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.
- 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

> "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."

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

PEOPLE

Where all our colleagues can feel at home and are empowered to support their communities and customers.

COLLEAGUES – CUSTOMERS – COMMUNITIES

Supply chain and responsible sourcing
From the materials used to make our products, to how they are manufactured and transported, everything we do is built on a responsible supply chain.

Safety and wellbeing
Our safety culture is centred around commitment and care and we make it our priority to ensure that everyone who works and shops with us goes home safe and well every single day.

HOMES

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

PRODUCTS – SERVICES – INSTALLATIONS

ENVIRONMENT

Supporting the fight against climate change and taking action to protect the natural environment.

CARBON – WASTE – NATURE

Strong governance
Through our Board-level Responsible Business Committee, we ensure our Built to Last Strategy is led and managed effectively.

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 live 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 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.

Director, senior manager and employee gender and ethnicity breakdown[1]

	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.

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.

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 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."

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 LGBT+ 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

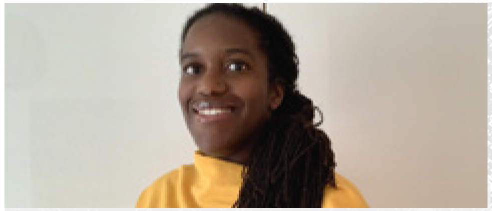
As part of being a responsible business, the Future Focus network supports our ambitions to create a business that is ready for the future, where everyone can thrive, regardless of age, experience and background. The network also looks to support young people in building a better future for themselves,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

Responsible Business continued

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.

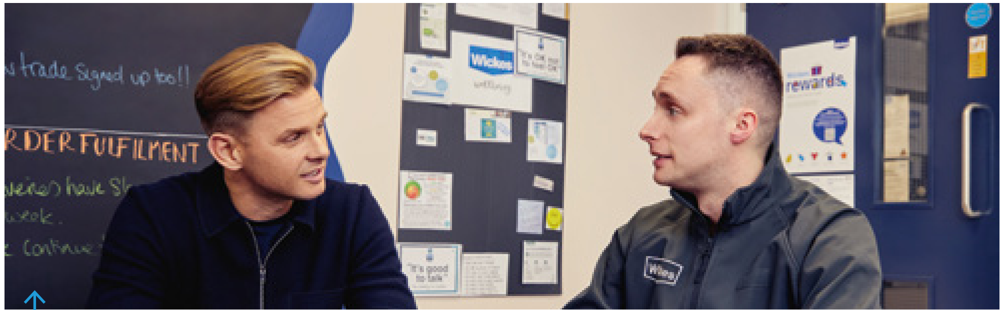
We have extended the support of our Wellbeing Ambassador, Jeff Brazier, to our TradePro members, who are now able to access his coaching content to help with their wellbeing.

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.

THE BRAIN TUMOUR CHARITY

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.

Responsible Business continued

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**

SCIENCE BASED TARGETS

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

Responsible Business continued

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 57,821m^3 of water in 2023 (an improvement compared with 66,388m^3 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_2e)	2022 Emissions (tCO_2e)	**2023 Emissions (tCO_2e)**
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_2e/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 3[3]	1,585,420	2,048,557	**1,452,119**[1]
Total greenhouse gas emissions[3]	1,623,048	2,081,763	**1,475,862**[1]

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_2e)	37,628	33,206	**23,744**
Annual energy use (MWh)	114,515	170,003[2]	**159,994**
Emissions intensity (tCO_2e/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.

Responsible Business continued

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 (2) Percentage involving personally identifiable information (PII) (3) Number of customers affected	Quantitative	Number Percentage (%) 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.
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. (b) Describe **management's role** in assessing and managing 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
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: (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) Describe the organisation's **processes for managing climate-related risks**.	(b) A description of how the company identifies, assesses, and manages climate-related risks and opportunities.	63-64
(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.

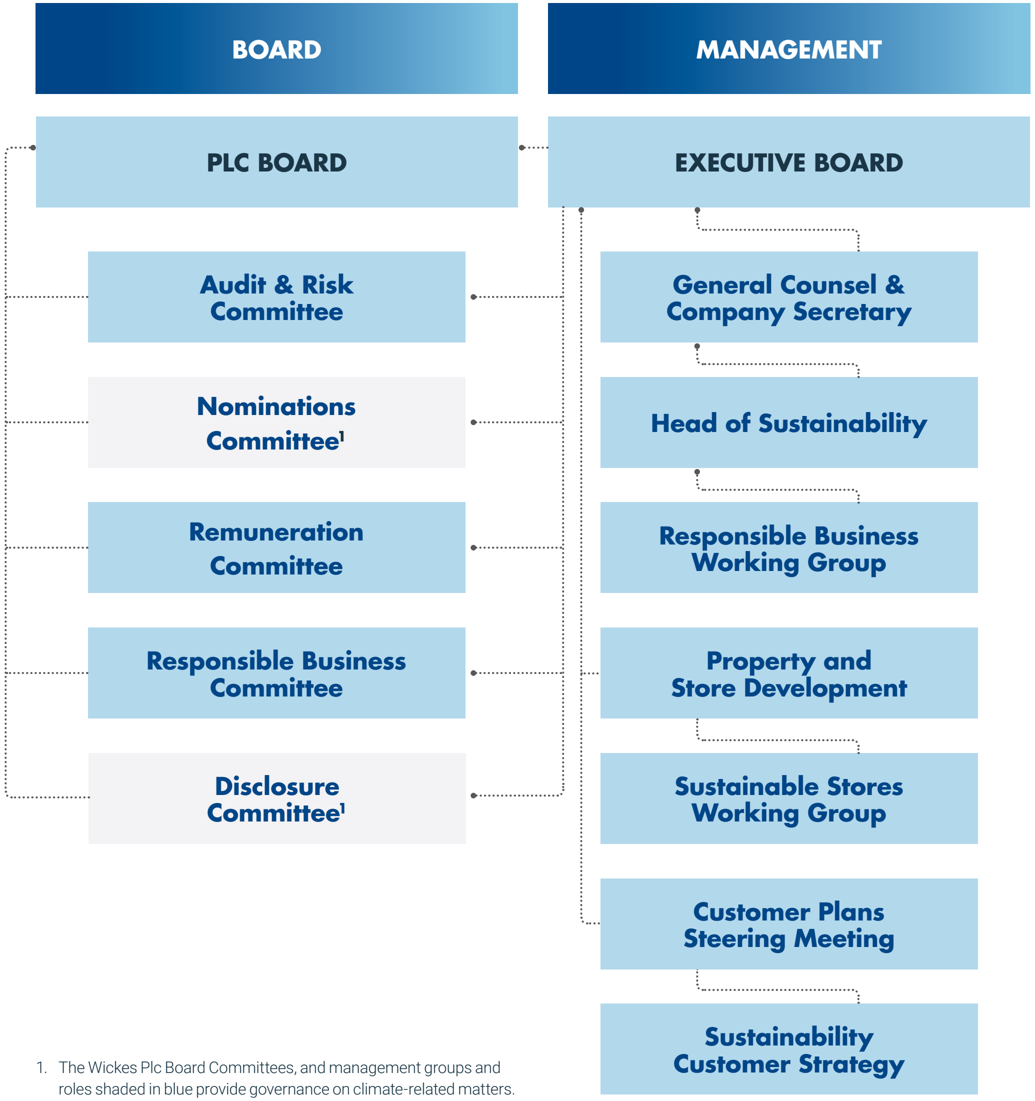
The RBC's duties include overseeing the Group's ESG conduct, and this includes climate-related issues, which are a regular agenda item for the Committee. The RBC monitors and oversees progress against the Group's carbon reduction goals and targets and for addressing climate-related risks and opportunities 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.

Response to TCFD recommended disclosures continued

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 TO1 – 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

				Scale of financial impact (high/medium/low/uncertain)[1]					
Thematic climate-related risk categories	**Risk or opportunity**	**Potential business impact**	**Potential financial impact**	**Short term 1-5 years 2024-2028**	**Medium term 5-15 years 2029-2038**	**Long term 15-30 years 2039-2053**	**Climate scenario**	**Strategic response**	**Management controls and mitigation measures**
PR1 – Extreme weather-related events impacting operations	Acute physical risk	Operations	Expenditure Revenue	Low	Uncertain	Uncertain	High Physical Impact Scenario (4°C)	– 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.	– 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)	– Continue to partner with strategic suppliers to understand risks in operating regions and discuss mitigating actions.	– 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)	– Monitoring relevant policy developments. – Focusing on delivering decarbonisation targets.	– 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)	– Engaging on long term decarbonisation strategy of main transport providers. – Defining business case for potential low and zero-carbon emissions fleet options.	– 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)	– 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.	– 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 CO_2 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: – Tonnes of CO_2e for Scope 1 and 2 (six monthly) – % of GFR suppliers that have set science-based targets (six monthly) – Tonnes of CO_2e for Scope 3 (annually) – Tonnes of Scope 1 and 2 CO_2e / sq ft (annually) – Tonnes of Scope 1 and 2 CO_2e / sq m (annually) – Store energy consumption (monthly)	– 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: – % revenue from products that UK Government has announced will be phased out as part of transition to net zero	– TO1 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: – % 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	– 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: – Revenue from products or services that support the transition to a low-carbon economy	– TO1 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: – Investment in physical climate adaptation measures (flood resilience installation and planned maintenance) – Investment in capital required to decarbonise the estate and fleet	– 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.	– 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.	– TR2 Decarbonising the fleet – TR3 Decarbonising the estate – TR4 Increased scrutiny from Shareholders on delivering net zero

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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
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Human rights	Code of Business Ethics	54
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	Our Modern Slavery statement can be found on our website	
Social matters	Section 172 statement	68
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Principal risks and impact of business activity	Principal risks and uncertainties, in particular People and Safety	79
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