Financial Reporting Council
8th Floor
125 London Wall
London
EC2Y 5AS

12 September 2023

Dear Sirs,

Corporate Governance Code Consultation

Kingfisher plc welcomes the opportunity to comment on the proposed changes to the UK Corporate Governance Code. We are aware that the GC100 and the 100 Group have consulted with businesses and other key stakeholders to develop their own responses to the consultation. Kingfisher has worked closely with the GC100 to consider wider business views and to develop a response.

Whilst Kingfisher is aligned with the views of the GC100 and the 100 Group as set out in their respective responses, we are responding on behalf of Kingfisher plc, and are highlighting a few key areas of particular concern to us as set out below.

Directors' external commitments

Whilst well intentioned, we are concerned that the proposed amendments to Principle 15 requiring companies to list significant appointments and describe how each director has sufficient time to undertake their role, will simply lead to inconsistent interpretations of 'significance' and more lengthy, repetitive disclosures in governance sections that are trying to meet an increasing number of requirements.

The vast majority of non-executive directors of UK listed companies are extremely mindful of the number of mandates they take on and are well versed in managing their diaries and time accordingly. In addition, we feel that the position of the proxy agencies and many institutional shareholders in recommending or voting against directors they regard as 'overboarded' already serves as a sufficient, if inconsistent, check on excessive external commitments.

Finally, the amended principle may also have the negative effect of further deterring high quality candidates from taking on a listed company position given the additional disclosure and justification that will be required in the annual reports of the companies they serve.

Succession planning

As with Principle 15, the new Principle 24 requiring additional reporting on the work of the Nomination Committee will, in our view, lead to meaningless reporting. Given the sensitivity of succession plans for executive directors and senior management it will be almost impossible for companies to provide any sort of meaningful disclosure in response to this Principle.

Kingfisher plc
1 Paddington Square
London W2 1GG
tel: +44 (0) 20 7372 8008
www.kingfisher.com

Registered Office at above address.
Registered in England.
Company Number 01664812.

Risk management and internal control

In our view the directors' declaration set out in the amended Provision 30 is impractical, specifically in relation to the requirement for 'continuous monitoring' of risk management and internal control systems which arguably is the role of executive rather than non-executive leadership. Further, in extreme circumstances where an instance of material weakness is identified it may prove impossible for the declaration to be made at all and, in any event, increases the potential liability for directors thereby serving as a further potential deterrent for high quality candidates taking on a listed company position.

Role of the audit committee

Whilst we welcome the amendments to Provisions 25 and 26 in cross referring to the Minimum Standards for Audit Committees thereby removing duplication, we view some elements of the Minimum Standard as impractical. Specifically, regarding the scope of the committee's role in extending to the level of 'resilience, capacity and choice' of the audit market which it is not in an Audit Committee's gift to influence, or the suggestion that the committee should consider running a price-blind tender, which is ultimately not in the interests of the Audit Committee, the Company, or investors.

In terms of the development of the audit and assurance policy and the suggestion that the committee should engage with shareholders and other stakeholders on the formulation of the policy, we do not believe that the Code is the best vehicle to promote such engagement. In our view shareholders are unlikely to engage on this issue but are of course already free to do so if they wish, therefore mandating a consultation process will only add to the compliance burden.

With regards to the committee's responsibility for all narrative reporting including ESG reporting, in our view this is overly prescriptive. Most companies will already have a board level committee responsible for ESG matters, including reporting, therefore mandating responsibility to the audit committee will deprive companies of adopting a flexible approach and merely serve to duplicate work among committees that already have full agendas.

Thank you for giving us this opportunity to respond to the amended Code and we look forward to seeing the final version in due course.

[redacted]

Kingfisher plc
1 Paddington Square
London W2 1GG
tel: +44 (0) 20 7372 8008
www.kingfisher.com

Registered Office at above address.
Registered in England.
Company Number 01664812.

About Kingfisher plc:

Kingfisher plc is an international home improvement company with over 1,900 stores, supported by a team of 82,000 colleagues. We operate in eight countries across Europe under retail banners including B&Q, Castorama, Brico Dépôt, Screwfix, TradePoint and Koçtaş. We offer home improvement products and services to consumers and trade professionals who shop in our stores and via our e-commerce channels. At Kingfisher, we believe a better world starts with better homes. We help make better homes accessible for everyone.

Kingfisher plc
1 Paddington Square
London W2 1GG
tel: +44 (0) 20 7372 8008
www.kingfisher.com