced means that environmental and ethical issues associated with the raw material sourcing and manufacture of a product have been addressed. There are organisations that have established responsible sourcing certification schemes for specific materials (e.g. wood, copper, cotton) and suppliers can apply for certification to confirm that specific environmental and ethical standards have been met.

Timber-based products remain a significant part of our business (estimated that 35% revenue in 2023 was based on timber-based products). We have continued to focus on ensuring that, where possible, products made of wood or materials derived from wood have received chain of custody certification from one of the two primary global schemes:

- FSC chain of custody certification
- PEFC chain of custody certification

In 2023, 99.79% of our own brand products made of wood or material derived from wood received chain of custody certification (78.44% certified by the FSC, and 21.35% by the PEFC). For the remaining 0.21% of products, whilst these are not fully certified they are still subject to our strict responsibly sourcing requirements.



LOOKING FORWARD

Whilst developing our product ranges that incorporate sustainability attributes, we will continue to closely follow evolving customer trends and understand market developments and Government policy and how that influences behaviour changes and lifestyle choices.

We plan to:

- continue to build our product offer to enable our customers to be more energy efficient and reduce the carbon footprint of their homes;
- explore the role we want to play in the installation of energy efficient products and technologies; and
- expand our information and advice, helping to educate and upskill all of our customer groups on improving the energy efficiency improvement projects and reducing the carbon footprint of their homes.

OUR FOUNDATIONS

SAFETY AND WELLBEING

Everyone home safe and well, every single day.

At Wickes, we believe that nothing is more important than making sure that everyone goes home safe and well every single day. Our aim is to develop and maintain an embedded safety culture, where safety and wellbeing are paramount, led by strong and active safety leaders across our business.

Our safety management framework

Our operations have accountability for ensuring that any risk of harm is identified and controlled, and they are supported by an expert Safety team which oversees our safety management framework and provides safety assurance. Our third line of defence involves assurance activities by both the Safety team and Group Internal Audit. Our model is supported by strong governance, with monthly reporting to the Executive Board on safety performance and reporting to every meeting along with six-monthly deep dives on safety to the Plc Board.

Our Safety policies are supported by operational procedures that ensure that those managing risks understand how to manage them properly, supported by job specific training and reference material on our Safety Management System. We continually seek to reduce the risk of harm in our operations and have a robust reporting and accident investigation process. We take pride in our learning culture, and actively seek to understand how we can do better when things go wrong. Executive Board-led incident review meetings are held for more serious incidents to show our commitment to getting it right and learning from when things go wrong. Through this process, we have led significant improvements in a number of areas, including how we manage workplace transport risks and risks to visitors in all our sites.

OUR THREE LINES OF DEFENCE

1.

Operation

Accountability

Responsible for the implementation of our Safety Policy and standards, and the development of safe procedures

2.

Stay Safe Team

Oversight

Responsible for the development of our safety management framework and the provision of risk assurance to the Wickes Board

3.

Internal/Independent Audit

Assurance

Responsible for the independent validation of our Safety Policy and its implementation



Our progress

In 2023, as well as delivering continuous improvement in the management of our safety risks, we focused on enhancing key parts of our safety management framework. This included establishing managed Risk Registers across the business, improving how we capture safety insights and ensuring a consistent means of safety consultation across our business. Here are some examples of our progress:

- Safety Risk Registers established across our retail, distribution, property and installation teams, enabling the development of risk prioritised improvement plans across our operations.
- A review of our safety consultation processes led to the creation of new safety committees in installation and retail, supported by a safety champion network. These committees promote the engagement of colleagues through consultation and feedback, and will be fundamental to our future safety culture.
- We developed and launched a safety leadership workshop for all our central managers and leaders. This has been rolled out across our operations to ensure all leaders have a consistent message and learning experience, no matter where they work. Over 160 of our leaders were trained in 2023.
- To understand what we need to achieve – an embedded safety culture – we developed an in-house safety culture measurement survey. Using insight from our colleague engagement survey and focus groups across the business, question sets were aligned with industry guides and our own safety culture pillars to produce bespoke operational recommendations to improve our culture. In 2024, these recommendations will be built into our safety improvement plans.

- We embedded a more detailed risk-based Safety Review Programme (audit) that provides more robust assurance on our processes and identifies trends to enable safety improvements both locally and nationally. Where sites have not achieved a satisfactory result, we encourage investigations to identify ways to support managers in improving their standards.
- To ensure the safety of colleagues working around forklift trucks, we delivered a project to identify potential safety solutions and rolled out new controls. All stores have been provided with fixed, extendable barriers, enabling the closing off of work zones to pedestrians. This practice was reviewed by our Safety team across a sample of stores in July and is checked annually as part of safety assurance visits.
- Our Wellbeing network continued to focus on the financial, mental and physical wellbeing of our colleagues. A full programme of planned awareness days was marked with content drawing attention to the many tools and resources that the organisation has to support the wellbeing of colleagues. A partnership was forged with broadcaster Jeff Brazier, supporting the delivery of campaigns during Mental Health Awareness Week and Suicide Prevention Day.
- External recognition of wellbeing excellence continues to grow, with Wickes Store Distribution Centre as a finalist in the category of health, safety and wellbeing at the Northamptonshire Logistics Awards. Wickes was also named as a finalist in two categories in the Great British Wellbeing Awards 2023.

Our performance

In 2023, we expected a levelling out of our safety performance figures following a number of very strong years of pleasing performance on injury reduction. We have seen this in our Accident Frequency rate and our number of lost time incidents, but continue to show strong performance in our reduction of injury numbers across the business. This year we unfortunately saw an increase in the impact of injuries on our colleagues with a significant increase in lost work days (from 845 in 2022 to 1,255 in 2023). Supporting our colleagues back to work safely and with their wellbeing will be a focus for 2024.

14%
reduction of total injuries reported

1.8%
reduction in Lost Time
Accident Frequency rate

2%
increase in hours worked
before a Lost Time Incident

11%
reduction in actual customer accidents

12%
reduction in Reportable incidents

LOOKING FORWARD

We will continue to actively support colleague wellbeing and ensure that our risks are effectively managed, listening to both our colleagues' needs and external requirements.

Our focus will be on our operational risk improvement plans, and the development and maintenance of an embedded safety culture that all our team can be proud of.

In 2024, our focus will be to:

- embed our business wide Risk Registers and safety improvement plans;
- launch a new injury reporting system to enable improved capture of safety data;
- implement the recommendations of our safety culture measurement survey through business wide risk improvement plans;
- deliver a simplified risk assessment schedule to support effective communication of risk management to front line colleagues;
- continue our successful relationship with West Northamptonshire Council to gain assurance on key elements of our safety management framework; and
- deliver four Wellbeing campaigns with the support of our Wellbeing Ambassador, Jeff Brazier.

Governance

Business ethics

Wickes is committed to conducting our operations honestly, responsibly and with integrity. We have a Code of Business Ethics (the 'Code') that applies to all our colleagues, which we updated in 2023. All our colleagues receive e-learning training on our Code, which is at the heart of how we run our business. In addition, we have policies which support the Code for all key regulatory areas, including Competition Law, Advertising, Anti-Bribery and Corruption, Anti-Money Laundering, Corporate Criminal Offence, Consumer Duty, Market Abuse and Anti-Fraud. Colleagues working in relevant areas of the business or in higher risk roles also complete bespoke e-learning on these key regulatory subjects.

We are committed to engaging colleagues on business ethics and regulatory matters in a practical and relevant way, and have a calendar of communication activity in place to ensure colleagues are both clear on the standards we expect and know what to do if they are concerned something is wrong. We operate a confidential and independent whistleblowing service with update reports provided to the Executive team and the Plc Board on a regular basis.

Anti-Bribery and Corruption Policy

We are committed to the highest standards of ethics and have a zero-tolerance approach to any form of bribery and corruption in our business and supply chain. We operate an anti-bribery programme which is built around a clear understanding of how and where bribery risks affect our business and comprises key controls of: policies (including anti-bribery and corruption, gifts and hospitality, and conflicts of interest); procedures (such as conducting due diligence on suppliers); training all colleagues 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 service. All reports are thoroughly investigated and the Plc Board receives reports at least annually on any breaches of policy.

Anti-Fraud Policy

We have an anti-fraud policy in place and take a zero-tolerance approach to any activity which either amounts to fraud or is dishonest. All colleagues are required to complete an annual training module on fraud and due diligence is completed on third parties before contracting with them. We encourage colleagues to report any suspected incidents of fraud or dishonest behaviour either through line management or through our independent, anonymous whistleblowing service. We will continue to review and develop our anti-fraud policy, processes and monitoring to meet legislative requirements.

Human rights and modern slavery

Wickes is committed to respecting all internationally recognised human rights, standards and legislation relevant to our operations. Our Human Rights Policy sets out how we uphold human rights by identifying our areas of responsibility and taking relevant action.

We recognise the harmful impact that modern slavery has on individuals and society, and we are committed to help prevent these illegal practices. Our Modern Slavery and Human Trafficking Policy sets out our zero tolerance approach to any form of forced, bonded or involuntary labour, human trafficking, child labour, and other kinds of slavery and servitude within our own operations or within our supply chain.

Our biggest risk of modern slavery is in our supply chain. We are committed to upholding human rights and promoting positive working conditions and practices throughout our supply chain, and we commit to meet the principles of the Ethical Trade Initiative (ETI) Base Code. We aim to work

collaboratively, and to create an environment that enables transparency throughout the supply chain. We promote our Whistleblowing Helpline to our suppliers for them to report concerns. We are a member of SEDEX, a leading platform that supports the management and improvement of working conditions in supply chains, and we require all suppliers providing Wickes own branded products to undertake and deliver an acceptable ethical audit before we begin trading.

Data security and privacy

We recognise that the availability and security of our systems and the safeguarding of data are critical for Wickes to operate successfully. Across the year, we have continued to improve our security controls to prevent, detect and mitigate unauthorised activity, and have invested in both our privacy and information security teams to achieve this.

We have a clear governance framework in respect of data security and privacy, which is overseen by a dedicated data and information security committee, which meets regularly throughout the year.

During the year, new cyber security training was rolled out to all colleagues to sit alongside existing data privacy training. This training was supported by an ongoing awareness and communication programme, including phishing tests, to keep colleagues informed and aware of data privacy and cyber security risks in a practical and relevant way.

As we continue to invest in new technology going forward and decommission old systems, we are adopting a 'Privacy by Design' approach to ensure data security and privacy are appropriately embedded into the design at the outset and throughout the life cycle. We comply with PCI-DSS (independently audited annually by Blackfoot Cyber Security) and as part of our Cyber Security Strategy, we are working towards alignment with ISO 27001 and we plan to consider seeking certification in the future.

Responsible Sourcing, Products and Packaging

Responsible sourcing and supplier engagement

Our Responsible Sourcing Policy ensures that we source products and partners responsibly and set minimum standards across our supply chain. This approach is intended to meet all relevant legislative requirements, as well as to provide confidence for our customers and stakeholders that Wickes is a trusted partner and retailer.

We ensure that our suppliers demonstrate and share similar values to our own, especially in the areas of labour standards, health and safety, environment, business ethics and product quality. These values make up the five pillars of our Supplier Manual, and we have made a series of commitments to establish these principles throughout our supply chain. Our Supplier Manual for Goods for Resale (GFR) and Our Commitments for Goods Not for Resale (GNFR) can be found on our www.wickesplc.co.uk website.

We have continued to enhance and deliver our Supplier Online Risk Assessment (SORA) programme throughout 2023 with significant IT development for all current GFR suppliers. This activity will continue as a priority into 2024 when GNFR will also be assessed. This process helps us to better understand the risks within our supply chain and educate and improve our supplier base. We regularly review the outcomes of the SORAs and report these to the Executive Board annually. We review our minimum standards each year to make sure that our policy remains fit for purpose. In 2023, we completed 25 in-person verification visits with key suppliers in India, South Africa and China.

Product quality and safety

Wickes aims to source only products that are safe and fit for purpose, and meet or exceed our customers' expectations. We require each product that enters our supply chain to comply with all applicable legislation.

We recognise the concerns of safe use, content and labelling of chemicals. We actively abide by all UK legislation to reduce the impact of substances of concern and, where possible, use a suitable alternative. Wickes has committed to identifying any products that are supplied to us that contain any substances of very high concern (SVHCs), explosives precursors or poisons, and we take steps to replace any products that contain restricted substances or SVHCs with suitable alternatives.

We require our suppliers to ensure that products supplied to Wickes are free of any banned substances and compliant with any restrictions detailed by the UK Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations. We also ensure that all paint and varnish products that we sell are compliant with volatile organic compound (VOC) regulations.

When Chromium 6 is used to chrome-plate steel products, it can be responsible for negative health effects during the production process. We are behind with our target to remove Chromium 6 in the production of Wickes own brand products by the end of 2023. We expect to become Chromium 6 free in the production of all our own brand products in 2024.

Packaging

In 2023, we published our first Packaging Materials Policy. This sets out our requirements that will enable us to meet our targets to improve the recycled content and recyclability of packaging used on Wickes branded products. We are members of the On-Pack Recycling Label (OPRL) scheme, and we encourage all suppliers to sign up to the scheme and use the labels on their products.

We committed to eliminate all unnecessary packaging across our business by 2023. In practice, this has meant reducing, removing and replacing plastic where possible. We have assessed all packaging on our Wickes branded products and we have removed all unnecessary plastic packaging. We have eliminated all other plastics in our own brand packaging, resulting in the removal of 115 tonnes (annually) of plastic packaging, which is a reduction of 7% like-for-like volume compared with 2022. Any new packaging introduced is as minimal as possible.

We are on track to meet our two packaging improvement targets by the target date:

- 100% of our own brand packaging to be reusable or recyclable by 2025. To achieve this, we are removing and replacing polystyrene and PVC packaging. PVC has been reduced by 67% in 2023 compared with 2022 total weight, and we continued to proactively remove polystyrene throughout 2023.
- 50% of our customer plastic and paper packaging to come from recycled materials by 2025. In 2023, 42.7% of our plastic packaging was sourced from recycled plastics (2022: 36.4%) and 44.8% of our paper-based packaging was sourced from recycled paper (2022: 40.9%).



Sustainability Accounting Standards Board disclosure

Multiline and Specialty Retailers & Distributors Sustainability Accounting Standard (version 2023-12)

Accounting metric	Category	Unit of measure	Code	2023 response
Energy Management in Retail & Distribution				
(1) Total energy consumed	Quantitative	Gigajoules (GJ)	CG-MR-130a.1	575,978
(2) Percentage grid electricity		Percentage (%)		27% * 2022 SASB disclosure updated – 44.5% grid electricity for 2022
(3) Percentage renewable		Percentage (%)		83%
Data Security				
Description of approach to identifying and addressing data security risks	Discussion and analysis	n/a	CG-MR-230a.1	Refer to 'Data security and privacy' section on page 54.
(1) Number of data breaches	Quantitative	Number	CG-MR-230a.2	We report breaches where appropriate to the relevant regulatory authorities but we do not currently include this in our public reporting.
(2) Percentage involving personally identifiable information (PII)		Percentage (%)		
(3) Number of customers affected		Number		
Labour Practices				
(1) Average hourly wage	Quantitative	Reporting currency	CG-MR-310a.1	We use this internally, but we do not currently include this in our public reporting.
(2) Percentage of in-store employees earning minimum wage, by region		Percentage (%)		We use this internally, but we do not currently include this in our public reporting.
(1) Voluntary turnover rate for in-store employees	Quantitative	Rate	CG-MR-310a.2	We use this internally, but we do not currently include this in our public reporting. We report voluntary turnover rate for all employees: 23%
(2) Involuntary turnover rate for in-store employees		Rate		We use this internally, but we do not currently include this in our public reporting.
Total amount of monetary losses as a result of legal proceedings associated with labour law violations	Quantitative	Reporting currency	CG-MR-310a.3	We use this internally, but we do not currently include this in our public reporting.
Workforce Diversity & Inclusion				
Percentage of gender representation for: (1) management; and (2) all other employees	Quantitative	Percentage (%)	CG-MR-330a.1	% of females: (1) 34.62% (management levels M3+); (2) 40.05%
Percentage of racial/ethnic group representation for: (1) management; and (2) all other employees		Percentage (%)		% of ethnic group representation: (1) 11.54% (management levels M3+); (2) 12.87%
Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Quantitative	Reporting currency	CG-MR-330a.2	We use this internally, but we do not currently include this in our public reporting.
Product Sourcing, Packaging & Marketing				
Revenue from products third party certified to environmental and/or social sustainability standards	Quantitative	Reporting currency	CG-MR-410a.1	We use this internally, but we do not currently include this in our public reporting.
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and analysis	n/a	CG-MR-410a.2	Refer to 'Product quality and safety' section on page 55.
Discussion of strategies to reduce the environmental impact of packaging	Discussion and analysis	n/a	CG-MR-410a.3	Refer to 'Packaging' section on page 55.
Activity metrics				
Number of: (1) retail locations; and (2) distribution centres	Quantitative	Number	CG-MR-000.A	(1) 229 stores; (2) 2 Distribution Centres
Total area of: (1) retail space; and (2) distribution centres	Quantitative	Square metres (sq m)	CG-MR-000.B	(1) 706,964sq m (7,635,067sq ft); (2) 86,759sq m (933,873sq ft)

Climate-related financial disclosures

Compliance Statement

We have set out below our climate-related financial disclosures as required by the Companies Act 2006. This also constitutes our response to the recommendations and recommended disclosures of the Task Force on Climate-related Financial Disclosures (TCFD).

TCFD Consistency Index

This index table signposts to where disclosures are included in the 2023 Annual Report and Accounts. Our disclosures are consistent with the TCFD's 4 recommendations and 11 recommended disclosures.

TCFD recommended disclosures	Companies Act 2006	Pages
1. Governance		
(a) Describe the Board's oversight of climate-related risks and opportunities.	(a) A description of the company's governance arrangements in relation to assessing and managing climate-related risks and opportunities.	58-59
(b) Describe management's role in assessing and managing climate-related risks and opportunities.		
2. Strategy		
(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	(d) a description of: <ul style="list-style-type: none"> (i) the principal climate-related risks and opportunities arising in connection with the company's operations; and (ii) the time periods by reference to which those risks and opportunities are assessed. 	60-61
(b) Describe the impact of climate-related risks and opportunities on the organisation's business strategy, and financial planning.	(e) A description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's business model and strategy.	62
(c) Describe the resilience of the organisation's strategy , taking into consideration different climate related scenarios, including a 2°C or lower scenario.	(f) An analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios.	63
3. Risk management		
(a) Describe the organisation's processes for identifying and assessing climate-related risks .	(b) A description of how the company identifies, assesses, and manages climate-related risks and opportunities.	63-64
(b) Describe the organisation's processes for managing climate-related risks .		
(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management .	(c) A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management process.	64
4. Metrics and targets		
(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	(h) A description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based.	64-65
(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions , and the related risks .	No additional requirements in the Companies Act. Covered by existing SECR disclosures.	66
(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets .	(g) A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.	66

Response to TCFD recommended disclosures continued

Summary overview of progress in FY2023

In our last Annual Report, we recognised that we needed to undertake further work to demonstrate how we are assessing and integrating climate risks into business strategy and financial planning. To strengthen our approach, we have done the following:

Governance:

- Provided more detailed updates to the Board via the relevant Board Committees and formalised the relative responsibilities of the Responsible Business Committee and the Audit and Risk Committee in relation to climate-related matters.

Strategy:

- Considered the risks and opportunities of energy efficient and low carbon products and services as part of the Board Strategy Meeting.
- Demonstrated how achieving the near-term science-based targets has been factored into the five year (2024-2028) business plan.

Risk management:

- Evolved our approach to assessing climate-related risks from an indicative assessment of risk to integrating climate-related risks into the Company's wider risk management process, including aligning the assessment of financial materiality with other, non-climate-related risks.
- Engaged with key stakeholders in the business to review existing and identify potential climate-related risks and opportunities prior to assessing materiality.

Metrics and targets:

- Included climate-related targets in the 2023-25 Long-Term Incentive Plan.
- Developed a wider range of metrics to monitor climate-related risks and opportunities.

Agreed areas of focus in FY2024

The Board has agreed with the Responsible Business Committee's recommendations that management focus on these areas in the next year:

Governance:

- Quarterly reporting to the Executive team and the Responsible Business Committee with progress delivering our near term science-based targets.

Strategy:

- Further modelling of significant climate-related risks and opportunities to further understand the existing and future materiality for the business.
- Develop a Climate Transition Plan, to provide more detail on how we intend to achieve the net zero targets, how we plan to respond to climate-related risks and opportunities, and how we expect to position ourselves to support the UK economy wide transition.

Risk management:

- Review our disclosures against the International Sustainability Standards Board's (ISSB) International Financial Reporting Standards (IFRS) S1 and S2 in anticipation of these standards forming the basis of the reporting framework for mandatory climate-related financial disclosures in the UK.

Metrics and targets:

- Expand our internal monitoring to include more climate-related metrics and integration of these metrics into relevant decision making.

1. Governance

1a) Board oversight

The Board has ultimate responsibility for setting the Group's strategy, including how the strategy addresses ESG matters, including climate-related issues.

The Board has delegated responsibility for ESG matters, including climate-related matters, to the Responsible Business Committee (RBC) and receives updates from the Committee on its work following each meeting. The Board considers climate-related issues when reviewing and guiding strategy, budgets and business plans – for example, at the Board Strategy Meeting held during the year, the Board considered climate-related risks and opportunities when reviewing and guiding the business strategy, in particular in the context of the Group's market driver to make UK homes more energy efficient.

The RBC is a formal committee of the Board chaired by a Non-executive Director. Its primary purpose is to oversee the development of Wickes' Responsible Business Strategy and monitor the Company's performance in relation to material ESG matters (including climate-related issues). The CFO, General Counsel and Company Secretary, and Head of Sustainability attend all RBC meetings to provide regular updates on climate-related issues and alignment with climate-related financial disclosure requirements. More information on the RBC can be found in the Responsible Business Committee Report on pages 107-110.

The RBC's duties include overseeing the Group's ESG conduct, and this includes climate-related issues, which are a regular agenda item for the Committee. The RBC monitors and oversees

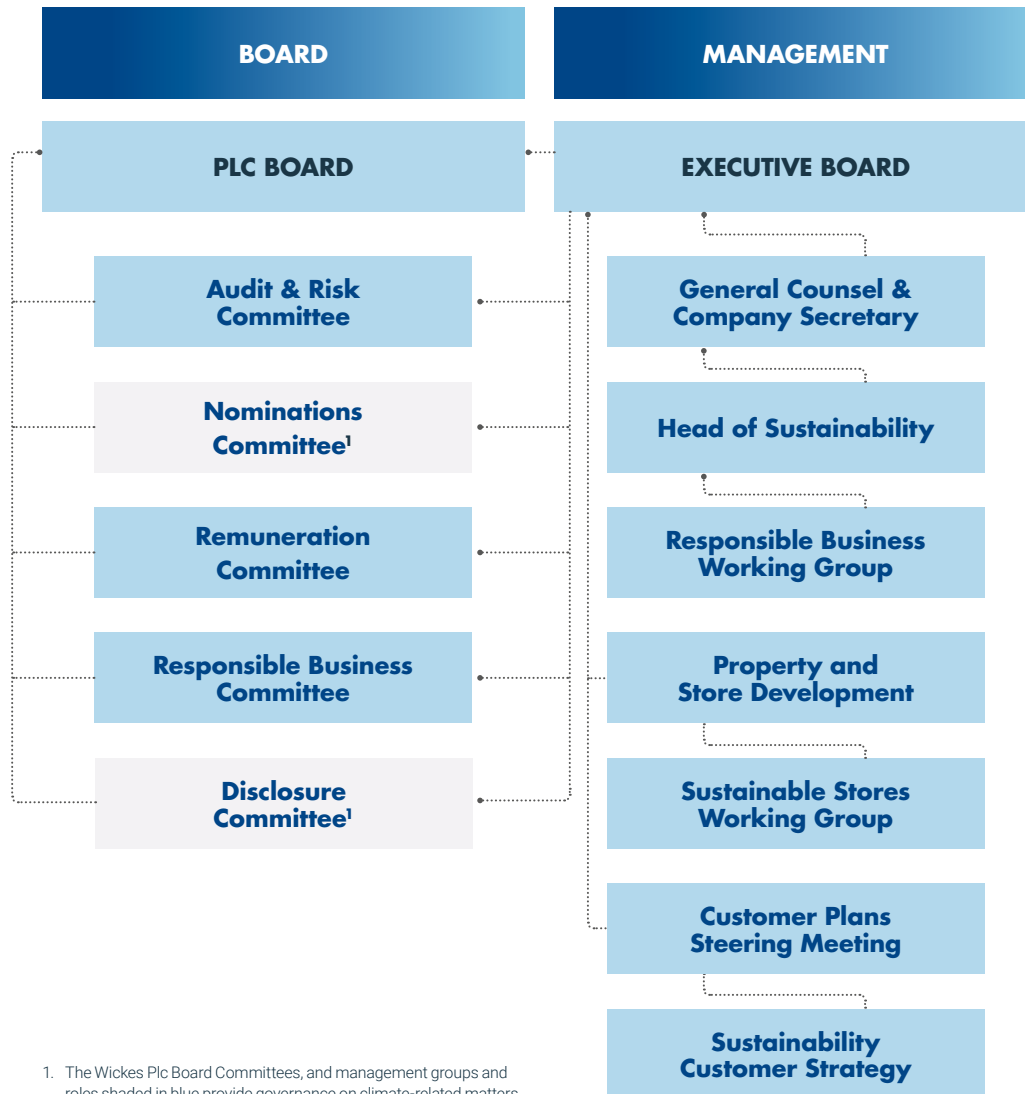
progress against the Group's carbon reduction goals and targets and for addressing climate-related risks and opportunities by reviewing and discussing the reports presented by roles in the business who are responsible for overseeing delivery of the science-based targets (e.g. Head of Sustainability), and for delivering specific carbon reductions (e.g. roles within property and distribution teams). The reports also cover progress against targets and plans, highlighting any operational or financial impacts.

In 2023, the RBC met four times. The agenda for the year is planned in advance to ensure that appropriate attention is paid to climate-related matters. One Committee meeting during the year was dedicated to understanding the evolving reporting landscape for climate-related financial disclosures, reviewing the Company's plans to meet the mandatory disclosures and reviewing significant climate-related risks and opportunities.

During the year, the RBC monitored progress against the near term science-based targets through detailed updates, and updated the Board on discussions after each Committee meeting via the meeting minutes. Going forward, the RBC will be updated each meeting on progress via a quarterly dashboard, and the RBC will feed back to the Board progress against targets on a regular basis by tabling the RBC minutes.

In 2023, we formalised the relationship between the RBC and the Audit and Risk Committee (ARC) in relation to their respective climate-related duties, and updated the respective Terms of Reference to reflect this. The RBC is responsible for reviewing the Company's climate-related risks and opportunities, and content included in the Annual Report that meets the TCFD recommendations and

Governance of climate-related issues



1. The Wickes Plc Board Committees, and management groups and roles shaded in blue provide governance on climate-related matters.

recommended disclosures. The RBC makes recommendations to the ARC in relation to the inclusion of climate-related risks in the Company's principal and emerging risk disclosures, including the assessment of financial materiality. The ARC is responsible for reviewing the recommended climate-related disclosures, as well as (at least annually) carrying out a robust assessment of the Company's emerging and principal climate-related risks, taking into account recommendations from the RBC.

The Remuneration Committee also approves and monitors performance against the near term science-based targets, including using key performance indicators relating to the targets, which form part of the Long Term Incentive Plan. More information on these targets is provided in the Metrics and Targets section on pages 64-66. No other climate-related targets have been set by the Board during the year.

The Board Committees that have formal responsibilities related to climate issues are highlighted in the diagram, along with the reporting relationship between the Committees and the Plc Board, as well as management.

1b) Management's role

The CEO reports directly to the Board and has overall responsibility for ESG and the Company's response to climate-related issues. The General Counsel and Company Secretary is the nominated Executive Board sponsor, reporting into the CEO and supporting him to oversee the Company's approach to ESG matters. The Head of Sustainability reports directly to the General Counsel and Company Secretary, and is responsible for coordinating the Company's approach to assessing, monitoring and managing climate-related matters. The Head of Sustainability also supports our Group Finance team to integrate climate-related financial information into financial and risk business processes where appropriate.

Responsibility for achieving the SBTi validated science-based targets sits with the appropriate Executive functional lead; the Chief Operating Officer is responsible for the delivery of the Scope 1 and 2 science-based target; and the Chief Commercial Officer is responsible for the delivery of the Scope 3-related science-based targets. In addition, the Executive Board monitors store electricity and gas performance, reported through the Company's balanced scorecard each month. Department specific initiatives are overseen by the Executive Board, ensuring climate-related decision making is integrated across the business.

The Executive Board is regularly updated by the Head of Sustainability and operational leads (who are members of the Responsible Business Working Group, RBWG) on progress towards achieving the near term science-based targets and progress of the workstreams to assess and manage climate-related risks and opportunities.

The refit and new store programme is an important part of delivering the Company's Scope 1 and 2 targets to decarbonise its estate. Improvements such as installing solar panels, as well as utility and energy costs and contracts are overseen by the Property & Store Development Board, which is chaired by the Chief Operating Officer.

The RBWG has members from key roles across the business who are responsible for delivering the Company's sustainability targets, and is chaired by the Head of Sustainability. The RBWG tracks the delivery of climate-related targets and initiatives, along with the other sustainability targets, across the business, through monthly meetings. The Head of Sustainability reports on progress of the overall Responsible Business strategy, and the delivery of the targets to the Executive Board and the RBC on a regular basis.

2. Strategy

2a) Climate-related risks and opportunities identified

In 2023, we updated the time horizons we use to reflect rolling time periods.

- **Short term:** 1-5 years. This time horizon was selected because it aligns with the Company's five-year business planning cycle.
- **Medium term:** 5-15 years. This time horizon was selected because the typical length of lease for the Company's property estate falls within the time period of up to 15 years.
- **Long term:** 15-30 years. This time horizon was selected because it aligns with the UK Government's net-zero by 2050 target, and also includes the British Retail Consortium's net zero by 2040 goal which the Company has aligned with.

Following the identification and assessment process set out in the Risk management section on pages 63-64, we identified seven thematic categories of potentially significant climate-related risks and opportunities:

- Two physical risks that could significantly impact the business in a High Physical Impact Scenario (4°C) emissions scenario, where the business and its value chain is operating in chronic changes to local climates, and an increase in the frequency and severity of extreme weather events.
- Four transitional risks and one transitional opportunity that could significantly impact the business in a Rapid Transition Scenario (1.5°C), where the business is operating in a rapid transition to achieve net zero by 2050 resulting in progressive government policies, market pressures from competitors and landlords, reputational impacts from investors, and impacts where technology is not keeping pace with the decarbonisation changes required.

The scenarios we have used are discussed further in Section 2c Resilience of the business's strategy.

A description of how each thematic risk category could materialise is provided here. For consistency, risks and opportunities that were included in our FY2022 disclosures as potentially significant have been reviewed and incorporated into these high-level categories.

Potentially significant physical risks and opportunities

We have explored chronic risks to our business and supply chain operations, such as sea level rises, temperature changes, and water stress.

We have also explored acute physical risks such as which of our properties are in long term flood risk areas, and how heatwaves impact our operations. Potential risks to the business from a High Physical Impact Scenario (4°C) can be split into risks to the operation of the business and risks to our supply chain.

PR1 – Acute physical risk: Operations

Our distribution network is reliant on: the operation of our two main Distribution Centres which are located in Northampton, and an outbase in Crawley; and our road-based logistics operation that delivers products to stores and customers' homes.

An increase in the severity and frequency of extreme weather events could disrupt the operation of our Distribution Centres and result in a negative impact on our ability to serve our customers and stores, potentially significantly impacting our business. The most likely weather event that increases with frequency and severity in a High Physical Impact Scenario (4°C) is localised surface water flooding as a result of a storm or heavy rainfall. Our Distribution Centres are not located in an area at risk of rising sea levels.

The risks to individual stores from a climate-related incident, such as a storm, or from rising sea levels are not deemed to have a significant business impact. This is because it is unlikely that a significant number of stores would be impacted at the same time to the extent of having to cease trading over a prolonged period. On the one occasion in 2023 where we had to close a store due to a severe weather-related event, we were able to reopen the store within a week. In addition, we are predominantly leaseholders, and so over the medium to long term time horizon we can assess how to reduce our risk further by store relocations at lease renewal time, if necessary.

PR2 – Chronic and acute physical risk: Supply chain

Chronic and acute climate changes could impact our supply chain, most notably the impact of water stress and climatic changes on our timber supply chain. We commissioned a scenario analysis in 2022 looking at the risks to our supply chain from water availability, which suggested that key parts of our supply chain are dependent on industries which are vulnerable to water availability (e.g. paper and forest, chemicals). The supply chain and strategic impacts to the business are uncertain over the long term, and require additional data to assess.

We have regular discussions with our strategic timber suppliers on how they are assessing and managing the risk of the changing climate in their locations. We understand that they are looking at adaptation measures to chronic risks, which might involve switching tree species, as well as acute risks by relocating plantations to areas with lower risk. As a retailer, we are agile in being able to switch to alternative suppliers and work with our suppliers to identify materials (including different timber species) which are more reliant.

Potentially significant transition risks and opportunities

We have explored potential transition risks for our business in a Rapid Transition Scenario (1.5°C), including policy and legal, technology, market, and reputational risks. The risks that we have identified are broadly applicable to the home improvement retail sector operating in the UK with a global supply chain, and not unique to Wickes.

TR1 – Policy and legal transition risk: Carbon pricing and broader policy requirements

In 2022, we commissioned a scenario analysis of the business's potential exposure to future carbon pricing mechanisms. This concluded that under a Rapid Transition Scenario our suppliers in carbon intensive industries could be subject to high carbon prices by 2030. Whilst we don't underestimate the potential impact of carbon pricing on the products we sell, we recognise the impact will be across our entire sector and, whilst we would look to mitigate the impact on our customers, where this is not possible sector pricing would adjust accordingly. We will continue to maintain a watching brief on future carbon pricing forecasts as well as the UK's forthcoming consultation on a Carbon Border Adjustment Mechanism, and update our modelling when these forecasts are more certain.

The risk of policy changes that could impact the products and services for the low-carbon transition is covered in T01 – Market transition risk: Products and services for the low-carbon transition. Looking across all of the products we sell, there is a risk to our suppliers from other policies in a net zero scenario that aim to reduce emissions from carbon intensive sectors. Greenhouse gas emissions produced during the manufacture of the products that we sell currently represent around 65% of our footprint. Decarbonising our supply chain, and moving away from fossil fuels as an ingredient in carbon-based products, is a significant challenge

to us meeting our long term net zero goal. We will continue to monitor policy developments which could impact the production or sale of these products, as well as changing market and consumer expectations for increased transparency on product specific carbon labelling.

TR2 – Technology transition risk: Decarbonising the fleet

The Wickes fleet is made up of mostly heavy goods vehicles. The direct replacement of diesel with hydrotreated vegetable oil (HVO) was discussed in the FY2022 Annual Report as a technologically feasible option to decarbonise our fleet. Throughout the year, we have maintained a watching brief on the cost and availability of the HVO in the UK, and we have seen that costs of HVO have on average been 20-30% higher than diesel costs, and availability of responsibly sourced HVO has not been consistent. In the roadmap to achieve net zero, we will continue to improve the efficiency of our fleet, and work with our logistics partners to identify technologies that result in lower emissions, but that also ensure reliability. The route to decarbonising our fleet remains high risk as the technology for HGVs remains uncertain and is currently cost prohibitive. As a retailer, we are transparent with our customers on the delivery costs, and switching to a significantly more costly alternative could negatively impact the business commercially.

Installing electric vehicle charging across the estate will be required to support the switch of the company car and grey fleets to low- and zero-carbon emissions vehicles. The same chargers could also provide destination electric vehicle charging for customers to encourage

footfall at stores, as well as support the wider transition of the UK economy to electric vehicles. The associated increased electricity demand is a risk to the roadmap to decarbonise the estate and in some cases may require additional electricity generation to be installed.

TR3 – Market transition risk: Decarbonising the estate

The roadmap to decarbonise our property estate is centred around transitioning away from gas heating, improving energy efficiency and switching to the supply of renewable electricity (grid and on-site generation). In April 2023, the Company switched to a renewable electricity contract for all grid-sourced electricity used across the estate. To mitigate the risk of increasing costs from renewable sources, the business is also installing on-site solar power generation where this has been assessed as structurally feasible, and has a commercially favourable purchase power agreement with the respective landlord.

Installing new or replacement assets that are more energy efficient or enable the transition away from gas heating (such as air source heat pumps) is technically feasible and relatively low operational risk. The forecast capital expenditure to progressively deliver the asset replacements is afforded within the Company's strategic five-year plan. The risk to the business is increasing costs of new equipment due to inflation and increased demand.

TR4 – Reputational transition risk: Increased scrutiny from Shareholders on delivering net zero

We recognise that it is important to our current and future Shareholders that we contribute to meeting the global transition to net zero, and specifically that we play our part to achieve the UK

Government's net zero goal. We are committed to continuing to improve our disclosures over time in line with reporting standards in order to build trust through increased transparency, and we recognise that failure to meet Shareholders' (and other stakeholders') expectations could impact our access to capital.

Feedback from our current investors through the year confirms that the home improvement retail sector is not considered to be a highly exposed sector to climate-related risks. Furthermore, our SBTi-validated near term science-based targets give assurance that we are aligned to a 1.5°C pathway. We will continue to review this potentially significant risk each year, to ensure that we are maximising our ability to access capital.

TO1 – Market transition opportunity: Products and services for the low-carbon transition

In our last Annual Report, we discussed the market opportunity to supply products and services that are required for the UK to meet its net zero target.

In 2022 and 2023, we commissioned indicative analyses to look at the potential market opportunity in a Rapid Transition Scenario (1.5°C), which concluded that there is a significant opportunity for our business to expand our product ranges to include heat pumps, electric vehicle chargers and solar panels. The UK Government policy that supports the transition of decarbonising the UK's homes was revised in autumn 2023. The change in timescales to phase out certain types of products (e.g. gas boilers) has created uncertainty with our customers, our suppliers and the business on the future policy direction of the Government.

Alongside expanding our product ranges, there is a transition risk from the potential phase-out of a small number of ranges that we currently sell. In a Rapid Transition Scenario, this assumes no new gas boilers sold after 2025. In the UK, the policy to phase out gas boilers entirely has been revised to reduce installations in domestic properties by 80% by 2035.

We do not stock significant numbers of product ranges that could be at risk of being phased out in the journey to decarbonise homes (for example gas boilers). Therefore, we consider overall that products and services for the low-carbon transition represents a net opportunity to the business.

Response to TCFD recommended disclosures continued

2b) Impact of climate-related risks and opportunities

Recognising the impact of climate change on our business, in the near, medium and long term, resulting in the potential of rising costs, the Group robustly considers the actual and potential financial impacts on our business, our strategy and our financial planning. Where possible, the Group looks to mitigate cost pressures through procurement efficiencies or, in the case of operational costs, to reduce consumption where possible.

Given our budgets and strategic financial plans are underpinned by two significant focus areas – namely (a) going concern/viability and (b) store and investment impairment – we have considered these factors carefully and set out in the table below our assessment of the potential business and financial impact of potentially material climate-related risks. We have not assessed the financial impact related to TR4 – increased scrutiny from Shareholders (current and future)

on delivering net zero, as we consider it to be an unlikely event that the business does not meet its near term science-based targets. We will continue to keep this under review.

In addition to the short summary below of our strategic response, management controls and mitigation measures, further information on how these risks and opportunities have informed our financial planning process can be found in section 2a).

Potential impact of principal climate-related risks

Thematic climate-related risk categories	Risk or opportunity	Potential business impact	Potential financial impact	Scale of financial impact (high/medium/low/uncertain) ¹			Climate scenario	Strategic response	Management controls and mitigation measures
				Short term 1-5 years 2024-2028	Medium term 5-15 years 2029-2038	Long term 15-30 years 2039-2053			
PR1 – Extreme weather-related events impacting operations	Acute physical risk	Operations	Expenditure Revenue	Low	Uncertain	Uncertain	High Physical Impact Scenario (4°C)	<ul style="list-style-type: none"> Continue leasehold model for property estate with 10- to 15-year lease agreements. Continue distribution strategic approach to work with expert logistics providers to prepare for and respond to any potential disruption in distribution network. Commission long term flood risk assessment of Distribution Centres in High Physical Impact Scenario. 	<ul style="list-style-type: none"> Business continuity plans for distribution and stores Leasehold model, and long-term flood risk assessed when reviewing new sites and regears. Distribution strategy is developed, implemented and monitored by the Distribution team in Operations.
PR2 – Chronic climatic changes and acute weather events impacting supply chain	Acute and chronic physical risks	Products and services Value chain	Expenditure Revenue	Low	Low	Uncertain	High Physical Impact Scenario (4°C)	<ul style="list-style-type: none"> Continue to partner with strategic suppliers to understand risks in operating regions and discuss mitigating actions. 	<ul style="list-style-type: none"> Impacts to higher risk and strategic suppliers are monitored by key teams within Commercial, including the Responsible Sourcing and Quality team, and Category teams.
TR1 – Carbon pricing and broader policy requirements	Policy and legal transition risk	Products and services Value chain	Expenditure Revenue	Uncertain	Uncertain	Uncertain	Rapid Transition Scenario (1.5°C)	<ul style="list-style-type: none"> Monitoring relevant policy developments. Focusing on delivering decarbonisation targets. 	<ul style="list-style-type: none"> Climate-related policy developments (including carbon pricing) monitored by the Head of Sustainability through the Environmental Management System legal horizon scanning process.
TR2 – Decarbonising the fleet	Technology transition risk	Operations	Expenditure	Low	Low	Low	Rapid Transition Scenario (1.5°C)	<ul style="list-style-type: none"> Engaging on long term decarbonisation strategy of main transport providers. Defining business case for potential low and zero-carbon emissions fleet options. 	<ul style="list-style-type: none"> Plan to decarbonise the fleet is developed, implemented and monitored by the Distribution team in Operations.
TR3 – Decarbonising the estate	Market transition risk	Operations	Expenditure	Low	Low	Low	Rapid Transition Scenario (1.5°C)	<ul style="list-style-type: none"> Monitoring energy usage and GHG emissions of stores. Exploring emission reduction opportunities in stores. Monitoring relevant policy discussions on Minimum Energy Efficiency Standards and green leases. 	<ul style="list-style-type: none"> Plan to decarbonise the estate is developed, implemented and monitored by the Property team in Operations, governed by the Property and Store Development Board, and supported by the Sustainable Store Working Group.

¹ Refer to section 3a) for definitions.

2c) Resilience of the business strategy

We have used two extreme scenarios to stress test our business model and strategy. These are set out below. By choosing these scenarios, we have sought to identify and understand the risks and opportunities that could arise for our business and strategy, supply chain and wider economy that we operate in, to ensure that we anticipate and prepare for these extremes. We believe that it is likely that the future will fall somewhere between these two scenarios. These are the same scenarios that we used to inform our 2022 disclosures and are commonly used by industry.

Rapid Transition Scenario (1.5°C)

The International Energy Agency's Net Zero Emissions by 2050 Scenario (NZE). This scenario is a normative (or prescriptive) demand-led transition scenario that shows a pathway for the global energy sector to achieve net zero CO₂ emissions by 2050. It is consistent with limiting the global temperature rise to 1.5°C and achieving the Paris Agreement. In this scenario, businesses will be impacted by significant policy changes and the scenario assumes stringent climate policies and carbon pricing, rapid technological innovation and changing consumer expectations.

High Physical Impact Scenario (4°C)

The Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 8.5 scenario projects the most likely climate outcomes associated with a trajectory where global emissions continue rising at current rates, leading to a potential temperature increase of 4°C by 2100. In this scenario, businesses will be impacted by extreme climate change, and the scenario assumes severe impacts of extreme weather events worldwide, and shifting weather and climate patterns.

In 2023, we explored how these potentially significant climate-related risks and opportunities might influence our business strategy and financial planning at a high level. (See 'Potential financial impact' column in the table on page 62). Based on our latest assessment of the potential financial impacts of the significant risks and opportunities following the process we set out in Section 3, Risk management, we consider our current business strategy to be resilient to these two extreme climate-related scenarios.

Our market-led strategy means that we identify what customers want and adapt quickly with short lead times and product holding times.

We have established partnerships with strategic suppliers that allow us to understand their risks and mitigation plans, and we can also adapt where appropriate through a global agile and flexible supply chain model. Although a few of our key home improvement product ranges are currently emissions intensive during the manufacturing phase (e.g. cement, paint), we are not dependent on these and we are encouraged by the commitments from these sectors to meet net zero. Any inflationary effects of carbon pricing will impact all home improvement retailers, and therefore our business will remain competitive, whilst we continue to work with our suppliers to reduce carbon emissions across the life cycle of the products we sell.

We do not have a major reliance on products which are powered by fossil fuels (such as gas boilers) and therefore we are not significantly exposed to planned Government phase-outs. We sell a relatively small proportion of electric powered products. Using the most conservative updated pathway for UK grid decarbonisation from National Grid (FES – Falling short), we are on track to meet our near term targets to reduce these emissions.

Our property strategy is leasehold, with an average length of 11 years. This gives us flexibility with our property estate to locate in areas which are lower risk from extreme weather, for example surface water flooding. In a rapid transition scenario, as a DIY retailer we are not significantly energy intensive, and technology is readily available to support the decarbonisation of our estate. Our fleet strategy is also leasehold and we are working with our partners to understand the future of low-emissions road logistics, which is not a unique challenge to our business.

3. Risk management

3a) Processes for identifying and assessing climate-related risks

Identification

Risks and opportunities are identified at the Group level and apply to the activities of the main trading subsidiary of the Group; Wickes Building Supplies Ltd. There are no operational activities undertaken by any other subsidiary of the Group.

Each year, we undertake an exercise with key internal stakeholders to review the list of existing climate-related risks and opportunities as well as identifying any potentially new risks and opportunities arising due to changes in the business, or external changes. This creates a longlist of climate-related risks and opportunities. This identification exercise also considers existing and emerging regulatory requirements related to climate change in the UK, where the business operates.

Assessment

We then screen the longlist of climate-related risks and opportunities, across each time period as set out in section 2a), to assess the potential significance to the business. For each risk and opportunity, we looked through the lens of two extreme future climate scenarios: a High Physical Impact Scenario (4°C); and a Rapid Transition Scenario (1.5°C) (covered in more detail in section 2c).

Climate-related risks and opportunities have been prioritised on the basis of:

- indicative potential financial or strategic impact on the business, using the business impact framework in the Wickes Risk Management Policy;
- the strength of the climate change signal for a specific risk driver or physical risk hazard; and
- the magnitude of projected change from the baseline in a future climate scenario.

Those risks and opportunities that exceed an internally agreed threshold are identified as potentially significant, prioritised for further assessment, and logged on our Climate Risk Register. We have grouped these potentially significant risks and opportunities into seven thematic categories (as discussed in section 2a) for ease of assessment and discussion with the business and the Board.

Further scenario and sensitivity analysis is undertaken on these high-level categories on a two-to three-year frequency depending on updates and changes from external factors, such as policy and legislation changes, as well as business changes (such as new product category ranges).

To assess the impact to the business arising from climate-related risks, we align with the business's Risk Management Policy for all Group risks. For the purposes of this assessment, how we assess materiality in relation to climate-related matters is outlined in the table on page 64.

Response to TCFD recommended disclosures continued

Threshold of materiality in relation to climate-related matters – adjusted profit before tax (PBT) average of last 3 financial years

High level of materiality	>50% adjusted PBT
Medium level of materiality	10-50% adjusted PBT
Low level of materiality and not deemed material in this time horizon	<10% adjusted PBT
Uncertain	Insufficient data to assess at this time

In those cases where there is currently not adequate information to undertake an assessment of financial materiality and therefore financial impact, these have been identified as 'uncertain'. The business impact of such risks is discussed in the Strategy section on pages 60-63.

3b) Processes for managing climate-related risks

We manage our climate-related risks in the same way as other risks that the business faces (refer to the Risk Management section of this report for further explanation on our overall approach on pages 72-74). Following our risk management framework, we identify measures to mitigate the impact of significant climate-related risks in accordance with our risk appetite. We monitor the risks and integrate any key changes into the twice-yearly review of the climate change principal risks. This is undertaken by the Head of Sustainability, and the General Counsel and Company Secretary discusses and agrees changes with the Executive Risk Committee. Any changes are then included in the updates to the Executive Board, Audit and Risk Committee and the Plc Board.

We have summarised management controls and mitigation measures we have in place to manage the potentially significant climate-related risks in the table set out in section 2b).

To respond to the transition risk 'Increased scrutiny from Shareholders on delivering net zero' (TR4), our Investor Relations team will continue open dialogue with Shareholders and maintain a watching brief on the evolving responsible investment landscape. We also intend to continue active management of key ESG rating assessments and to participate annually in CDP.

3c) Integration into overall risk management

The Company's approach to risk management is set out in the Company's Risk Management Policy. This explains how the Company identifies, assesses and mitigates risks, as well as how the Company reports and monitors the Corporate Risk Register and principal risks to the Executive Board, Audit and Risk Committee and the Plc Board. A more detailed explanation of the Company's approach to risk management is provided in the Risk management overview section on pages 72-74.

Through the Company's risk management approach, climate change was identified and assessed as a principal risk for the business at its demerger in 2021. The topic has continued to be considered as a principal risk for the business throughout 2022 and 2023, with the relative exposure remaining stable over this time period. The mitigations put in place and progress of managing significant climate-related risks and opportunities are summarised in the Principal risks and uncertainties section on pages 75-81.

On the Company's Corporate Risk Register, there are 20 identified risk categories – climate change is considered within the 'ESG' risk category. During 2023, the Audit and Risk Committee reviewed the Company's risk appetite for all risk categories. The risk appetite for the ESG risk category remained stable, and the gross risk was increased to reflect the growing mandatory reporting landscape on ESG and climate-related financial disclosures.

The Climate Risk Register sits separately to the Corporate Risk Register, and the outputs of the Climate Risk Register feed into the Climate Change Principal Risk on the Corporate Risk Register.

We are monitoring developments with the ESG and climate-related reporting landscape and will review our approach to integrating climate-related risk into the corporate risk approach, as and when required.

4. Metrics and targets

4a) Metrics used to assess climate-related risks and opportunities

Management regularly reviews metrics associated with the Company's near term science-based targets to track progress on our goal to achieve net zero. Our key metrics for measuring and managing climate-related risks are therefore as follows:

- **Scope 1 and 2 emissions:** The Executive Board monitors store energy consumption on a monthly basis via the Company's balanced scorecard. Management reports to the Responsible Business Committee on high-level performance against the Scope 1 and 2 emissions targets at mid-year and end of the year.
- **Scope 3 emissions:** For our most material Scope 3 emissions categories, namely Category 1 (purchased goods and services) and Category 11 (use of sold products), we have been tracking the number of our Goods for Resale suppliers

who have set a validated science-based target. Each year, we measure the Company's full carbon footprint, including all relevant Scope 3 categories, in accordance with the Greenhouse Gas Corporate Protocol – the full methodology is available on our website.

- We report against the SASB Multiline and Speciality Retailers and Distributors industry standard, which is the standard most appropriate to our business. We previously reported against the Building Products and Furnishings industry standard and continue to disclose some of the most relevant metrics, such as percentage of wood sourced from third party certified forests (see Responsible Business section, page 51).

For more information on how these metrics are incorporated into performance measures within remuneration policies, refer to the Directors' Remuneration Report on pages 111-127.

Within the reporting period, we have taken time to identify other additional appropriate metrics which relate to our material climate-related risks and opportunities. We will begin to monitor and, going forward, will report these to the Responsible Business Committee on a six-monthly basis in the Responsible Business dashboard.

TCFD recommended cross-industry metric	Metric used by Wickes and commentary	Link to thematic climate-related risk or opportunity category
GHG emissions Absolute Scope 1, 2, and 3 Emissions intensity	Within the reporting period, we have been tracking the following metrics: <ul style="list-style-type: none"> - Tonnes of CO₂e for Scope 1 and 2 (six monthly) - % of GFR suppliers that have set science-based targets (six monthly) - Tonnes of CO₂e for Scope 3 (annually) - Tonnes of Scope 1 and 2 CO₂e / sq ft (annually) - Tonnes of Scope 1 and 2 CO₂e / sq m (annually) - Store energy consumption (monthly) 	<ul style="list-style-type: none"> - TR2 Decarbonising the fleet - TR3 Decarbonising the estate - TR4 Increased scrutiny from Shareholders on delivering net zero
Transition risks Amount and extent of assets or business activities vulnerable to transition risks	In 2023, we have developed our taxonomy and classification methodology of products that we sell to be able to monitor the following metric: <ul style="list-style-type: none"> - % revenue from products that UK Government has announced will be phased out as part of transition to net zero 	<ul style="list-style-type: none"> - T01 Products and services for the low-carbon transition
Physical risks Amount and extent of assets or business activities vulnerable to physical risks	In 2023, we have been reviewing our property estate and defined appropriate measures to monitor physical risks which we will begin to monitor: <ul style="list-style-type: none"> - % property portfolio located in an area subject to flooding, heat stress or water stress - Expenditure on property remediation required due to severe weather-related events 	<ul style="list-style-type: none"> - PR1 Extreme weather-related events impacting operations
Climate-related opportunities Proportion of revenue, assets, or other business activities aligned with climate-related opportunities	In 2023, we have developed our taxonomy and classification methodology of products that we sell to be able to monitor the following metric. We will begin to monitor the following metrics to track these opportunities: <ul style="list-style-type: none"> - Revenue from products or services that support the transition to a low-carbon economy 	<ul style="list-style-type: none"> - T01 Products and services for the low-carbon transition
Capital deployment Amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities	We will begin to monitor the following metrics to track this expenditure: <ul style="list-style-type: none"> - Investment in physical climate adaptation measures (flood resilience installation and planned maintenance) - Investment in capital required to decarbonise the estate and fleet 	<ul style="list-style-type: none"> - PR1 Extreme weather-related events impacting operations - TR2 Decarbonising the fleet - TR3 Decarbonising the estate
Internal carbon prices Price on each tonne of GHG emissions used internally by an organisation	We have not yet developed an internal carbon price, and we are considering using one in the future.	<ul style="list-style-type: none"> - TR2 Decarbonising the fleet - TR3 Decarbonising the estate - TR4 Increased scrutiny from Shareholders on delivering net zero
Remuneration Proportion of executive management remuneration linked to climate considerations	The 2023-2025 Long Term Incentive Plan (LTIP) incorporated an additional ESG measure based on our approved near term science-based targets, weighted at 10% (3.33% equally split per target). The 2024-2026 LTIP will continue to incorporate this measure, weighted at 10% of the LTIP. Refer to the Annual Report on Remuneration section, page 124 for further information.	<ul style="list-style-type: none"> - TR2 Decarbonising the fleet - TR3 Decarbonising the estate - TR4 Increased scrutiny from Shareholders on delivering net zero

Response to TCFD recommended disclosures continued

4b) GHG emissions and related risks

Our Scope 1, 2 and 3 GHG emissions are key metrics in monitoring our climate impact over time. We have calculated our full 2023 GHG footprint for our business, covering absolute Scope 1, 2 (market and location) and 3 emissions and carbon intensity. Our methodology for calculating our footprint is aligned to international best-practice guidance from the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI)'s Greenhouse Gas Protocol Corporate Standard.

The 2023 GHG footprint for the business is reported on pages 48-49 and includes historical periods since 2021 (when the Group was formed) to allow for trend analysis. The data has been independently verified to SAE3000. Our methodology, the external verification statement and full GHG footprint is available on our corporate website: www.wickesplc.co.uk. An emissions intensity ratio is also reported on comparing emissions against floor area of property estate.

Due to structural changes in our business resulting in outsourcing of some distribution activities, and improvements in the accuracy of activity data, we have triggered the SBTi's 5% threshold for recalculating our base year footprint. In 2024, we will recalculate our 2021 base year and use this to assess if target recalculation and/or target revalidation by SBTi is required.

In 2023, when calculating emissions from Goods for Resale, we have continued to use estimated emissions for key materials from global databases (e.g. Ecoinvent for Scope 3, Category 1, Purchased goods and services). In the near and medium term, we will be working with our strategic suppliers, as well as collaborating with the global home improvement retail sector, to move towards improved accuracy of emissions from suppliers, and ultimately emissions directly associated with the manufacture and transport of products. This process will result in a continuous improvement of our methodology and may require further rebaselining of our footprint in future years.

4c) Climate-related targets and performance

Wickes is a signatory to the British Retail Consortium's Climate Action Roadmap, which commits to collectively achieving net zero across the UK retail sector by 2040. We have reported our progress against the roadmap's 2020-2025 pathways for decarbonisation milestones on page 45.

In 2022, our three near term Science Based Targets received validation from the SBTi. This validation confirms that our targets have been set following the SBTi's Net Zero Standard and are aligned with the scale of reduction required to keep global temperature increase by the end of this century to 1.5°C compared to pre-industrial levels. We have set milestone targets as part of our LTIP (more detail on the LTIP is provided on page 113).

We remain on track to achieve our near term science-based targets:

- Operations: Achievement of our Scope 1 and 2 reduction target will be largely met by the switching of our electricity supply to a renewable electricity contract in April 2023.
- Suppliers: We are making good progress with our strategic suppliers committing to set science-based targets.

- Products: The reduction in emissions from the products that we sell whilst they are in use is largely dependent on the decarbonisation of the UK electricity grid. We periodically review Future Energy Scenarios from ESO to understand the latest timelines for decarbonising the grid, to be able to identify what direct actions may be required by the business to meet the near term target by 2030.

A detailed discussion of our performance with our near term targets is provided in the Responsible Business section on pages 44-45. Section 4b) explains that the 2021 base year will be recalculated during 2024 and therefore the baseline which we assess against may change in future years.

Progress with SBTi validated near term science-based carbon reduction targets

	Aligned LTIP milestone targets 2023-2025	FY2023 progress
Operations:		
Reduce absolute Scope 1 and 2 greenhouse gas emissions 42% by 2030 (from a 2021 base year)	25%	36.9%
Suppliers:		
45% of our suppliers by emissions covering purchased goods and services, will have science-based targets by 2027	30%	23.8%
Products:		
Reduce absolute Scope 3 greenhouse gas emissions from the use of sold products 42% by 2030 (from a 2021 base year)	16%	14%

We have reviewed our GHG emissions that relate to land use change and land management (also called FLAG emissions). We have concluded that, in 2023, 16.7% of emissions were FLAG-related emissions and therefore we have not exceeded the SBTi's threshold of 20% and are not required to set an additional FLAG reduction target.

Non-financial and sustainability information statement

The following table sets out where the key content requirements of the Non-financial information statement (as required by sections 414CA and 414CB of the Companies Act 2006) can be found in this document or on our website.

Non-financial matter	Disclosures of policies and standards	Page
Employees	Section 172 statement: colleagues	69
	Board leadership and company purpose	88-90
	Strategic report: People, Inclusion and diversity, Colleague voice	36-41
	Strategic report: Safety and wellbeing, Safety Policy	52-53
	Nominations Committee report: Inclusion and diversity	97-99
	Directors' Remuneration report	111-127
Human rights	Code of Business Ethics	54
	Human Rights Policy, Modern Slavery and Human Trafficking Policy	54
	Our Modern Slavery statement can be found on our website	
Social matters	Section 172 statement	68
	Strategic report: People, Environment, Homes	36-51
Anti-corruption and anti-bribery	Board leadership and company purpose	88
	Modern Slavery Statement	54
	Anti-bribery Policy	54
	Anti-Fraud Policy	54
	Whistleblowing Policy	89
Environmental matters	Response to Task Force on Climate-related Financial Disclosures (TCFD) recommended disclosures	56-66
	Principal risks and uncertainties: Climate change	79
	Strategic report: Environment	44-49
	Responsible Business Committee report	107-110
	Environment Policy	44
	Responsible Sourcing Policy	54
	Timber Sourcing Policy	47
Climate related financial disclosures	Response to TCFD recommended disclosures	56-66
Principal risks and impact of business activity	Principal risks and uncertainties, in particular People and Safety	79
	Audit and Risk Committee report	100-106
Business model	Business model	18-20
Non-financial key performance indicators	Key Performance Indicators: Carbon emissions; Store leadership diversity	29

Promoting the success of the Company

Section 172 of the Companies Act 2006 requires the Directors to promote the long term success of the Company for the benefit of its members as a whole, having strong regard to our stakeholders when making decisions, and seeking to conduct business responsibly, including reducing our environmental impact. The differing interests of stakeholders are considered in the business decisions we make at all levels across the business and these decisions are guided by our culture and purpose and by the Board setting the right tone from the top.

Our stakeholders have an important role to play in the success of our business and throughout our Strategic report you can see how our decisions and actions have been influenced by our stakeholders.

In this section we describe how the Board has factored section 172 considerations into decision making.

During the year, the Board continued to act in an agile way in responding to the uncertain economic environment, continued cost of living challenges and significant inflation, and considering the effects these have on our stakeholders.

Board decision making is supported by our structured governance framework, which includes regular Board meetings, as well as having clear policies and authority levels in place for management. The Board ensures that it receives quality information, including views from stakeholders, to inform decision making. The Board has approved a suite of policies which establish a robust system of control and oversight. The main activities of the Board during the year are set out on page 91.

Engaging with stakeholders

Engagement with stakeholders plays an important role in ensuring that the Board fully understands stakeholder views and makes well-informed decisions that consider different priorities and are fair and consistent. The Board recognises that not every decision will benefit all stakeholders, and inevitably tradeoffs may have to be made between stakeholder groups from time to time. Such considerations ensure the business is making decisions with a longer term view in mind and with the long term success of the business at its core.

Given the increasing importance of installers to the delivery of the Company's strategy, it was decided that they should now be considered separate from suppliers and reported as a key stakeholder group in their own right. In order to have a manageable number of key stakeholders to focus on, landlords have been consolidated into the supplier stakeholder group and Government and regulators have been removed as a key stakeholder in relation to engagement, reflecting that our relationship is one of compliance and reporting which doesn't require engagement.

The needs and views of our stakeholders are also considered by colleagues and leaders throughout the business, which helps us make good decisions at all levels. By understanding each stakeholder group and what they care about, and considering their perspectives, it enables more meaningful relationships to be built so the Company and the Board can ensure that all views are taken into account in reaching conclusions that will benefit the Company as a whole and create value for the long term.

Where possible and relevant, decisions are carefully discussed with affected groups to ensure they are fully understood and supported when taken. Details of our key stakeholders, how they link with our strategy and how we engage with them is set out in the following pages.

COLLEAGUES

79%

colleague engagement

We provide a great place to work with a special culture where colleagues feel at home and can bring their true authentic self to work.

We value the different perspectives that our inclusive and diverse workforce brings.

We prioritise the health and wellbeing of our colleagues and provide development opportunities to enable colleagues to build their skills and careers.

We create an environment where colleagues feel recognised and rewarded for the work they do.

CUSTOMERS

>80%

customer satisfaction

We help our customers create their perfect home and feel house proud however they choose to undertake their home improvement project.

We prioritise providing excellent customer service.

We are committed to sourcing good quality and competitively priced products in an ethical way.

We recognise that customers trust us with their personal data and we work hard to ensure we have safeguards in place.

INSTALLERS

>3,000

installer teams

We recognise the important role that our installers play as a key partner in differentiating our customer proposition and delivering for our customers.

We work closely with our installers and give them opportunities to grow their business.

We provide high quality kitchen and bathroom products and designs and the infrastructure to enable installers to focus on the installation.

We provide around 50 installation apprenticeship places to support development of key installation skills.

SUPPLIERS

80%

of top* suppliers with a relationship of 10+ years

We treat our suppliers fairly and with respect, and we pay them on time.

Our suppliers welcome our collaborative approach and together we develop long term partnerships based on trust to build capability together and create value that can be shared.

Our track record of market share gains gives our supply partners confidence to invest and we work together to grow our businesses responsibly.

We work with our supply partners to share learnings and accelerate our decarbonisation journeys.

* refers to our top 50 suppliers by spend

COMMUNITIES

1,468

community projects supported

We feel strongly about giving something back and supporting the causes that matter to our colleagues and customers.

We raised over £2million for YoungMinds over our two year partnership that ended in 2023. We are now supporting The Brain Tumour Charity and by the end of 2023, we had already raised £0.7m.

Our Community Programme encourages colleagues to support causes in their local communities and in 2023 we supported 1,468 projects.

We have approved near term science-based targets to reduce our absolute Scope 1 and 2 emissions by 42% and reduce the most impactful sources of our Scope 3 emissions.

SHAREHOLDERS

£37.2m

returned to Shareholders

We create long term and sustainable value by growing the business responsibly.

We focus on increasing our market share, driving profitable growth with strong cash generation enabling strong returns.

We build Shareholders' trust through proactive and relevant engagement to secure their ongoing investment and support.

Our capital allocation policy reflects our confidence in the Company's strategy and business model.

Stakeholder



Colleagues*

BUSINESS MODEL & STRATEGY LINK

Our passionate colleagues along with our winning culture are an enabler at the foundation of our strategy to deliver our purpose – to help the nation feel house proud. The business ensures that colleagues feel supported and valued, and have the tools to succeed.

HOW WE ENGAGE & OUTCOMES

DAY-TO-DAY ENGAGEMENT

- Annual colleague engagement survey
- Subject specific colleague surveys
- Inclusion & Diversity network surveys
- Support Centre monthly briefings
- Listening groups
- 'Ask the Exec' meetings
- Internal communities
- Newsletters
- Face-to-face briefings ('team 5')
- Networks
- Anonymous whistleblowing service

BOARD ENGAGEMENT

- Site visits
- Designated Non-executive Director champion for workforce engagement attends listening groups and reports to the Board
- People updates at each Board Meeting via the CEO report
- Reviewing outcomes and actions from engagement surveys
- Reviewing gender and ethnicity pay gap disclosures
- Reviewing talent plans
- Reviewing reward and benefit reports
- Reviewing monthly and deep dive safety reports

OUTCOMES

- 79% engagement score on our recent colleague feedback survey, which was completed by 84% of colleagues
- Flexible working in stores trialled and being rolled out
- Held cost of living webinars
- Introduction of Salary Advance in response to feedback from the cost of living working group
- Introduced salary exchange car scheme
- Introduced Digicare and digital GP services
- Invested in new learning and development programmes for colleagues
- Updated Early Years opportunities, including apprenticeships

* More information on colleague engagement can be found in the Strategic report on pages 27,36,39,53,68



Customers

BUSINESS MODEL & STRATEGY LINK

With our vision of a Wickes project in every home and our mission to be the partner of choice for Home Improvers and Local Trade, customers are at the heart of our business. Having a compelling customer proposition and delivering exceptional customer experience is key to achieving our growth levers.

HOW WE ENGAGE & OUTCOMES

DAY-TO-DAY ENGAGEMENT

- Customer satisfaction monitoring across all channels
- Customer focus groups
- Customer surveys
- Product reviews
- Mood of the Nation surveys
- Customer feedback and complaints

BOARD ENGAGEMENT

- Store visits
- Customer service centre visit
- Receiving customer insights reporting
- Monitoring customer satisfaction reports

OUTCOMES

- Investment in Customer Experience Centre
- New payments options introduced online, including Apple Pay, to provide further choice to customers
- Development of customer offer, including TradePro rewards and launching the B2B proposition



Suppliers

BUSINESS MODEL & STRATEGY LINK

Having strong relationships with our suppliers to ensure that we offer quality products and services at a competitive price with good availability underpins our three customer propositions.

HOW WE ENGAGE & OUTCOMES

DAY-TO-DAY ENGAGEMENT

- Twice-yearly supplier conference for goods supplies
- Regular supplier meetings
- Monitoring of ethical standards
- Supplier charity dinner
- Contracts negotiations and renewals

BOARD ENGAGEMENT

- Supplier visits
- Ethical trading updates
- Reviewing material supplier contracts

OUTCOMES

- Resumed physical audits after the pandemic
- Collaborated on opportunities to improve sustainability and 23 suppliers now have SBTi validated science-based targets.



Installers

BUSINESS MODEL & STRATEGY LINK

A specialist installation model differentiates our offer and is key to the success of our Design & Installation proposition.

HOW WE ENGAGE & OUTCOMES

DAY TO DAY ENGAGEMENT

- Regional and Divisional Wickes management team
- Customer Experience Centre liaising between customers and installers

BOARD ENGAGEMENT

- Reviewing updates on installations performance
- Reviewing feedback from Installer Apprentices

OUTCOMES

- Implementation of a new Field Services Management System



Communities

BUSINESS MODEL & STRATEGY LINK

Our Responsible Business Strategy is embedded into our strategy and supports our corporate purpose. We have three pillars to our Responsible Business Strategy which reflect our focus on People, the Environment and Homes.

HOW WE ENGAGE & OUTCOMES

DAY TO DAY ENGAGEMENT

- In-house community and Charity team interacting with our corporate charity and coordinating fundraising events
- Individual stores liaising with local community projects
- Colleague volunteering

BOARD ENGAGEMENT

- Reviewing updates on charity and community initiatives

OUTCOMES

- Raised over £2 million for YoungMinds
- Supported 1,468 community projects through product donations and colleague volunteering
- Trialled a colleague volunteering platform



Shareholders

BUSINESS MODEL & STRATEGY LINK

We aim to deliver long term sustainable growth and returns to Shareholders through the delivery of our strategy.

HOW WE ENGAGE & OUTCOMES

DAY-TO-DAY ENGAGEMENT

- CEO/CFO meetings with Shareholders during the year
- Guided store visits for Shareholders
- Corporate website
- Market announcements and presentations
- Annual General Meeting (AGM)
- Responding to Shareholder queries

BOARD ENGAGEMENT

- Board Chair engagement with major Shareholders on governance and strategy
- Remuneration Chair engagement with major Shareholders on Remuneration Policy
- Attending AGM
- Non-executive Directors available to discuss any matter requested by a Shareholder on request
- Reviewing Shareholder feedback
- Reviewing AGM voting and proxy reports

OUTCOMES

- Updated Capital Allocation Policy, leading to introduction of a share buyback programme
- Maintenance of dividend
- Held Shareholder meetings and roadshows
- Considered Shareholder feedback from Remuneration Policy consultation

Stakeholder case studies



KEY STAKEHOLDER GROUPS CONSIDERED

-  COLLEAGUES
-  CUSTOMERS
-  SUPPLIERS
-  INSTALLERS
-  COMMUNITIES
-  SHAREHOLDERS

Customer Experience Centre¹



BACKGROUND

As part of a strategic review of customer experience, an opportunity was identified to reshape the way in which we serviced Design & Installation customers throughout their post-order journey to provide a better service.

STAKEHOLDER CONSIDERATIONS

Colleagues

The Board considered the positive impact for colleagues, particularly Design Consultants, who would be able to focus on the design and sale process, and other store colleagues, who would be freed up from dealing with customer queries arising post-order.

Customers

The Board recognised that this provided an opportunity to improve customer service and differentiate the Wickes offer. In particular, it was identified that having a single point of contact would be valued by customers during their Design & Installation project and would reduce the number of customer issues and complaints.

Suppliers

The Board considered the longstanding and collaborative relationship that had been established with the outsourced customer service supplier and recognised the opportunity to grow this, creating value for both parties. The growth in market share that could be achieved would also create more volume and scale for other key product suppliers.

Installers

The Board noted the potential benefit to installers in having a more proactive customer service model, which provides both installers and customers with a single point of contact for each individual project to resolve any issues during the installation process.

Communities

The Board recognised that the new Customer Experience Centre would create additional job opportunities in the communities in which the supplier operated.

Shareholders

The Board considered the importance of making investment decisions that support long term growth and provide new opportunities to increase market share and reduce remedial costs, therefore making it a more cost efficient proposition providing a good return on the investment.

OUTCOME

The Board concluded that the implementation of the Customer Experience Centre would benefit all key stakeholders and would elevate the post-order customer experience, which would support the growth and profitability of the Design & Installation proposition. Following implementation, the performance of the Customer Experience Centre is being closely monitored and stakeholder feedback has been positive.

Capital Allocation Policy²



BACKGROUND

Having completed two financial years since demerging from Travis Perkins Plc and, with the benefit of greater experience in the cash flows and requirements of the business, the Board considered that it was the right time to review the Company's Capital Allocation Policy and opportunities to return value to Shareholders.

STAKEHOLDER CONSIDERATIONS

Colleagues

The Board noted that all full-time and part-time colleagues in employment at demerger from its previous parent company were allocated free Wickes Shares and would therefore benefit from the opportunity for future dividends and any increase in share price.

Shareholders

The Board considered that the proposed Capital Allocation Policy would benefit Shareholders through the opportunity for increased future dividends per share and increased earnings per share. The Board also noted that it would be helpful to give Shareholders clarity over the Capital Allocation Policy, which would demonstrate management's confidence in the strength of the business strategy. The Board carefully considered the appropriate level of cash that the business would need to retain to operate effectively and deliver its strategy, and determined the level above which cash would be considered surplus. The Board sought and considered feedback from Shareholders and took this into account when reviewing the Capital Allocation Policy.

OUTCOME

The Board approved the new Capital Allocation Policy, which was announced to the market in July 2023. A £25m share buy-back programme to return excess cash to Shareholders commenced shortly thereafter.



Property strategy³



BACKGROUND

As a key strategic growth driver, the Board keeps the property strategy under review throughout the year and an opportunity was identified to both increase the number of store refits and implement measures to improve energy efficiency and decarbonise our estate.

STAKEHOLDER CONSIDERATIONS

Colleagues

The Board considered that refitting stores and reducing the energy usage of our estate would have a positive impact for colleagues by providing improved working environments (better heating, lighting and colleague areas) and also improving colleague engagement by including colleagues in the design process.

Customers

The Board recognised that refitting stores would provide a better customer proposition and an improved customer experience.

Suppliers

The Board considered that the property strategy would deepen relationships with landlords and also help landlords meet their decarbonisation targets through the use of heating controls, solar panels and the switch to LED lighting.

Communities

The Board noted that communities would expect us to provide good working environments for our colleagues and take steps to reduce our environmental impact.

Shareholders

The Board noted that growing the estate would increase sales and that both refitted and new stores would provide a strong return on investment, as would the improvement to heating and lighting controls.

OUTCOME

The Board considered that accelerating the refit programme and rolling out LED lighting and heating controls across the estate was beneficial for all affected stakeholders and represented a sound investment case.



¹ s172 paragraphs (a), (b), (c), (d), (e) and (f).

² s172 paragraphs (a) (b) (e) and (f)

³ s172 paragraphs (a), (b), (c), (d), (e) and (f)

s.172 duties

Examples of how the Directors have undertaken their section 172 duties and have had regard for these matters when making decisions is included through this Annual Report:

s.172 factor	More information	Page
a) The likely consequences of any decision in the long term	Strategy and business model	18-27
	Principal risks and uncertainties	75-81,106
	Performance review	8-11
	Stakeholder case studies	70-71
b) The interests of the company's employees	People strategy	36-43
	Responsible Business Strategy	34-43
	Principal risks and uncertainties	75-81
	Stakeholder case studies	70-71
	Directors' report	128-130
Directors' Remuneration report	111-127	
c) The need to foster the company's business relationships with suppliers, customers and others	Strategy	18-27
	Responsible Business Strategy	34-66
	Principal risks and uncertainties	75-81
Stakeholder case studies	70-71	
d) The impact of the company's operations on the community and the environment	Responsible Business Strategy	34-66
	TCFD disclosure	56-66
	Responsible Business Committee report	107-110
e) The desirability of the company maintaining a reputation for high standards of business conduct	Strategy and business model	18-27
	Responsible Business Strategy	34-66
	Responsible Business Committee report	107-110
	Board leadership and Company purpose	88-90
Whistleblowing	89	
f) The need to act fairly as between members of the company	Strategy and business model	18-27
	Board activities	91

Risk management overview

BACKGROUND

Our approach to risk management at Wickes remains focused and practical in the context of the business and its needs. We recognise that effective risk management is a key part in enabling us to meet and exceed the expectations of our stakeholders and, through this understanding, create the environment which will help us achieve our short, medium and long term goals.

During 2023, we continued to build on and strengthen our understanding of the context in which we operate and our internal operating environment. With these changing perspectives, we have reassessed our risk management processes to ensure that our view of risk remains appropriate. Understanding risk remains a cornerstone of our decision making, underpinning how we have operated our business throughout the year.

2023 remained a year of high inflationary pressures, with the cost of living crisis deepening as many of our customers experienced financial burden caused by high inflation coupled with higher interest rates. Although inflation rates eased in the latter part of the year, largely due to a reduction in fuel costs, the impact of a prolonged spell of high inflation has the potential to require a period of readjustment before consumer confidence and consumer spending regain some of the ground lost.

Conflict between nations remains a threat to global stability, with ongoing war in Ukraine together with instability in the Middle East having the potential to disrupt global supply chains. Fortunately, Wickes has minimal direct supply chain exposure from these conflicts and, through close relationships with our suppliers, we have maintained a clear view of upstream operations to ensure that, if required, effective mitigations can be quickly introduced.

EMERGING RISKS

The Board has continued to operate effective processes to help identify and assess potential risks that may impact the business in the medium and long term. New risks, as well as the evolution of existing risks, are reflected within Wickes' risk profile, and regularly evaluated by the Board and management teams. These processes support a detailed and up to date view of risk, ensuring that risk management continues to support effective decision making.

The impact of climate change on weather patterns, and the disruption caused by extreme weather events, both in the UK and globally, underlines the need for us all to make definitive changes to the way we operate. Wickes continues to focus on reducing its carbon emissions through, for example, working with our suppliers and landlords to ensure we meet our decarbonisation commitments. We remain committed to supporting customers to save energy

and reduce the carbon footprint of their homes. Further details of our approach to managing the risks and opportunities from climate change are provided on page 79.

Following the buoyancy experienced in the home improvement market as a result of the pandemic and the resulting changes in working practices as people were encouraged to work from home, 2023 has seen a rebalancing in demand for home improvement which is being felt across the sector. We continue to adapt our service offering and evolve our strategy to meet the needs of our customers. Our approach of focusing on innovation, our supply chain, and our ability to scale solutions that take advantage of emerging trends in the home improvement sector, has proved effective and remains a core part of our strategy.

Initially highlighted as a crystallising risk in 2022, high inflation has continued to be a key feature during 2023. The impacts of higher prices and increasing interest rates have been felt across the economy, impacting the consumer's ability to spend as people face the challenge of mitigating higher prices for energy, mortgages and day-to-day living expenses. Throughout the period, by working closely with our suppliers, we have sought to preserve the value we deliver to customers and, by doing so, have consolidated our position within the market.

RISK APPETITE

A clear and well-defined risk appetite supports management in making appropriate decisions in pursuit of the Company's strategy. The Board has established the Company's risk appetite level for each principal risk, regularly reviewing the suitability of appetite levels with reference to the strategy and the external operating environment. In parallel to the revision of the Company's principal risks, a revision of the Company's appetite for risk took place during 2023 to ensure that it remains at a level which safeguards value within the organisation, while providing sufficient scope to pursue opportunities where it is appropriate to do so.

As in prior years, greater focus is applied by the Board on those risks which currently fall outside of appetite. Assessments on these risks are provided to the Board regularly and are designed to provide assurance that mitigating activity is sufficiently focused to either reduce the level of risk exposure to an acceptable level in an appropriate timeframe or, where appetite has been purposefully set low, ensure ongoing mitigations are in place to manage the risk as far as practicable.

RISK MANAGEMENT FRAMEWORK

Our risk management framework is constructed around a five-point model integrated across the three lines of defence. It has been designed to ensure that suitable oversight is applied throughout the risk management cycle, while ensuring that assurance is provided to those tasked with oversight responsibility. Risk identification, assessment, mitigation,

monitoring and reporting processes, take place from both a top-down and a bottom-up perspective. This is to make sure that a comprehensive view of organisational risk is captured, managed, and monitored. Each of the five points in our risk framework is further explained across the following pages.



The three lines of defence model was designed to provide a blueprint of how effective governance, risk management and internal control processes work together.

The first line of defence is responsible for operating systems of risk management and control, the second line oversees the activities of the first line, with the third line providing independent assurance that the first and second lines are operating as intended. Together, the three lines provide assurance to governance structures that risks are being managed effectively.



RISK GOVERNANCE

We have a formal risk management process, part of which evaluates and prioritises the Company's principal risks (highlighted on page 75). The Board has overall responsibility for risk management and oversight of the system of internal controls. Risks are reviewed by risk owners on an ongoing basis and are assessed to identify and document corresponding

mitigating actions. Risk updates form an integral part of periodic management reviews and are reviewed by other members of the Company's senior leadership team, during Executive Board meetings and regular, bi-annual meetings of the Executive Risk Committee as well as meetings of the Audit and Risk Committee. The Board sets the risk appetite and monitors and reviews its application and ongoing relevance.

BOARD OVERSIGHT

Develops vision and strategy	Defines organisational Code of Business Ethics	Sets risk appetite and tolerance	Monitors the nature and extent of principal risk exposure
------------------------------	------------------------------------------------	----------------------------------	-----------------------------------------------------------

TOP DOWN

Oversight, identification, assessment and mitigation of risk across the Company

EXECUTIVE BOARD	AUDIT AND RISK COMMITTEE	INTERNAL AUDIT
Represents all key functions and teams of Wickes. Maintains policies and programmes, monitors risk exposure, mitigation and internal controls, and manages business risk on a day-to-day basis	Reviews the design and implementation of Wickes' risk management and internal control programmes Supports the Board in monitoring exposure against risk appetite	Supports Wickes to identify risks and gaps in compliance, and recommends mitigating actions Facilitates the maintenance of the Corporate Risk Register and monitors progress in the mitigation of each risk Reviews and tests the effectiveness of internal controls and provides assurance

BOTTOM UP

Identification, assessment and mitigation of risk across key functional areas

RISK MANAGEMENT PROCESS

RISK IDENTIFICATION AND ASSESSMENT	RISK MITIGATION	RISK MONITORING AND REPORTING	CONTINUOUS IMPROVEMENT
Identifies and owns relevant risks assigning responsibilities at operational/ functional level	Ensures internal control systems are embedded across the business	Ensures mitigating actions are monitored and implemented. Escalates risk identified at operational or grass roots level to Executive, Audit and Risk Committee and the Board	Reviews the outputs of the risk management process, identifies improvements and supports the further embedding of effective risk management processes within the business

Risk management overview continued



RISK IDENTIFICATION AND ASSESSMENT

Formal risk identification and re-evaluation exercises are completed twice yearly with individual members of the Executive Board, functional leads and through the Risk Committee. In addition, regular touch points with the Executive Board both formally through the monthly Executive Board meeting and as part of regular liaison activities help to ensure that our view and assessment of risks remains current and accurate.



RISK MITIGATION

As the primary means by which we can influence probability of risks crystallising and their impact, review and assessment of our mitigation strategies forms a crucial aspect of our risk management framework.

As an independent and objective assurance provider, Internal Audit, by delivering its annual audit plan and regular reporting to the Audit and Risk Committee, provides a thorough assessment of the design and operation of our internal control environment. Where applicable, second line functions (such as compliance teams) continuously assess the application of controls, providing assurance that appropriate mitigation is being maintained.



RISK REPORTING AND MONITORING

The Board, Audit and Risk Committee and the Executive Board remain the three principal governance groups where the Corporate Risk Register and principal risk view is regularly reported to. The Audit and Risk Committee and Executive Board regularly reviews risks outside current risk appetite levels challenging management on the extent and efficacy of mitigating actions.



RISK CONTINUOUS IMPROVEMENT

Regular risk assessment and reporting activities enable a more refined evaluation of risks. As past understanding is built upon, this helps to create a better view of risk and a greater level of self-challenge towards recorded mitigations. Through the risk management cycle, the quality of risk management improves.

To be considered truly effective, risk management should enhance, support and enable the achievement of strategy. Building and operating a framework to do this is challenging, and requires a good level of commitment and engagement from risk owners and the wider business. From the base understanding of risks relating to our strategic priorities, we have worked to include a more operational view of risk management.



Principal risks and uncertainties

PRINCIPAL RISKS

Wickes' approach to risk management is built around a sound understanding of our principal risks. Detailed analysis of the individual causes and consequences of our principal risks has supported the development of our Corporate Risk Register and, as such, the Corporate Risk Register is the primary mechanism through which our principal risks and related themes are assessed. Regular review of the risks captured within the Corporate Risk Register ensures that an appropriate and up to date view of our principal risks is maintained.

Updates in-year

Prior to its demerger in April 2021, Wickes was reliant on back-office systems designed and managed by its then parent company. The Autonomy programme, to transition to standalone systems, was completed during 2023 and therefore the Board, through the Audit and Risk Committee, approved the removal of the Autonomy programme from the Group's principal risks.

During the year, the principal risks and risks themes were reviewed and updated to reflect the changes in operations and the external risk environment. The updated set of principal risks was approved by the Board following a recommendation from the Audit and Risk Committee.

RISK MAP

Principal risk themes

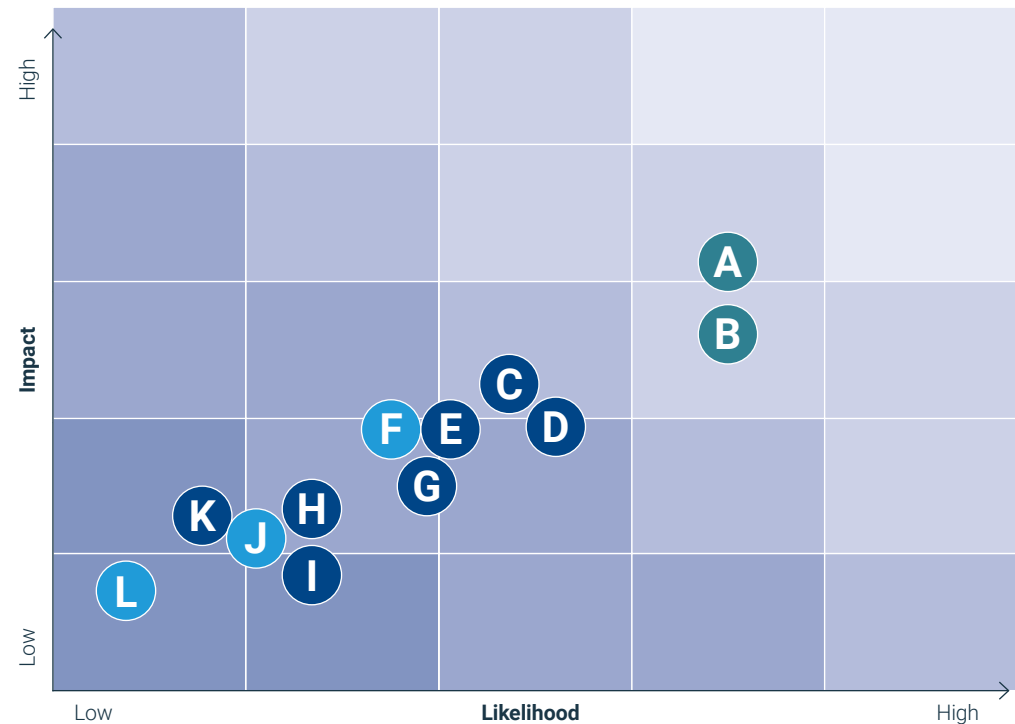
The risk map shows the relative exposure of each principal risk theme on a net basis rather than the absolute level of impact and likelihood for each risk. The assessment on whether the risk has increased, decreased or remains stable has been made on the basis of the net risk exposure to Wickes.

PRINCIPAL RISK THEMES

- A** Cyber and Data Security
- B** Business Change
- C** Brand Integrity & Reputation
- D** Legal and Regulatory Compliance
- E** IT Operations
- F** Growth Strategy
- G** Climate Change
- H** People and Safety
- I** Commercial and Supply Chain
- J** Financial Management
- K** Customer Experience
- L** Stores, Distribution and Installations

Risk key

- Risk stable
- Risk decreasing
- Risk increasing



The Board, supported by the Audit and Risk Committee, has confirmed that it has undertaken a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

The risk map above, shows the relative likelihood and impact for Wickes' principal risks, and the movement of risks across the period under review. A more detailed assessment of each principal risk is provided over the next few pages.

Principal risks and uncertainties continued

<p>Growth levers</p> <p>1 Winning for Trade 2 Accelerating Design & Installation 3 DIY category wins 4 Store investment 5 Digital capability</p> <p>6 Enhanced store model 7 A winning culture</p>	<p>Stakeholder groups</p> <p>Colleagues Customers Suppliers</p> <p>Installers Communities Shareholders</p>	<p>Risk trend</p> <p>Decreasing Increasing Stable</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------

RISK – CYBER AND DATA SECURITY

Executive responsibility: CEO, General Counsel and Company Secretary, and Chief Information Technology Officer

Description of risk

The availability and security of our IT systems and accurate data is critical for us to operate successfully whilst maintaining the security of colleague, customer and company confidential data.

A key system being unavailable or suffering a security breach could lead to operational difficulties, loss of sales, increased costs, legal and regulatory penalties, reputational damage and loss of stakeholder trust.

Stakeholder groups



Risk trend



Link to strategy 5

MITIGATIONS

- Continued investment in technology development and security including roadmap to decommission outdated systems.
- ‘Privacy by Design’ approach to new systems.
- Data protection and information security policies and procedures in place and regularly reviewed.
- Mandatory training and ongoing awareness programme, including phishing tests, to keep colleagues informed and aware of data protection and cyber security risks.
- Restricted access to sensitive data.
- Security controls to prevent, detect and mitigate unauthorised activity which are regularly tested.
- Vendor assurance process to assess the robustness of suppliers’ security and data protection controls as part of onboarding or contract renewal.
- Data and security provisions are included in third party contracts.
- Crisis management plans and business continuity plans in place.
- Investigation process including a feedback loop to ensure learning from mistakes
- Dedicated management data and information security committee
- Monitoring and reporting to the Executive Board quarterly and Plc Board twice a year.

PROGRESS

We continue to improve our security to minimise the likelihood of and increase the ability of the business to identify and respond to a cyber attack. During the year, new cyber training was rolled out to all colleagues.

There were no material cyber incidents or data breaches during the year. Going forwards, we expect to see cyber attacks continue to grow in frequency and complexity, and we will continue to develop our cyber and data security risk management.

RISK – BUSINESS CHANGE

Executive responsibility: Executive Board

Description of risk

The nature and pace of change can have a significant influence our business. Keeping pace with and, where possible, being ahead of change is a business imperative without which we will be unable to achieve our strategic goals and aspirations.

Stakeholder groups



Risk trend



Link to strategy 1 2 3 4 5 6 7

MITIGATIONS

Although the demerger presented one of the more significant episodes of change in Wickes’ recent history, business change has become an embedded factor across everything that we do as a business.

A key focus, however, is ensuring that we can manage the change which occurs, to maximise opportunities and minimise risk so that we are able to change and adapt to continue to work towards our strategic goals.

A key mitigation to business change is our forward-looking investment plans; defined change programmes have been identified, budgeted, and are being delivered to support our strategy. We have also worked to embed change within business-as-usual processes, recognising that change is not confined to projects, but forms the foundation of an adaptable and resilient business.

PROGRESS

A significant part of our ability to respond to change was built into the autonomy programme in 2022; a proportionate level of funding has been allocated to business change programmes in 2023 to ensure that our business continues to evolve and is best placed to meet the future demands of customers and the sector as it changes.

It is recognised that there is an imperative to adapt and evolve which means that business change is no longer a discrete activity but an ongoing process.

RISK – BRAND INTEGRITY AND REPUTATION

Executive responsibility: Executive Board

Description of risk

Maintaining and growing our brand integrity and brand reputation underpins our long term strategic aims, allowing us to maintain and grow our position in the home improvement market.

Failure to do so may prevent us from achieving our strategic objectives.

Stakeholder groups



Risk trend



Link to strategy



MITIGATIONS

Maintaining our brand integrity and brand reputation is woven into the fabric of everything that Wickes does.

Our approach in this area includes significant investment in training our colleagues to ensure the highest levels of consistent customer service are maintained in whichever channel our customers choose to engage with us.

In addition, we work closely with our suppliers to deliver high-quality products that provide value for money, with extensive product testing protocols to ensure our quality expectations are met, together with a customer alert and recall process through the Wickes website, if required.

PROGRESS

The Company has continued to focus on its distinctive customer proposition, uniquely balanced business and curated product range delivered through a low-cost and efficient operating model which are key underpins for its brand integrity and reputation.

Our brand monitoring programme has provided assurance that we maintain a healthy brand and reputation, but we are aware that a level of focus is required to ensure that this trend continues. The highest levels of probity and integrity remain cornerstones of the way Wickes operates and a foundation of our culture.

RISK – LEGAL AND REGULATORY COMPLIANCE

Executive responsibility: General Counsel and Company Secretary, and the Executive Board

Description of risk

We operate in an increasingly regulated environment, and we must comply with a broad range of laws, regulations and standards.

Failure to comply with or to take appropriate steps to prevent a breach of these requirements could result in formal investigations, legal and financial penalties, reputational damage and other consequences for the business, its colleagues and Directors.

Stakeholder groups



Risk trend



Link to strategy



MITIGATIONS

- Code of Business Ethics in place, supported by legal and regulatory compliance policies which are regularly reviewed.
- Mandatory training based on risk for all key areas, including health and safety, data protection, consumer credit, competition law, pricing and promotions, modern slavery, anti-bribery, anti-money laundering, anti-tax evasion, market abuse and age restricted sales.
- In depth training for high-risk roles.
- Dedicated teams of subject matter experts across the business, including health and safety, responsible sourcing and quality and sustainability, supported by the in-house legal team.
- Supplier commitment to comply with all applicable laws and regulations is incorporated into contractual terms of business and monitored through the ethical audit programme.
- Anonymous whistleblowing service for colleagues, suppliers and other third parties to enable concerns to be reported in confidence.
- Investigation process including a feedback loop to ensure learning from mistakes or incidents.
- Monitoring of key risks through dedicated management committees (consumer credit and data and security governance).
- Monitoring and reporting to the Executive Board quarterly and Plc Board twice a year with higher-risk/low-risk appetite areas such as health and safety reporting to every meeting.
- Active monitoring of legal and regulatory developments by in-house legal team.

PROGRESS

We continue to monitor legal and regulatory developments relevant to the business and take appropriate action.

During the year, training was reviewed and updated to make it more tailored to the business, and new policies, processes and training were put in place to meet the requirements of the new Consumer Duty.

No material breaches of laws or regulations were identified during the year.

Going forwards, we expect to see significant strengthening of UK consumer laws and regulations and increasingly demanding environmental regulation, and will continue to monitor developments and respond appropriately to ensure continued compliance with applicable laws and regulations.

RISK – IT OPERATIONS

Executive responsibility: Chief Information Technology Officer

Description of risk

As a digitally enabled business, reliable, available and appropriate back-office and customer facing IT operations underpin the delivery of every aspect of our strategy.

Separate from cyber security, the maintenance of our IT estate is a critical success factor to our short, medium and long term success. Failure to manage our IT operations effectively may impact sales and our ability to operate as a business.

Stakeholder groups



Risk trend



Link to strategy 5

MITIGATIONS

Reflecting our business's need to be supported by information technology, the ongoing effective operation of information technology forms the basis for everything that we do and helps to mitigate associated risks.

The completion of the autonomy programme improved our ability to identify and respond to issues directly, and also enabled a full assessment of our IT system needs against our strategic plans and priorities. A significant investment programme to develop future fit IT solutions was initiated as part of the demerger, gathering pace through 2023. This programme, together with an effective approach to identifying and resolving day-to-day issues with minimal impact on systems availability, have been key components in managing this risk throughout the year.

PROGRESS

The completion of the autonomy programme has ensured our systems continue to be effectively managed and able to support the business. The strategic and operational approach taken by the business has ensured that system availability has been maintained, and work continues to identify and remedy known issues.

Further investment to support the development of back-office systems will continue through 2024 and beyond to strengthen our ability to manage our IT estate effectively and efficiently.

RISK – GROWTH STRATEGY

Executive responsibility: CEO and the Executive Board

Description of risk

Our aspiration to grow market share in the competitive home improvement sector is a fundamental driver for our investment in stores, technology, products and our people.

Sustainable growth enables us to make this investment. Failure to achieve our growth strategy may limit the level of investment we are able to make towards realising the future of Wickes.

Stakeholder groups



Risk trend



Link to strategy 1 2 3 4 5 6 7

MITIGATIONS

Progress towards the achievement of our strategic goals forms a key focus for all areas of the business, underpinning the creation and maintenance of Shareholder value. To support our focus, a five-year (rolling) plan details how our strategy will be operationalised in the short and medium term. The five-year plan is approved by the Board and forms the basis of departmental business plans which together drive the achievement of our strategy.

Regular, monthly reporting of target defined key performance metrics provides a clear view on progress and helps to ensure that the Executive Board maintains strong visibility over progress and can identify areas where additional focus or changes to approach may be required.

PROGRESS

Our results for 2023 provide confidence that we've adopted appropriate responses to manage the risks associated with our growth strategy.

Encouraging progress has been made throughout the year against our objectives where, despite the inherent challenges that our customers have faced during the ongoing cost of living crisis, our unique market proposition and value focus have seen a growth in Wickes' market share across the year.

RISK – CLIMATE CHANGE

Executive responsibility: Executive Board

Description of risk

Our stakeholders need to be assured that we are acting responsibly across our operations and supply chains.

Physical risks from extreme weather events and transition risks from potential stringent regulation, or failure to efficiently decarbonise our value chain, could increase costs and impact operational flexibility.

Failure to positively change our impact on the environment would fall short of stakeholder expectations, which could lead to reputational damage and impact our financial performance.

Stakeholder groups



Risk trend



Link to strategy **4** **6** **7**

MITIGATIONS

- Assessment of physical and transitional climate change-related risks (see TCFD statement on page 57).
- Allocation of capital across the five-year business plan to enable the delivery of further operational carbon reductions.
- Approved near term science-based targets in place to reduce our Scope 1 and 2 and most material Scope 3 emissions.
- Carbon reduction targets built into the Executive Board's long term incentives.
- Active collaboration with strategic suppliers to decarbonise our supply chain.
- Dedicated sustainability team.
- Monitoring of policy and regulatory developments, future carbon pricing and stakeholder views.
- Assessment of the physical risk to property estate from long term climate change.
- Aligning climate change-related disclosures with developing standards (e.g. IFRS) and frameworks (e.g. CDP).

PROGRESS

We continue to make good progress on reducing our environmental impact in line with our Environment Policy.

During the year, we have reduced energy usage through the roll-out of LED lighting and improved heating controls, and we switched to a renewable electricity contract. We have also worked closely with key suppliers to set science-based targets to reduce the emissions of our supply chain.

New product ranges were launched during the year to support our customers with improving energy efficiency and decarbonising their homes, particularly considering the ongoing cost of living challenges.

We are on track to meet our near term science-based targets and support the British Retail Consortium's Climate Action Roadmap to achieve net zero by 2040.

Going forwards, we expect to see increasing disclosure requirements and a focus on greenwashing claims. We will continue to develop our Responsible Business Strategy and our climate transition plan to respond to the evolving situation and stakeholder needs.

RISK – PEOPLE AND SAFETY

Executive responsibility: Chief People Officer, Chief Operating Officer and Executive Board

Description of risk

Our people are our biggest asset; together we are all responsible for making Wickes successful and providing the best service possible to our customers. Failure to support our colleagues effectively and in the right way may impact their ability to bring 'their best selves to work' and therefore our ability to meet our strategic objectives.

Maintaining the safety of our colleagues and customers in store and during installations in their homes is a key priority.

Stakeholder groups



Risk trend



Link to strategy **6** **7**

MITIGATIONS

At Wickes, we recognise that our people sit at the very core of everything that we do. We maintain a positive, supporting culture and our motto of 'let's do it right' runs throughout everything that we do, including how we engage with customers, suppliers and colleagues.

We have continued to liaise closely with colleagues to understand their views and challenges and have continued to provide support to promote good mental health and financial wellbeing where needed. These approaches are embedded within our people strategy, which has been built around the four pillars of awareness, education, policy and practice.

Health and safety

Health and safety training is provided to new colleagues during their induction, and regular refresher training is provided to ensure that awareness of this key topic remains high.

Regular store health and safety audits and incident reviews, where required, are conducted and lessons applied to ensure that our operations remain as safe as possible, and wider monitoring of health and safety KPIs provide management with an accurate view of health and safety risk within the business.

PROGRESS

Our colleagues are vital to the current and ongoing success of the business. Throughout 2022 and 2023, the cost of living crisis has impacted our colleagues, and we have recognised that additional support has continued to be needed to help reduce some of the external pressures that are being experienced and support our colleagues to bring their best self to work.

Health and safety incidents have continued their downward trend throughout 2023, and maintaining our good record remains a key area of focus for the business in managing the health and safety risks that we are able to control. We remain aware and proactive in reducing risks posed by violence towards our colleagues including violence resulting from an increase in 'professional' shoplifting activity.

Principal risks and uncertainties continued

RISK – COMMERCIAL AND SUPPLY CHAIN

Executive responsibility: CEO, Chief Operating Officer and Chief Commercial Officer

Description of risk

Effective management of our commercial relationships with suppliers and our wider supply chains helps provide a platform which enables the business to provide an excellent level of customer experience. Working in partnership with our suppliers, we are able to support sustainable, long term relationships based on fairness and trust. Failure to do so may impact our ability to manage our product costs and ensure the availability of products.

Stakeholder groups



Risk trend



Link to strategy **1** **2** **3**

MITIGATIONS

The transition to a standalone business enabled Wickes to re-establish and reaffirm relationships with all suppliers, including the renegotiation of contracts.

Regular contract performance reviews are held with our key suppliers, which include assessments on both price and fulfilment performance against a set of established performance indicators.

We work closely with our suppliers to ensure that we are able to meet the needs of our customers, while supporting our suppliers to maintain viable businesses. Regular supplier conferences are held throughout the year to maintain positive relationships with our supplier base and help maintain a focus on the delivery of our commercial strategy.

PROGRESS

Throughout 2023, commercial teams have maintained regular interaction with our suppliers, working with our suppliers to promote sustainability within the supply chain. Our commercial approach has enabled margin retention while offering our customers the level of value expected of the Wickes' brand.

The proactive management of our supply chain has resulted in the maintenance of product quality and ensured excellent product availability throughout the year.

RISK – FINANCIAL MANAGEMENT

Executive responsibility: CFO

Description of risk

Managing finances, including understanding and managing the impact of external influences on our costs, revenue and cash flows is key to our long term success.

It helps to ensure that we are able to continue investing in our growth levers, operational capability, and digital and IT innovation.

Failure to effectively manage our financial position sustainably may result in the inability to invest in the future of Wickes and meet our short and long term liabilities

Stakeholder groups



Risk trend



Link to strategy **1** **2** **3** **4** **5** **6** **7**

MITIGATIONS

The Company has well-established financial processes and controls which allow it to monitor trading and to actively manage its costs and cash flows, as well as to develop longer term financial plans.

Cash flow models are maintained which monitor short term cash movements, as well as medium term cash and working capital. These underpin our going concern and financial viability assessments (see page 82).

The Company's treasury activities are low risk; they are managed using clearly defined and documented policies, ensuring surplus cash is effectively deposited and short term cash needs are satisfied.

PROGRESS

During 2023, the Company has invested across finance, in both people and processes, to improve the quality of its internal financial reporting, as well as to continue its investment to document and streamline its financial controls.

These investments have helped to reduce the net risk score in this area. However, we recognise the need to continue to invest and adapt, mindful of the revisions to the UK Corporate Governance Code published by the FRC.

RISK – CUSTOMER EXPERIENCE

Executive responsibility: CEO, Chief Operating Officer, Chief Marketing and Digital Officer

Description of risk

Our success is dependent on providing our customers with the highest levels of customer service and a positive customer experience that results in customers coming back to Wickes. Failure to maintain high standards of customer service and experience may impact sales and brand reputation.

Stakeholder groups



Risk trend



Link to strategy 1 2 3 4 5 6 7

MITIGATIONS

2023 has seen the continuation of programmes to capture customer views on their experiences which includes initiatives such as the Customer Closeness programme, our customer satisfaction programme (run by 3rd party partner Maru) and our rich understanding of data which fuels our Mission Motivation Engine.

Regular and frequent customer surveys and feedback received through our digital platform, store channels and through our Click & Collect and Home Delivery services provide Wickes with a unique and rich view of how our customers feel about our services. All customer contact is captured and profiled to increase our understanding of why customers contact us; through this process, we can identify and fix the root cause of issues rather than addressing symptoms.

The customer contact satisfaction process and root cause approach has helped us achieve high levels of Customer Satisfaction across all our channels and all channels have grown consistently since 2018. In the event of an escalated complaint, these are managed by our team of expert Customer Complaint handlers, based in Northampton.

We run a quality programme so we can monitor customer satisfaction at the point of complaint resolution and have an 80% 'Good or Excellent' satisfaction rating. We also measure and report customer satisfaction at every stage of the Do-it-for-me customer journey, helping us to drive continuous improvement by targeting those parts of the process which receive lower satisfaction scores.

PROGRESS

Our continuing focus on our customers has, once again, resulted in excellent levels of customer satisfaction. Our ongoing programme of investment in technology and our continuing focus on measurement, root cause analysis and appropriate corrective action have contributed to these results. In addition, focusing on the 'inputs' as opposed to the 'outputs' has underpinned our consistent growth, and CSAT excellent results in 2023.

As our back-office systems improve through the business change programme, we envisage that further improvements to customer satisfaction will be realised through increased efficiency and data availability. In addition, in 2024 we launch our Customer Satisfaction programme with a new partner, InMoment, which will provide even richer feedback through rich data. We will then take this data to insight, then to action to ensure an improved outcome.

RISK – STORES, DISTRIBUTION AND INSTALLATIONS

Executive responsibility: CEO and Chief Operating Officer

Description of risk

Effective operations support us in our drive to be the home improvement partner of choice, whether a customer opts to do it themselves, hires local tradespeople or works with Wickes directly to achieve their home improvement dreams.

Failure to manage our operations effectively will impact our ability to provide the right level of customer help, the right volume of stock to support their needs or a timely connection to our installation teams, reducing the high quality of customer experience we strive to deliver.

Stakeholder groups



Risk trend



Link to strategy 6

MITIGATIONS

The effective running of our stores distribution and installation process is a fundamental aspect of our day-to-day operations.

Training and support for these teams ensure that a good level of awareness of our standards and expectations is maintained.

Our store compliance programme, driven by our inspection regime, ensures that all our stores continue to maintain the standards that our customers expect.

Well-controlled Distribution Centres and associated logistics provide a means to ensure that we have the right product in the right places to fulfil customer needs.

The application of continuous improvement approaches helps to keep performance levels high and helps to identify where action may be required.

Customer feedback and satisfaction measures ensure that our installations meet and exceed the expectations of our customers.

PROGRESS

In recent years, responses applied to mitigate risks which impact stores, distribution and installations have helped to build a robust and effective environment to manage internal operations. Through maintaining a 'customer first' mindset, we have continued to build on these mitigations through 2023.

The further strengthening of internal processes and IT systems through the year, investment in which is set to be maintained in 2024, continues to contribute to improved performance in this area.

Viability statement and going concern

Introduction

The UK Corporate Governance Code requires companies to state whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of assessment. Several scenarios have been modelled to support our viability statement, which assess the impact of our principal risks on the solvency and liquidity of the Company.

Assessment period

The Directors' assessment of viability has been made over a five-year period. This is considered appropriate as it is consistent with the period over which the Group considers its principal risks and aligns with the Company's Five-Year Plan, which is regularly presented to the Board, and covers the period up to December 2028.

Assessment of prospects

This viability statement should be read in conjunction with the description of the Group's business model and strategy, which are set out on pages 18-19 and 21-27, respectively. The Directors assess the Group's prospects on a regular basis and in particular progress against the strategic objectives set out in its Five-Year Plan. The Plan delivers forecasts of the Group's financial performance including cash flows, and allows the Directors to assess the Group's liquidity position and adequacy of funding. Sensitivity analysis of the main assumptions underlying the plans is also carried out. The plans are approved by the Directors and financial budgets and KPIs are subsequently used to monitor performance in the Board's monthly review of the Group's results.

In its assessment of the Group's prospects, the Board has taken into account:

- Uncertain trading conditions and expectations of the future economic environment, as well as the potential influence of climate change on our business. The continuing macroeconomic uncertainty brought about by the recessionary environment in the UK, inflation risks, and global supply chain disruption; despite the impact of these uncertainties in 2023, the Group has maintained revenue levels and continued to be profitable, although at a slightly reduced level.
- The Group's financial position: despite the ongoing and increasing challenges of the wider economic environment, the Company has reported a strong set of results and positive operating cash flows, offset by our continuing commitment to invest in our business and deliver the capital allocation policy announced during the year. We have continued to demonstrate that Wickes is resilient as a standalone entity and we remain confident that our Five-Year Plan shows strong sustainable growth.

Assessment of viability

The scenarios for assessing the viability of the Company were identified by considering the potential impact of individual principal risks and potential combinations (as shown in the table on page 75).

All twelve principal risks have been considered when completing the modelling. These risks combine to represent severe but plausible scenarios covering a range of different operational and financial impacts on the business. In total, six individual scenarios have been created, with a seventh 'collective' scenario, which combines a number of the individual scenarios to model a worst-case hypothetical situation (as these could theoretically run together, with different impacts on our business).

None of the individual scenarios modelled were found to have an impact on the long term viability of the Company over the assessment period. The modelling showed we are in a strong position to withstand each of the individual scenarios.

The collective scenario (see page 83 for more detail) is more extreme and whilst the scenario is plausible, it exceeds the impact of principal risks which the Company has encountered in its trading experience to date. Under this scenario, which assumes dividends continue to be paid in line with the capital allocation policy (2.5x cover), the Group would remain cash positive. If required, further mitigation would be possible to improve the cash position, for example reducing or delaying our investment plans or to target cost savings. The model does not assume use of the bank facility.

Additionally, reverse stress tests were performed on each scenario to identify what level of sensitivity on each scenario would cause the business to no longer be viable, and the likelihood of these reverse stress tests was considered and found to be remote.

Viability statement

Having assessed the current position, principal risks and prospects of the Company, and taking into account the assumptions above, the Directors confirm they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five-year assessment period.

Scenario modelled	Link to principal risks
<p>Scenario 1 REDUCED CUSTOMER CONFIDENCE AND LOWER SPENDING Reduced customer confidence and lower spending, either through external economic factors or through loss of customer confidence in Wickes as a brand. The budgeted sales increases are not delivered: sales decline in 2024 and return to growth in 2025.</p> <p>ASSUMPTIONS Sales decline by 6% in 2024, followed by growth percentages in line with the Five-Year Plan but from a lower starting point. No change to margin and administrative costs.</p>	<p>Customer Experience</p> <p>Growth Strategy</p> <p>Brand Integrity and Reputation</p>
<p>Scenario 2 SUPPLY CHAIN AND COST MANAGEMENT DIFFICULTY Costs to obtain and distribute goods are impacted by internal factors (operational efficiency, people factors, IT operations) or external factors (macroeconomic factors such as inflation, the cost implications of ESG, and the availability of goods and the costs of delivery). The business is able to maintain revenue levels but is required to increase the cost base to do so.</p> <p>ASSUMPTIONS No change to sales. Margin rate reduced by 1%. Customer delivery costs increased by 5%.</p>	<p>Commercial and supply chain</p> <p>IT Operations</p> <p>Stores, distribution and installations</p> <p>Climate change</p> <p>Legal and regulatory compliance</p>
<p>Scenario 3 FURTHER INCREASES IN ENERGY COSTS Energy cost increases beyond the level currently budgeted. The business is able to maintain revenue levels but is required to increase the cost base to do so.</p> <p>ASSUMPTIONS Energy costs are £5m above those budgeted in each year of the plan.</p>	<p>Financial management</p> <p>Climate change</p>
<p>Scenario 4 INCREASE IN PAYROLL COSTS The cost of living crisis and potential future increases in minimum wage results in salary increases in excess of those budgeted. The business is able to maintain revenue levels but is required to increase the cost base to do so.</p> <p>ASSUMPTIONS No change to sales. Payroll costs in relation to store and warehouse colleagues increased by 5%.</p>	<p>People and safety</p> <p>Financial management</p>
<p>Scenario 5 INABILITY TO DELIVER BUSINESS CHANGE PROGRAMME TO BUDGET OR TO TIME The Company's change programme to be delivered over the coming years is expected to be a key underpin for future growth. It includes significant investment in the company's core operational IT platforms, which will need to be carefully delivered to maximise business value, and minimise disruption. IT change programmes are inherently risky and it is possible that it cannot be delivered to time or to budget.</p> <p>ASSUMPTIONS Anticipated annual spend on business change programme is over budget in later years of the plan by 20% due to unforeseen impacts of technology or scope. No changes to sales or margin.</p>	<p>Business Change</p>
<p>Scenario 6 OPERATIONAL SHOCK A significant external disruption (e.g. a cyber attack or a disease outbreak) requires the business to shut down fully for a short period of time, returning to budget within two months as soon as the effects of the disruption have been addressed.</p> <p>ASSUMPTIONS Zero revenue for two weeks, returning to budget within one month. No change to gross margin percentage: all costs other than direct cost of stock assumed to remain in line with budget, as it is anticipated that any potential cost reductions during a shutdown would be offset by increased costs required to mitigate the potential losses.</p>	<p>Cyber and data security</p>
<p>Scenario 7 A COMBINATION OF SCENARIOS SET OUT ABOVE This is seen as a worst-case scenario and whilst the scenario is plausible, it exceeds the impact of principal risks which the Company has encountered in its trading experience to date. The combined scenario does not include Scenario 5, Business Change, on the basis that an operational shock would likely trigger a reconsideration of the timing and scope of the current change programme.</p>	<p>As above (Excluding Business Change)</p>

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report, including the principal risks of the Group set out on pages 75-81. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial review on pages 30-33. The Directors have considered the above and how they may impact going concern. They have also completed modelling for scenarios 1 to 4 opposite, as well as a severe but plausible scenario which assesses the impact on the Group's liquidity headroom when combining these risks together. When considering scenarios 1 and 6, the Directors do not consider risks 5 or 6, based on the mitigating controls in place, will impact in the next 12 months and are therefore not included in their going concern assessment.

As a result of this review, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements and therefore consider it appropriate for the Group to continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Furthermore, based on the Group's strong performance, prospects and liquidity position, the Directors do not consider going concern to be a critical accounting judgement. Further detail in relation to the use of the going concern assumption and the scenarios modelled by the Directors are detailed in note 1 of the Group financial statements.

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

David Wood
Chief Executive Officer
18 March 2024

Mark George
Chief Financial Officer
18 March 2024