

Governance

How we preserve value

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Governance

Corporate governance report



Peter Ventress
Chairman of the Board

Using the corporate governance report

The following sections may be found in this corporate governance report:

- Page 70: Board of Directors profiles
- Page 74: Executive Committee & Company Secretary profiles
- Page 76: Key Board activity during the year and for the year ahead
- Page 78: Directors' duties and s.172 disclosure
- Page 80: Stakeholder engagement
- Page 88: UK Corporate Governance Code application and compliance

Introduction from the Chairman

Listed company boards find themselves in an interesting position at the end of 2025 from a corporate governance perspective. The prevailing political mood is deregulatory, with many long-planned governance reforms being shelved or cancelled (such as those relating to audit reform). On the other hand, the most recent changes to the UK Corporate Governance Code, particularly the introduction of Provision 29, provide a more prescriptive landscape for directors in the context of risk management and internal control frameworks. Such compliance changes require time and effort for boards to implement, and our journey to complying with Provision 29 is set out not only in this year's Audit Committee report (on page 132) but also in our 2024 and 2023 Annual Reports. Having robust operational controls in place at Howdens is nothing new, and the implementation of our key controls project has been deliberately sympathetic to the nature of the Howdens business. It is, however, rewarding to be able to sign off on the efficacy of our key controls and the assurance that this brings is reassuring. We look forward to providing our declaration in respect of 2026 in our 2027 Annual Report.

However, as documented in the following corporate governance and committee reports, we have always applied a considered and Howdens-first approach to our governance framework. This is underpinned by our unique culture and our ethos that Howdens must be worthwhile for all concerned. This fundamental tenet remains despite changes in the external environment and changes in the Board and senior management. As a Board, we have successfully navigated these changes and Howdens' foundations for growth remain based on solid governance foundations.

Outcome-driven reporting

We welcome the Financial Reporting Council's guidance that corporate reporting should be outcome-driven and have tried to adopt this approach through these reports. The actions and impact of the Board's decisions can be found in our stakeholder reporting on pages 80 to 87 as well as our Section 172(1) statement on page 78. We provide a snapshot of the Board's calendars for the year passed and the year ahead to demonstrate how the Board's agenda dovetails with key business activities and priorities.

We have tasked ourselves with being concise and proportionate in our reporting. It is important to remain compliant but, wherever possible, we have sought to safeguard key messaging and insight.

Sustainability and diversity

It has also been a time of changing expectations for companies in both sustainability and diversity arenas. At Howdens, we have resisted 'strategically re-evaluating' any of our ESG policies in light of the changing external environment. We believe that we have appropriate and robust policies in place and, as a Board, have continued to encourage the embedding of sustainable practices in our core business activities.

2025 saw the end of the performance period for our first Executive Director long-term incentive performance measures. Introduced in 2023, over the three-year performance period, Howdens successfully improved our carbon intensity ratio by reducing carbon emissions by 11.7% per annum, reducing fleet emissions by 23%, having carbon neutral status (or equivalent) at four of our manufacturing sites and ensured that a minimum of 99% of waste avoided landfill. We will continue to incentivise management to continue to make Howdens a more sustainable business and will refine these measures with the Remuneration Committee in future years as the business evolves.

During the year, the Howdens Board also reached some important diversity milestones. For the first time, the Howdens Board has more than 50% female membership, it has a female Executive Director, and it has two women in the 'big four' roles of Chair, Senior Independent Director (SID), Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Our priority as a Board is always to ensure that there is diversity of thought first, but achieving a better gender balance is worth celebrating.

Whilst the external narrative may have changed, the impact of climate change and the importance of understanding and reflecting the communities in which we operate has not. More information on our approach to sustainability and diversity can be found in the sustainability matters report, starting on page 42.

External board evaluation

One crucial piece of external assurance and outcome-driven reporting is our triennial external board evaluation.

In 2025, we invited Grant Thornton to undertake our effectiveness review for the first time. I was pleased but not surprised that their report concluded that the Howdens Board demonstrated high levels of effectiveness during a period of significant personnel change, including four new Non-Executive Director appointments over the past two years, as well as the addition of a new CFO in 2025.

More details on the evaluation process can be found in the Nominations Committee report on page 100 and in each of the Committee reports.

The Board in 2026

We will continue to build on our 'spotlight sessions' programme, which has provided the Board with unique insight and the opportunity to speak to management below the Executive Committee. Details of the Board's programme for 2026 can be found on pages 76 and 77.

As ever, I also look forward to engaging with our shareholders at the AGM in May.

Peter Ventress
Chairman of the Board

Board meeting attendance in 2025

Peter Ventress	(7/7)	
Jackie Callaway	(3/3)	Appointed 2 June 2025
Andrew Cripps	(4/4)	Retired 1 May 2025
Roisin Currie	(7/7)	
Louis Eperjesi	(7/7)	
Louise Fowler	(7/7)	
Paul Hayes	(3/4) ¹	Retired 30 May 2025
Tim Lodge	(6/7) ²	Appointed 1 January 2025
Andrew Livingston	(7/7)	
Vanda Murray	(7/7)	
Suzy Neubert	(7/7)	

1 Paul was not in attendance for the meeting confirming his retirement and the appointment of Jackie Callaway as CFO.
2 Tim was unable to attend the January meeting due to commitments entered into before his appointment. He was provided with all the Committee papers ahead of the meeting and provided his feedback to the Committee Chair and Company Secretary.

Additional information

The disclosures and information shown below may be found in the Additional Information section beginning on page 204:

- 2026 Annual General Meeting (AGM) details
- 2025 Final Dividend timetable
- Share capital information
- Significant agreements disclosure

Governance

Corporate governance report continued

Board of Directors



Andrew Livingston
Chief Executive Officer



Jackie Callaway
Chief Financial Officer



Peter Ventress
Non-Executive Chairman

N S



Vanda Murray OBE
Senior Independent Director

A N R S



Roisin Currie CBE
Independent Non-Executive Director

A N R S



Louis Eperjesi
Independent Non-Executive Director

A N R S



Louise Fowler
Independent Non-Executive Director

A N R S



Tim Lodge
Independent Non-Executive Director

A N R S



Suzy Neubert
Independent Non-Executive Director

A N R S

Key to Board Committee membership

A Audit Committee **N** Nominations Committee **R** Remuneration Committee **S** Sustainability Committee **C** Chair of Committee

Roles

Further information about the role of the Board, the Executive and Non-Executive Directors, the Company Secretary, and external advisors can be found on our website: www.howdenjoinerygroupplc.com/governance/division-of-responsibilities

Andrew Livingston
Chief Executive Officer

Appointed

Andrew was appointed to the Board as Chief Executive Officer on 2 April 2018.

Contribution to the long-term sustainable success of the Company

Andrew has a strong track record of performance, execution and driving change through improving digital capability, ranges and new site openings. He also has knowledge of key European geographies, is a competent French speaker, and has an entrepreneurial mindset. This mindset fits the Howdens culture which has served the Company well and is fundamental to its success. He was previously the CEO of Screwfix and has an MBA from the London Business School.

Other listed company appointments

None

Peter Ventress
Non-Executive Chairman

Appointed

Peter was appointed to the Board as an independent Non-Executive Director in July 2022. He became Chairman and Chairman of the Nominations and Sustainability Committees in September 2022.

Contribution to the long-term sustainable success of the Company

As former Chairman of Galliford Try Plc and current Chairman of Bunzl Plc, Peter has in-depth knowledge of UK listed companies and the associated high corporate governance standards required by such companies. He was also formerly Chief Executive Officer of Berendsen Plc and has held several senior executive roles, including International President of Staples Inc and Chief Executive Officer of Corporate Express NV, meaning he has extensive experience in international distribution businesses and brings a wealth of relevant commercial, financial and high-level management experience to the Board.

Other listed company appointments

Non-Executive Chairman of Bunzl Plc

Jackie Callaway
Chief Financial Officer

Appointed

Jackie was appointed to the Board as Chief Financial Officer on 2 June 2025.

Contribution to the long-term sustainable success of the Company

Prior to her appointment to the Howdens Board, Jackie served as CFO of Coats Group plc and as CFO of Devro plc. She has a strong finance record and extensive experience across multinational manufacturing and supply chain businesses. She is a Fellow of the Institute of Chartered Accountants in England and Wales, and of the Chartered Accountants Australia and New Zealand. Jackie has a Bachelor of Business Management Studies from the University of Waikato, New Zealand.

Other listed company appointments

Non-Executive Director and Audit Committee Chair of IMI plc

Vanda Murray OBE
Senior Independent Director

Appointed

Vanda was appointed to the Board in February 2024. She became Remuneration Committee Chair in May 2024 and Senior Independent Director in May 2025.

Contribution to the long-term sustainable success of the Company

Vanda has over 30 years' experience at senior level across a range of industry sectors in the UK and internationally. She is currently Non-Executive Chair for both Marshalls plc and for Yorkshire Water, and is also a Board Member of Maggie's Manchester, the cancer care drop-in centre, and a trustee of the English National Opera.

Vanda served as CEO of Blick plc from 2001 to 2004 and led Ultraframe plc from 2004 to 2006. She received a Doctor of Business Administration from Manchester Metropolitan University in recognition of her achievements in business, her inspirational leadership and her significant contribution to the North-West of England and the university. In 2002, Vanda was appointed an OBE for Services to Industry and Exports. Her extensive experience and impressive achievements in both executive and non-executive roles benefits Howdens from both a leadership and a strategy perspective.

Other listed company appointments

Non-Executive Chair of Marshalls Plc

Governance

Corporate governance report continued

Board of Directors continued

Roisin Currie CBE
Independent Non-Executive Director

Appointed
Roisin was appointed Non-Executive Director in July 2024.

Contribution to the long-term sustainable success of the Company
Roisin's experience in a number of senior executive roles within the consumer sector provides her with a strong diversity of perspective and customer-centric focus. She has been the Chief Executive of Greggs Plc since May 2022, having joined as Group People Director in 2010. During her tenure, she was also Retail and Property Director. This breadth of experience means Roisin has a comprehensive understanding of vertically integrated and multi-site businesses, and she has experience working at both a strategic and operational level.

Roisin began her career at Asda, where she spent 20 years, latterly as Retail People Director and then Distribution People Director. She is currently Chair of the Employers Forum for Reducing Re-offending, a voluntary role working with the Ministry of Justice and New Futures Network, and she is a Trustee of the Duke of Edinburgh Awards Scheme. She has also recently joined as an advisor to the Food Strategy Board. Her HR and people background brings valuable perspectives on culture, talent and reward.

Other listed company appointments
Chief Executive Officer of Greggs Plc

Louise Fowler
Independent Non-Executive Director

Appointed
Louise was appointed to the Board in November 2019.

Contribution to the long-term sustainable success of the Company
Louise has over 30 years of customer, brand and digital experience at a senior level. Her experience encompasses publicly listed and private businesses, the mutual sector and not-for-profit organisations.
Louise's background in consumer experience and reputation is valuable to the Company as it strives to provide a strong aftersales service to further support the builder customer. Her digital experience also provides valuable insight given the investment the Company continues to make in its digital programme. Louise is currently a director of Prudential Assurance Company, a subsidiary of M&G Plc, and is an Honorary Professor in Marketing at Lancaster University Management School.

Other listed company appointments
None

Louis Eperjesi
Independent Non-Executive Director

Appointed
Louis was appointed Non-Executive Director in June 2023.

Contribution to the long-term sustainable success of the Company
Louis has a strong background of manufacturing and supply of building products in international markets, together with commercial, strategy development, and change management experience. He is currently a Non-Executive Director of Ibstock Plc, Trifast Plc, and AIM-listed Accsys Technologies Plc.

Louis has had a long career in the building materials sector, most recently serving as CEO of Tyman Plc, a leading international supplier of engineered components and access solutions to the construction industry. He has also held senior executive roles in Kingspan Plc, Baxi Group Ltd, Lafarge SA, and Caradon Plc.

Other listed company appointments
Non-Executive Director of Ibstock Plc, Trifast Plc, and Accsys Technologies Plc

Tim Lodge
Independent Non-Executive Director

Appointed
Tim was appointed to the Board in January 2025. He became Audit Committee Chair in May 2025.

Contribution to the long-term sustainable success of the Company
Tim has substantial recent and relevant financial experience, having spent over 30 years in finance and accounting roles. He is a fellow of the Chartered Institute of Management Accountants and spent 26 years at Tate & Lyle Plc in various finance and commercial roles, including six years as Chief Financial Officer. He has also held Chief Financial Officer roles at the COFCO International group and the role of Non-Executive Director and Audit Committee Chair at Arysza AG.

Tim is currently independent Non-Executive Director and Audit Committee Chair of both SSP Group Plc and Serco Group Plc, and Independent Director of Arco Limited. He is also a trustee of the charity Gambia School Support and a Director of An African Canvas (UK) Limited.

Other listed company appointments
Non-Executive Director and Audit Committee Chair of both SSP Group Plc and Serco Group Plc

Suzy Neubert
Independent Non-Executive Director

Appointed
Suzy was appointed Non-Executive Director in July 2024.

Contribution to the long-term sustainable success of the Company
Suzy's experience in sell-side equity research at Merrill Lynch, and additionally on the buy-side in her role at JO Hambro, has given her a thorough understanding of capital markets and the expectations of institutional investors. She has worked for large organisations but also in more dynamic environments, which is a valuable mix of experience for Howdens as a FTSE 100 business with a strong entrepreneurial culture. She is a qualified barrister and brings valuable legal insight and experience to the Board.

Suzy is also an experienced non-executive director. She served as Non-Executive Director, and latterly as Senior Independent Director of Witan Investment Trust plc until 2023, and is currently a Non-Executive Director and Senior Independent Director of LondonMetric Property Plc and Jupiter Fund Management Plc. She is also Non-Executive Director of Liverpool Victoria Financial Services Limited (where she is also Chair of the Investment Committee and Aptia Group Holdings Limited). Alongside her commercial board roles, Suzy is also a Vice Chair and council member at the King's Trust.

Other listed company appointments
Non-Executive Director and Senior Independent Director of LondonMetric Property Plc and Jupiter Fund Management Plc

Independence

The Board considered that all of the Non-Executive Directors were independent for the full duration of the period being reported on and that Peter Ventress was independent upon his appointment as Chairman.

Governance

Corporate governance report continued

Executive Committee and Company Secretary



Austin Cooke
Managing Director - Trade



Sébastien Krysiak
Directeur Général - International

Austin Cooke
Managing Director - Trade

Appointed

Austin joined Howdens in March 2025 and has been a member of the Executive Committee since that time.

Contribution to the long-term sustainable success of the Company

Austin has overall responsibility for the performance and culture of all of our depots in the UK. He oversees the evolution of our depot estate, including our strategically important depot reformatting and the opening of new depots.

Prior to joining Howdens, Austin held senior positions with Poundland, Yum Brands Inc, KFC Global, Phones 4u, and Dixons Group.

Sébastien Krysiak
Directeur Général - International

Appointed

Sébastien joined Howdens in September 2024 and was appointed to the Executive Committee in July 2025.

Contribution to the long-term sustainable success of the Company

Prior to joining Howdens, Sébastien held various leadership and commercial roles with Kingfisher Group companies over two decades. These roles included Director of Trading for B&Q, CEO of Castorama Poland and, most recently, Chief Commercial Officer for Kingfisher Plc.

As Directeur Général - International, Sébastien is responsible for the performance and growth of Howdens' international business in France, Belgium and the Republic of Ireland. The International business is in an important evolutionary phase and Sébastien's wealth of experience will stand him, and Howdens, in good stead to grow this business.



Julian Lee
Operations Director



James Mackenzie
Chief Commercial and Marketing Officer

Julian Lee
Operations Director

Appointed

Julian joined Howdens in 2003 and was appointed to the Executive Committee in July 2020.

Contribution to the long-term sustainable success of the Company

Prior to joining Howdens, Julian worked in a number of strategic and operational roles within the Silentnight Group. He joined Howdens in 2003 as a leader of the Manufacturing Division and from 2005 to 2009 was head of international sourcing and supply chain in Asia. Since 2009, Julian has made a major contribution to the transformation of our supply chain and operations, and in 2020 he was appointed Operations Director, encompassing both manufacturing and logistics.

Julian leads our strategic manufacturing investments, including increased in-house manufacturing capability and capacity.

Richard Sutcliffe
Supply Chain and IT Director

Appointed

Richard joined Howdens in January 2019 and was appointed to the Executive Committee in July 2020.

Contribution to the long-term sustainable success of the Company

Prior to joining Howdens, Richard was Director of Supply Chain at Screwfix. Before this, he held senior supply chain and business planning roles at Hobbycraft, Wyevale Garden Centres and B&Q.

Richard's role as Supply Chain Director encompasses optimising stock holdings across the business and ensuring Howdens maintains market-leading stock availability. He led the highly successful XDC project, which is delivering superior service levels and availability to depots. Richard's role also encompasses leading our IT team.

James Mackenzie
Chief Commercial and Marketing Officer

Appointed

James joined Howdens in August 2025 and has been a member of the Executive Committee since that time.

Contribution to the long-term sustainable success of the Company

James previously held the roles of Managing Director of Toolstation and Travis Perkins in the UK. Prior to joining Toolstation, he served on the board of Screwfix and held a number of senior positions in Kingfisher and Sainsbury's. He is currently a Non-Executive Director of Materials Market, a UK-based digital marketplace for construction materials, and is a member of the Advisory Board of The Pennies Foundation.

James's role encompasses product leadership and range management, which is one of our key strategic initiatives. He also leads the Digital and Marketing teams to build brand awareness and promote Howdens' unique model.

Forbes McNaughton
Company Secretary

Appointed

Forbes joined Howdens in July 2012 and was appointed Group Company Secretary in May 2014.

Contribution to the long-term sustainable success of the Company

Forbes joined the Company as Deputy Company Secretary in 2012 following a period of secondment from KPMG. He is a Fellow of the Chartered Governance Institute (CGI) and is Secretary to the Executive Committee as well as to the Board of Directors.

Forbes is the link between the Executive Committee and the Board, and is responsible for managing a number of external stakeholder relationships, such as with the Pensions Trustees and external regulators. He is the head of the legal function in addition to his corporate governance responsibilities and is Chair of the Howdens Worthwhile Foundation.

Executive Directors*

Andrew Livingston
Chief Executive Officer

Jackie Callaway
Chief Financial Officer

* Andrew and Jackie's profiles can be found on page 71.

Governance

Corporate governance report continued

Key Board activity

Set out below and on the facing page are highlights of the matters the Board considered in 2025 and will consider in 2026. Not all of the matters the Board considered or will consider are listed, so this should not be taken as an exhaustive list of activities.

In addition to the matters shown on the 2025 timeline, at each meeting the Board received strategic, operational and financial updates from the CEO and CFO. The Board also considered aspects of Group culture and strategy at various points during the year.

Governance and risk

The Board received governance, legal, and regulatory updates at regular intervals from the Company Secretary and the Board's advisors.

Risk remains a matter reserved for the Board and a detailed review of our risk management processes and principal risks can be found on pages 36 to 41 and on page 92. We have reviewed our risk management processes and remain satisfied that they are robust and effective. The annual review of the risk and control framework was presented to the Audit Committee in November 2025. Reporting from our whistleblowing helpline is also considered by the Board on a biannual basis.

2025

January

- Health and safety update
- CEO and CFO updates
- Pensions update¹
- Principal Risks review
- Whistleblowing update

February

- CEO and CFO updates
- Board evaluation feedback
- Budget approval
- Investor relations update
- Draft 2024 Full Year, draft 2024 Annual Report and Accounts, and 2025 AGM documents
- Shareholder and capital returns consideration
- Review of risk management framework
- NED fees
- Principal advisors review

April

- CFO succession (standalone meeting)

- Health and safety update
- CEO and CFO updates
- Pensions update
- Investor relations update
- Broker update
- Modern Slavery Statement and UK Tax Strategy approval

May - AGM

- All resolutions were passed with the requisite majority. Further details about the meeting may be found on page 84.

2026

January

- Health and safety update
- CEO and CFO updates
- Investor relations update
- Budget approval
- Pensions review
- Principal Risks review
- Whistleblowing update

February

- CEO and CFO updates
- Draft 2025 Full Year, draft 2025 Annual Report and Accounts and 2026 AGM documents
- Shareholder and capital returns consideration
- Review of risk management framework
- Board evaluation feedback
- Modern Slavery Statement approval
- Principal advisors review
- Corporate Conflicts Register review
- NED fees

April

- Health and safety update
- CEO and CFO updates
- NED employee engagement
- Investor relations update
- Group policies approval
- UK Tax Strategy approval
- Strategic planning

Spotlight session

May - AGM

- Further details can be found on page 215.

July

- Health and safety update
- Board engagement with the workforce
- CEO and CFO updates
- Investor relations update
- Draft 2025 Half Year results and announcement, including consideration of an interim dividend
- Key and Principal Risks review
- Group Policies review
- Whistleblowing update

Executive Committee presenters:
AC JL RS

Spotlight: Preparations for peak trading

September

- Health and safety update
- CEO and CFO updates
- Projects update
- Investor relations update

Spotlight: Pricing and Margin tool

Executive Committee presenters:
RS

November

- Health and safety update
- CEO and CFO updates
- Projects update
- Pensions update¹
- Investor relations update
- Non-Executive Directors' Employee engagement update
- Corporate conflicts register review
- Schedule of Matters Reserved for the Board and Board Committee Terms of Reference
- 2026 Board calendar approval

Executive Committee presenters:
AC JL JM

Spotlight: Cyber security governance

Executive Committee presenters

AC Austin Cooke (Managing Director - Trade)

JL Julian Lee (Operations Director)

JM James Mackenzie (Chief Commercial and Marketing Officer)

RS Richard Sutcliffe (Supply Chain and IT Director)

July

- Health and safety update
- CEO and CFO updates
- Investor relations update
- Draft 2026 Half Year results and announcement, including consideration of an interim dividend
- Market update
- Key and Principal risks review and review of risk management framework
- Business continuity management
- Whistleblowing update

Spotlight session

September

- Health and safety update
- CEO and CFO updates
- Investor relations update
- Pensions update
- NED employee engagement
- Cyber security governance
- 2026 Board evaluation planning

Spotlight session

November

- Health and safety update
- CEO and CFO updates
- Investor relations update
- Schedule of Matters Reserved for the Board and Board Committee Terms of Reference
- 2027 Board calendar approval
- Director training

Spotlight session

Spotlight sessions

Spotlight sessions are sessions with the wider Executive team and their direct reports to discuss the fundamentals of the business model, strategy and future plans. These are generally focused around the five pillars of the business:

- Trade service and convenience
- Product leadership
- Trade value
- Entrepreneurial culture
- Trusted trade relationships

1 The Company's actuaries reported to the Board on routine funding and investment matters.

Governance

Corporate governance report continued

Directors' duties

Section 172(1) of the Companies Act 2006

A director of a company is required to act in a way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, the director must have regard, amongst other matters, to the following:

- **Environment and community:** the impact of the company's operations on the community and the environment.
- **Long-term thinking:** the likely consequences of any decision in the long term.
- **Reputation:** the desirability of the company for maintaining a reputation for high standards of business conduct.
- **Investors:** the need for every member to be treated fairly and for no member to be favoured over another member.
- **Workforce:** the interests of the company's employees.
- **Suppliers and customers:** the need to foster the company's business relationships with (amongst others) suppliers and customers.

Section 172(1) Statement

Howdens was founded on the principle that the business should be worthwhile for all concerned. It's a principle that the business continues to live into today. Balancing the needs and views of all our stakeholders can be challenging as there are often competing interests at stake, and this is why the Board first and foremost considers our purpose, our culture, and our strategy to ensure all decisions have a clear and consistent rationale. For details on the matters which the Board discussed and considered during 2025, please see pages 76 and 77.

The Board regularly considers feedback from the Company's stakeholders. These are set out in detail on pages 80 to 87. This engagement is effective and in keeping with the Company's culture. For example, much of the feedback is through face-to-face conversations, but where there is need for formality and confidentiality, such as whistleblowing, this is also provided. Stakeholder feedback can directly affect the Board's decision-making, such as feedback received from investors in relation to the proposed Directors' Remuneration Policy and direct employee feedback at Regional Board meetings, but it also provides the context for decision-making, particularly where there are competing stakeholder interests.

As Directors, when we discharge our duty as set out in section 172 of the Companies Act 2006 ('Section 172'), we have regard to the factors set out on the left side of this page beneath the heading 'Section 172(1) of the Companies Act 2006'. In addition to these factors, we also consider the interests and views of other stakeholders, including our pensioners, regulators and the government, and the customers of our trade customers.

We have set out some examples below of how the Directors have had regard to the matters in section 172(1)(a)-(f) when discharging their Section 172 duty and the effect on certain decisions taken by them in 2025.

Capital investment

Howdens has a well-established policy for capital allocation. We focus on achieving sustainable profit growth by investing in and developing our business model.

In previous years, we have reported how the Board has invested significant amounts of capital in vertical integration in manufacturing and logistics. These investments are crucial to ensure low-cost, high-quality products to our builder customer and exemplary service to our depots. However, the Board has also continued to invest in Howdens' front-end proposition (its depots) and product offering.

Despite the kitchen market contracting each year since 2022, the Board has continued to approve capital expenditure for new depots, depot reformats, operational investments and strategic land purchases. Since the start of 2023, Howdens has opened 94 new depots in the UK and Republic of Ireland and reformatted 136 depots (including depot relocations) and has also invested £174m in our manufacturing and logistics capabilities.

Investment in new capabilities and product groups such as HWS solid surface worktops, Paint to Order and Bedrooms generated £159m worth of sales in 2025.

The Board's continued confidence in Howdens' model and strategic advantages means that we benefit all of Howdens' direct and indirect stakeholders by reinvesting in its differentiated service offering. Our capital allocation policy provides a sustainable balance between making Howdens a more robust and more effective business and maintaining progressive returns for our shareholders.

Shareholder returns

The Board aims to maintain and grow ordinary dividends in line with earnings to reward shareholders with an attractive ongoing income stream. After allocating cash to support and grow the business, as detailed above, Howdens remains committed to returning any surplus capital to shareholders.

In February, the Board recommended a final dividend for 2024 of 16.3p per ordinary share and a new £100m share buyback programme. In July, it further recommended an interim dividend for 2025 of 5.0p per ordinary share.

The Board takes regular feedback from its shareholders on the most appropriate method of returning capital, including at the AGM where all shareholders, regardless of the size of their shareholding, are invited to attend and ask questions of the Board. Our CEO and CFO also discuss this during investor roadshows following results announcements (further information about investor engagement can be found on pages 84 and 85).

Howdens has a prudent risk appetite towards balance sheet management and aims to run the working capital cycle debt-free. This approach has provided a source of great strength in challenging past years, for example during the COVID-19 pandemic.

Approach to pension plan deficit funding

In April, the Board considered a proposal to alter the approach to deficit repair contributions for the Howden Joinery Pension Plan (the 'Plan'). The previous approach was that deficit contributions by the Company would commence if the Plan moved into deficit on a technical provisions basis for two consecutive month-ends. The proposed mechanism was for contributions to start if the funding position fell below 98% funding for at least two consecutive month-ends on a technical provisions basis. Under the proposal (once triggered), contributions would continue until funding had reached 102% for two consecutive month-ends. The Board considered that the benefit of introducing a 'tramline' approach was to avoid a situation where contributions were regularly being switched on and off.

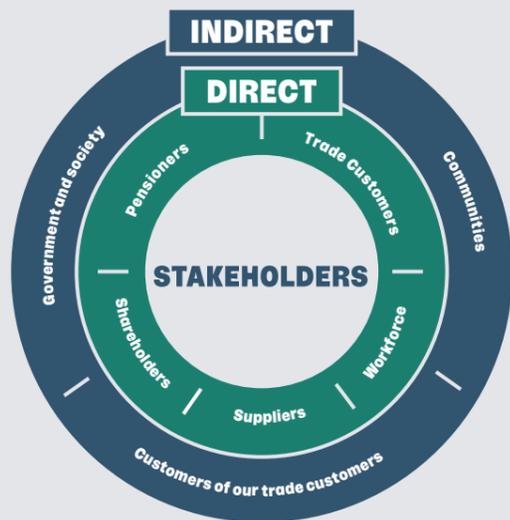
In reaching their decision, the Board noted the interests of members of the Plan, of whom c.800 current employees were members, but also of Howdens' wider stakeholder group who would benefit from a less sensitive trigger mechanism given the more predictable funding arrangement.

Governance

Corporate governance report continued

Stakeholder engagement

Howdens' stakeholders



Stakeholder and forms of engagement

Trade customers	pages 80 and 81
Workforce	pages 82 and 83
Suppliers	pages 84 and 85
Shareholders	pages 84 and 85
Pensioners	pages 86 and 87

Trade customers

Engagement with our trade customers included the following:

- 1 Local depots
- 2 Builder forums
- 3 Customer surveys and research



Local depots

The primary method of engaging with our trade customers since Howdens opened its doors in 1995 has been through conversations at the local depot. The relationship between depot managers and trade customers has always been at the heart of what we do.

Our depot managers feed back our trade customers' views to management at regional board meetings (see 'Workforce' on page 82 for further information), which the Managing Director of Trade is present at and which the CEO and other members of the Executive Committee frequently attend. Feedback from regional board meetings influences product and pricing decisions. However, it also reinforces our strategic decisions on new depot openings, and ensures that we are maintaining high standards of customer service and investing in new products. From these meetings, managers were able to feed back directly to the CEO, the MD of Trade, and other senior executives about any matters affecting their customers.

Board members, Executive Committee members and senior managers regularly visit depots to ensure they hear from trade customers and the depot teams firsthand. Depot visits also form a key aspect of new Board members' inductions.

Builder forums

During 2025, 62 builder forums were held. These are arranged by area managers or regional managing directors with depots inviting their regular customers to attend and to provide their views on the business, our products, and particular initiatives. Most forums will have the area manager present and a regional managing director may also attend. Depot managers may also be invited. The MD of Trade, CEO, and other members of the Executive Committee may also attend forums. Typically, six to eight customers participate in each forum.

Feedback from the forums is disseminated to the leaders of the appropriate teams, including commercial, digital, marketing, quality assurance and aftersales, finance, customer services and credit control. Once an identified action has been discussed and a way forward agreed, regional teams and depots receive communications about the feedback and any resulting actions. Where it is decided that changes should be made, this is also fed back to our customers in future forums to demonstrate the impact that their feedback can have.

Internal bi-monthly meetings are held to discuss the current 'live actions' monitor maintained by the depot support team and progress made to date. This progress is communicated to regional and depot teams where appropriate and to the MD of Trade.

Trade customer surveys

In addition to the frequent face-to-face conversations that we have with our customers in our depots, we run monthly trade customer surveys to better understand our customers' sentiment, price and value perceptions, purchase behaviour, business prospects, 'cost of living' impacts and planned activity.

Ad hoc 'deep dive' surveys are also used to ask trade customers about various product categories, including what is important to them within those product categories, what more they need from us, and what could cause them to trade elsewhere. In 2025, we completed these surveys across key strategic priority areas. We received over 10,000 responses from our customers, which has informed category strategy, brand and ranging plans, and depot education.

Over the course of the year, we conducted research to monitor customer satisfaction levels and assess the 'mood of the nation', receiving between 500 and 1,000 responses per wave. This, combined with our external brand tracking activity amongst the wider trade audience (including non-customers), helps Howdens ensure that we are delivering strong customer service and succeeding in making life easier for tradespeople.

Governance

Corporate governance report continued

Stakeholder engagement continued

Workforce

Engagement with our workforce included the following:

- 1 The Board's engagement arrangements
- 2 Regional board meetings
- 3 CEO focus groups
- 4 Town halls and feedback sessions
- 5 Trade union and works council meetings
- 6 Surveys
- 7 The Howdens Show
- 8 Whistleblowing helpline

Board workforce engagement arrangements

Given the complexity of Howdens' operations (when considering the variety of geographies and role types in our vertically integrated business), it was agreed by the Board in 2024 that workforce engagement would become a collective responsibility for all the Non-Executive Directors (rather than one member of the Board being designated as being responsible for workforce engagement) to ensure that the diversity of Howdens' workforce was properly and proportionately represented.

Non-Executive Directors are expected to attend at least two employee engagement sessions each year and to provide feedback after each session, focusing on positive themes emerging from the session, any issues raised, and whether any follow-up actions are needed.

In 2025, Non-Executive Directors attended regional board meetings (see below), visited depots, visited our Expo sites, attended The Howdens Show (see opposite page), visited our operations in France, and visited manufacturing and logistics sites. Most of the issues raised as a result of the engagement sessions were focused around local operational and market challenges, but there was also feedback that incentives were working well and the culture of the business came through strongly, especially at regional board meetings and in the manufacturing sites.

Regional board meetings

Regional board meetings are a forum for the depot leadership team and management to discuss strategy and day-to-day business matters on a regular basis. Our Managing Director of Trade attends all meetings and regional managing directors, area managers, and depot managers are expected to attend the meetings applicable to their region. Our CEO also attends a majority of these meetings and other members of the Executive Committee attend on an ad hoc or as-required basis. Certain support functions (including credit control, product development, quality & assurance, finance, and HR) also regularly attend. Members of the Board attend regional board meetings as part of their induction and periodically thereafter as part of their ongoing collective responsibility for workforce engagement.

In 2025, a total of 55 meetings were held across the UK and Ireland. Notes of each meeting are taken and sent to the regional team the same day following the meeting. Where issues have been raised, relevant teams are notified and requested to find a solution or to provide an answer. Updated notes are then sent out again within 10 days of the meeting, which contain information on actions being taken to issues raised.



Feedback in the regional board meetings tended to centre around issues around local operations and market, but a theme across the meetings towards the end of 2025 was that the incentives programme for depots had been a success and that 2025's incentives delivered the intended sales and margin results for the business.

CEO focus groups

Outside of the peak trading period, our CEO holds regular face-to-face focus group meetings with depot managers from different regions. These meetings provide a forum for managers to have a direct contact with our CEO and to discuss ideas within a smaller group setting than Regional Board meetings. Following the meeting, the CEO takes the managers out for dinner and also meets them the following morning. At the morning meeting, the CEO and depot managers speak directly with other Executive Committee members regarding any ideas or issues that have been flagged the previous day. This direct feedback from those on the frontline to the most senior leaders in the business is an important feature of the Howdens culture.

It is a result of the feedback from one of these focus groups that we designed, built and introduced to all UK depots a new pricing and margin tool. This tool provides managers with a comprehensive data set of local and national pricing trends, making price management easier and more effective.

Town halls and feedback sessions

The Operations Director continues to hold business updates each year for all employees based at our manufacturing and logistics locations, supported by members of the Operations Leadership team. The Operations Leadership team also hold 'Ask away' sessions with groups of employees. All new starters are invited to a 'Meet and Greet' session with members of the Operations Leadership team and, as part of that, all new starters are asked for their feedback about what they are enjoying and what we could do better.

At each of our manufacturing and logistic sites regular engagement forums are held with employees. At one of our sites, as a result of engagement forums in 2025, we have seen even better cross-functional working, enhanced handover procedures in assembly lines, and even more informal welfare check ins with forklift truck drivers. And at another site, as a direct result of an engagement forum, we have launched a spotlight programme to promote greater visibility and education around one of our benefits each month.

Regular town hall meetings are hosted by our Chief Commercial and Marketing Officer, and our Chief Financial Officer. The town hall meetings focus on business updates and updates on work ongoing within specific teams. Employees are given the opportunity to ask questions and the meetings also act as an opportunity to give recognition to employees who are going 'above and beyond' in their work.

Trade union and works councils meetings

Howdens respects the collective bargaining of its employees and actively engages with the trade union and works councils collectively at least quarterly. Local sites host trade union representative meetings and works councils meetings monthly. Site leadership and HR attend these meetings.

Surveys

During 2025, we conducted a survey among our employees to measure ourselves against our foundational principal of being 'worthwhile for all concerned'. The results showed that, compared to 2024, a higher proportion of participants of the survey felt that "Howdens is a place to work where everyone has opportunity and is encouraged to succeed at work" and that "Howdens is a great place to work". Nearly 80% of participants also stated that they were proud to work for Howdens. We plan on repeating this survey in the future so we can monitor trends and use the data to inform internal decision-making.

The Howdens Show

In January 2025, we hosted The Howdens Show, which welcomed nearly 1,200 employees to the International Convention Centre in Wales. Our CEO hosted the event, which was a chance to set the scene for the year ahead, and it featured business, charity and community updates from senior members of staff from across the business.

Other Board members also attended the event and were able to engage with a significant cross-section of the workforce.

Whistleblowing helpline

The Company uses a third-party operated, confidential whistleblowing helpline, which is multilingual and available 24 hours a day. The Board receives a biannual report detailing the number and nature of whistleblowing instances made during the period. Although no specific complaints were escalated for Board attention, the governance processes are in place should this be necessary.

Governance

Corporate governance report continued

Stakeholder engagement continued

Suppliers

Engagement with our suppliers included the following:

- 1 Category team relationships
- 2 Supplier conferences
- 3 Supplier Scope 3 emissions engagement



Maintaining strong supplier relationships based on trust is a key facet of our resilient business model. Cooperative engagement with suppliers on sustainability, new products and the scale necessary to support suppliers' businesses and investment plans helps us to ensure the relationships are enduring and worthwhile for both parties.

Category team relationships and supplier management

Howdens benefits from deep and long-standing relationships with many of our suppliers, to the mutual benefit of both parties and, ultimately, our trade customers. Product design and innovation is central to our success. Suppliers understand this and support us by responding quickly to new product initiatives and coming to Howdens first with their own innovations. This is a virtuous circle: lessons learned when dealing with Howdens flow back into our suppliers' own plans and initiatives. These lessons are not restricted to product innovation but may also include quality processes, packaging improvements (typically with environmental benefits) and insight into market trends.

Our internal commercial structure is organised into categories. The use of categories provides clear accountabilities for product range decisions and with greater internal accountability comes the fostering of stronger relationships with our suppliers. Suppliers are engaged with focused teams within the organisation and this clarity brings the opportunity for even more valuable discussions.

Business review sessions are held with all our strategic suppliers, quarterly, bi-annually or annually depending on size of business and, for example, scale of investment. These sessions cover all aspects of our relationship and always start with consideration of ESG, ethical trading and compliance. These sessions include not only our Commercial team, but also our quality, technical, and supply chain teams and cover new product opportunities and promotional campaigns, especially in our 'footfall driving' products. The sessions are invaluable in ensuring our strategic plans are aligned and operational plans are clearly understood.

In addition, we are partnered with SAP Ariba to further strengthen the way we do business with our suppliers in an efficient and more sustainable (paperless) way. SAP Ariba Supplier Life Cycle Performance (SLP) has helped improve the onboarding and management of our suppliers and allows them to transact and communicate with us digitally.

Suppliers conference

Supplier conferences are an important way of helping us maintain enduring relationships with our supply base.

At the conferences, which usually occur once every other year, we celebrate our successful partnerships and ensure that suppliers understand, and can align with, our priorities in the short, medium and long term. Supplier engagement is also key in our plans to achieve our Net Zero SBT Plans.

The conference, held over two days, sees presentations being given by senior leaders across Howdens and a chance for questions to be asked by the suppliers. Over the two days, there is also ample opportunity for Howdens' senior leaders to have face-to-face discussions with supplier representatives.

Scope 3 emissions engagement

We can only achieve our Net Zero SBTi targets by collaborating with our key suppliers. Further information about this engagement can be found on page 49.

Shareholders

Engagement with our shareholders included the following:

- 1 Annual General Meeting
- 2 Remuneration consultation
- 3 Investor relations programme

Annual General Meeting (AGM)

The 2025 AGM was held in-person and was an opportunity for the Board members to speak with shareholders and to present their updates to them directly. Members of our Executive Committee and senior leadership team were also present to meet with shareholders outside of the formal business of the meeting.

During the question and answer session at the AGM, the Board was asked questions on the following topics:

- Shareholder returns
- Artificial intelligence
- Manufacturing capacity
- Further European expansion

The questions raised were answered fully on the day and no further action or considerations were required.

Shareholders were provided with the opportunity to submit any questions they had of their Board of Directors through a question facility on the Company's corporate website, which remained open throughout the year.

Executive remuneration consultation

During H2 2024 and H1 2025, the Remuneration Committee consulted with the Company's top 30 shareholders and proxy advisory agencies on proposed changes to our Executive Director remuneration. Further details of these consultations are set out in the 2024 Remuneration Committee report.

Howdens engaged Georgeson in early 2025 to provide additional depth to our shareholder engagement strategy ahead of the 2025 AGM and the advisory vote on the Directors' remuneration report and the binding vote on the updated Directors remuneration policy.

Investor relations programme

During 2025, we supported our institutional shareholders with regular meetings and updates, both face to face and virtually.

The Board is provided with an investor relations update each period, which gives an overview of investor feedback and the Director of Investor Relations and the Company's brokers regularly provide verbal feedback at Board meetings on the investor relations programme.

Following the half-year and full-year results, more detailed feedback sessions were held with the Board to discuss shareholder views on the results and the Company's strategy. Overall, investors continue to be supportive of the Company's strategic initiatives and the resilience of Howdens' business model despite challenging market conditions.

Howdens also hosted four small group site visits with investors (both existing and prospective) to showcase both revamped depots and our operations. The visits combined tours of our facilities (for example, our major manufacturing site in Howden) and short presentations. The visits were hosted by the CEO and CFO alongside other senior managers.

The visits enabled investors to see Howdens' strategic initiatives firsthand, and to give them a better idea of the significant growth opportunities in our markets and how we are addressing them. The feedback from attendees of the visits was that these sessions allowed them to see firsthand the investment in the business and the progress made against strategic initiatives.

Governance

Corporate governance report continued

Stakeholder engagement continued

Pensioners

Engagement with the members of our pension plans includes the following:

- 1 Board engagement with the Trustee Board
- 2 Newsletters
- 3 Factor reviews

The Howden Joinery Defined Benefit Pension Plan (the 'DB Plan') has c.10,100 members, of whom c.5,200 are deferred members, and c.4,900 are pensioners and dependants.

The DB Plan is governed by a Trustee Board who is responsible for the Plan's administration and for the investment of its assets. While pensioners (as former employees and their dependants) are an important stakeholder group for the Company, Howdens' primary engagement is with the Trustee Board.

Board engagement with the Trustee Board

The Trustee Board, chaired by an independent trustee, is responsible for investment strategy and for the day-to-day running of the DB Plan. There are a number of matters reserved for the Company as sponsor under the Trust deed, and the Board invites the Chair of the Trustee to present to the Board every year and provide an update on matters affecting the membership. The Company and Trustee have an information-sharing protocol in place which is reviewed annually.

In 2025, the Company engaged with the Trustee Board on a number of matters outside of the normal engagement cycle of investment and funding strategy, including:

- collaboration on the Plan factor review;
- review of the Plan's endgame strategy;
- enhanced monitoring of LDI collateral headroom and overall liquidity;
- review of the investment strategy;
- progressing the GMP equalisation project following the Lloyds Bank judgement;
- review and approval of information sharing protocols; and
- successful connection to the pensions dashboard ecosystem.

Newsletters

In March and October 2025, Plan newsletters were sent by the Trustee Board to all members of the DB Plan. The newsletter provided updates on matters such as Trustee Board changes, access to retirement planning tools on the member portal, latest funding position and financial review, and an update on the DB Plan's climate governance work in the year.

Plan factor review

The Plan has in place various actuarial factors which are used to calculate and adjust the benefits of Plan members under different scenarios. It is good practice to review the actuarial factors on a regular basis, to ensure that they still meet the requirements of legislation and the Plan rules. These factors determine the value and cost of various member options. Following completion of the 2023 triennial valuation, the Trustee agreed to undertake a factor review (last updated in 2021).

The commutation factors were reviewed to take account of updated market conditions. The updated factors were agreed and implemented from 1 September 2024. A full review of the plan factors will take place after completion of the 2026 triennial valuation.

Governance

Corporate governance report continued

UK Corporate Governance Code: application and compliance

This Annual Report and Accounts has been prepared under the 2024 version of the UK Corporate Governance Code (the '2024 Code'), which applies to accounting periods beginning on or after 1 January 2025 (with the exception of Provision 29 which applies to accounting periods beginning on or after 1 January 2026). We are pleased to report that the Company applied all the Principles of the 2024 Code throughout the period, and we have reported in summary over the next few pages how we have done so. Throughout the financial period under review, the Company was compliant with all Provisions of the 2024 Code, except for Provision 41.

Provision 41 provides that the annual report of remuneration committees should include a description of the engagement that has taken place with the workforce to explain how executive remuneration aligns with wider company pay policy.

The Remuneration Committee did not directly consult with the workforce on Executive Director pay arrangements during 2025; however, the Committee receives reports from management on pay and benefits across the workforce to ensure that there is good alignment on remuneration across the organisation. In addition, through the Company's Share Incentive Plan (SIP), nearly all employees in the UK and the Isle of Man (the majority of our workforce) have been awarded free shares, which gives them voting rights on those shares from the day they are awarded. This means they can vote on the Directors' Remuneration Report and the Directors' Remuneration Policy (when applicable) at general meetings of the Company. At the 2025 Annual General Meeting, the resolution to approve the Directors' Remuneration Policy received 99.5% support. The Remuneration Committee will keep under review the need to engage the workforce more directly on Executive remuneration arrangements. Details of how Executive Director pay is considered in the context of the workforce is set out on page 113.

Provision 5 of the 2024 Code states that one or a combination of the methods listed below should be used for engaging with the workforce or an explanation provided for the alternative arrangements that are in place and why they are considered effective:

- a director appointed from the workforce;
- a formal workforce advisory panel;
- a designated non-executive director.

For the reporting period, the Board chose to put in place alternative arrangements and workforce engagement was a matter for which all the Non-Executive Directors were responsible. A full explanation of how these arrangements work and why they are considered effective for Howdens may be found on page 82.

UK Corporate Governance Code: application of Principles

Section 1: Board leadership and company purpose

A A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society. The board should ensure that the necessary resources, policies and practices are in place for the company to meet its objectives and measure performance against them.

Howdens' founding principle of being worthwhile for all concerned supports the premise that its role is to ensure long-term, sustainable growth and value for all its stakeholders.

Further information on our resilient business model and strategy can be found in the Strategic Report beginning on page 1. Our contribution to wider society and our statement of the extent of consistency with the TCFD framework can be found in our Sustainability Matters report beginning on page 42.

Governing in an effective way ensures the framework and controls needed to align our operations with our strategy are in place. It is only by doing this that we can ensure long-term strategic success of the Company for our stakeholders. We discuss throughout the

Governance section how our actions help to preserve the value that the business generates and how they support the strategy. For example, we have set out the way our Executive remuneration structure supports our strategic aims on pages 107 to 110.

The Board is satisfied that the necessary resources are in place to ensure that the Company meets its objectives and measures performance against them. Our KPIs and how we have performed against them can be found on pages 28 and 29.

More information on our risk processes, including our principal and emerging risks, can be found on pages 36 to 41. Our Audit Committee report provides a summary of our internal control framework on pages 131 to 133.

B The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.

An explanation of our purpose, values and strategy are set out in the Strategic Report, which starts on page 1. The Board regularly discusses the importance of Howdens' unique culture and is mindful that it remains aligned with its purpose, values and strategy. Direct engagement with the workforce is a key part of the Board's agenda. Since 2024, all Non-Executive Directors share the responsibility of workforce engagement, allowing the Board to experience and monitor the culture firsthand.

More information about the Board's engagement with the workforce may be found on pages 82 and 83.

Integrity and sympathy to the Howdens culture are paramount when the Board appoints new members of the Board. More information about our recruitment and inductions process can be found on page 99.

C Governance reporting should focus on board decisions and their outcomes in the context of the company's strategy and objectives. Where the board reports on departures from the Code's provisions, it should provide a clear explanation.

The Board is mindful of its legal obligations to make specific disclosures under a wide panoply of corporate reporting regulation. This disclosure is sometimes, necessarily, detailed. However, wherever possible, the Board strives to ensure that its governance reporting is outcome driven and where the Board departs from the Code's provisions, a full and clear explanation is provided.

The Board has provided disclosures in this report which consider the decision-making processes and subsequent outcomes of a number of Board decisions. These disclosures can be found on pages 78 and 79. The Remuneration Committee of the Board has also disclosed the outcomes of the shareholder consultation and implementation of the Directors' Remuneration Policy. More details on these specific outcomes are on page 85 and pages 118 to 121.

In relation to departure from the provisions of the Code, the Board has reported one non-conformity with a supporting explanation on page 88.

D In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.

Howdens has a broad group of clearly defined stakeholders and Board members actively engage with each of these groups. A detailed explanation of our engagement with our shareholders and wider stakeholder base, and where this engagement has

informed the Board's decision-making processes, can be found on pages 80 to 87. How the Board members discharged their 'Section 172' statutory directors' duties is set out on pages 78 and 79.

Governance

Corporate governance report continuedUK Corporate Governance Code: application of Principles continued

E The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.

The Board and its committees review workforce policies and practices on a regular basis. A Group policy framework has been established and is reported on to the Board on an annual basis, as well as any updates needed for Group policies. Part of this review includes ensuring that policies remain aligned to the Howdens culture and support long-term success.

One example of this is how our Remuneration Committee considers the pay policies and practices of the wider workforce when determining Executive reward. More information in this regard can be found on pages 106 and 113.

All employees are able to raise any matters of concern using the confidential whistleblowing helpline. The helpline is available 24 hours a day, it is multilingual, and it is operated by an independent third party. The Board receives reporting from the helpline twice a year and any matters of significant concern are escalated as appropriate by the Company Secretary who oversees the helpline with support from the Internal Audit team.

Section 2: Division of responsibilities

F The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.

The Board confirms that Peter Ventress was independent on appointment when assessed against the circumstances set out in Provision 10 of the Code. The roles of Chief Executive and Chairman are not held by the same individual and the Chairman has never held the position of Chief Executive of the Company. These factors help ensure that the Chairman demonstrates objective judgement throughout his tenure.

The Chairman is mindful of his role in facilitating constructive Board relations and promoting a culture of openness and debate amongst the Board. This in turn encourages the effective contribution of all the Non-Executive Directors.

The 2025 external Board evaluation concluded that the Board was effective, supportive of management and doing well. Further information about the outcomes and process of the evaluation may be found on pages 100 and 101.

The Chairman is also mindful of the need for the Directors to receive information which is accurate, timely and clear. He is supported in this by the Company Secretary, who ensures the effective flow of information in a timely manner between the Board and senior management.

G The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business.

At least half of the Board was made up of Independent Non-Executive Directors (not including the Chairman) throughout the reporting period. The Non-Executive Directors that the Board considered to be independent are shown as such on page 70. The Board confirms that all the Non-Executive Directors (excluding the Chairman) were independent during the reporting period and that the Chairman was independent on appointment.

There is a clear division of responsibilities between the leadership in the organisation. The responsibilities of the Chairman, Chief Executive, and Senior Independent Director may be found on the Company's website (www.howdenjoinerygroupplc.com/governance/division-of-responsibilities) and the function of the Board Committees may be found in the respective committee terms of reference, also available on the Company's website (www.howdenjoinerygroupplc.com/governance/tor-and-schedule-of-matters).

H Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.

The number of Board meetings which were held during the reporting period and the attendance at each of these meetings may be found on page 69. Similarly, the number of meetings of each Board Committee and the attendance may be found on the following pages: 95 (Nominations Committee), 102 (Remuneration Committee), 128 (Audit Committee), and 134 (Sustainability Committee).

When reviewing the Nominations Committee's recommendation to appoint a new Director, the Board will always assess whether the candidate is able to allocate enough time to the role. Similarly, when assessing the acceptability of an existing Director's wish to take on external appointments, the Board will assess the additional demand on that Director's time before authorising the appointment. This occurs within the Board's agreed existing

Section 2: Division of responsibilities continued

protocol whereby any significant appointments taken on while serving as a Director of the Company must be approved by the Board before they are entered into.

This is set out in the Schedule of Matters Reserved for the Board which may be found on the Company's website (www.howdenjoinerygroupplc.com/governance/tor-and-schedule-of-matters). During the reporting period, no existing Directors took on additional external listed-company appointments.

Members of the senior management team regularly presented to the Board (see pages 76 and 77 for a timeline of Board meetings and information regarding any Executive Committee attendees), which provided an opportunity for the Board to constructively challenge and to provide advice to our senior management team.

Information about the management of conflicts between the duties Directors owe the Company and either their personal interests or other duties they owe to a third party may be found on pages 129 and 133.

I The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.

All of the Directors of the Company have access to the advice of the Company Secretary, who is responsible for advising the Board on all governance matters.

The Board has implemented a Group policy framework, which is considered by the Board on an annual basis. Individual policies and associated practices are considered alongside the framework review process.

As stated in the Schedule of Matters Reserved for the Board (which may be found at www.howdenjoinerygroupplc.com/governance/tor-and-schedule-of-matters), the appointment and removal of the Company Secretary is a decision for the Board as a whole.

Section 3: Composition, succession and evaluation

J Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. Both appointments and succession plans should be based on merit and objective criteria. They should promote diversity, inclusion and equal opportunity.

The Nominations Committee engages external search consultancies when searching for Board position candidates. Further information about the appointments process is available on page 99 of the Nominations Committee report and the Board's diversity policy is available on page 98.

The Nominations Committee regularly reviews the skills matrix and the tenure of each Board member (see pages 96 and 99 for further details). This ensures the Board's succession plan remains aligned with the natural rotation of Directors off the Board and the strategic objectives of the business.

The succession plans for the senior management team are also regularly considered by the Board.

K The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.

The Board uses a skills matrix to ensure it has the necessary combination of skills, experience and knowledge to meet its strategic objectives, business priorities and to ensure the unique Howdens culture is maintained. The skills matrix may be found on page 96. The tenure of each Director can be found on page 71 (Executive Directors) and page 99 (Non-Executive Directors).

The Board has a good balance of new and longer-serving Directors. As at the year end date, tenures of the Non-Executive Directors (including the Chairman) range from 12 months to just over six years, and the average tenure is just under three years.

L Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.

Details of the 2025 external Board evaluation process and outcomes may be found on pages 100 and 101.

The specific reasons why the Board considers that each Director's contribution is, and continues to be, important to the Company's long-term sustainable success may be found on pages 71 to 73.

Reference to the specific reasons and where to find them in the Annual Report and Accounts will accompany the resolutions to elect or re-elect Directors in the 2026 AGM Notice. The Board recommends that shareholders vote in favour of the election or re-election of all the Directors standing.

Governance

Corporate governance report continued

UK Corporate Governance Code: application of Principles continued

Section 4: Audit, risk and internal control

M The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.

The Board has established formal and transparent policies and procedures, which ensure the external auditor and internal audit function are independent and effective, and are accountable to the Audit Committee.

The Board also monitored the integrity of the annual and interim financial statements of the Company through the Audit Committee. Further information about the work of the Audit Committee, including the subjects above, may be found in the Audit Committee report, which begins on page 126.

N The board should present a fair, balanced and understandable assessment of the company's position and prospects.

A statement regarding the Directors' responsibility for preparing the Annual Report and Accounts, and the Directors' assessment of the Annual Report and Accounts, taken as a whole, as being fair, balanced and understandable, and providing the necessary information for shareholders to assess the Company's position, performance, business model and strategy, can be found in the Strategic Report beginning on page 1.

O The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.

The Board is responsible for the Group's systems of internal control and risk management, and for reviewing their effectiveness. The Board is assisted with these responsibilities by the Audit Committee. Such a system is designed to manage rather than eliminate the risks of failure to achieve business objectives, as well as to help the business take appropriate opportunities. The Board has conducted reviews of the effectiveness of the system of internal controls through the processes described within the 'Risk management' section (see pages 36 to 41) and is satisfied that it accords with the Code and with the Guidance on Risk Management, Internal Control, and Related Financial and Business Reporting. As described in the Audit Committee report on page 132, the management team continued to strengthen our overall control framework.

This work to further enhance internal controls will lead to better assurance and efficiencies through opportunities to formalise and automate controls and improve visibility to the Executive Committee, Audit Committee and Board in a consistent way across the Group.

The assessment of the principal and emerging risks, the uncertainties facing the Group, and the ongoing process for identifying, evaluating and managing the significant risks faced by the Group is set out in the 'Risk management' section (see pages 36 to 41). The Board confirms that it has conducted a robust assessment of the principal and emerging risks.

Section 5: Remuneration

P Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy.

The way the Remuneration Committee has ensured our remuneration policies and practices are aligned with our culture, our strategy, our KPIs and risk management is discussed in the Remuneration Committee report, which starts on page 102

Q A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.

The Remuneration Committee has delegated responsibility for setting the Executive Directors' remuneration under the shareholder-approved Directors' Remuneration Policy (the full policy is set out at www.howdenjoinerygroupplc.com/governance/remuneration-policy). The Remuneration Committee also has delegated responsibility for setting the Chair of the Board's remuneration and the remuneration of senior management (i.e. the members of the Executive Committee, the Company Secretary and the Director of Risk and Assurance). No Director is able to determine their own remuneration outcome.

The Remuneration Committee reviews workforce remuneration and related policies when setting Executive Director remuneration. Ensuring these factors are always considered means our remuneration policies are clear and as predictable as possible. Further information can be found in the Remuneration Committee report, which starts on page 102.

R Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.

The Remuneration Committee membership is made up of only independent Non-Executive Directors.

Details of whether the Remuneration Committee exercised its discretion during the year can be found in the Annual Remuneration Committee Chair's Statement (pages 104 to 106).

By order of the Board

Peter Ventress
Chairman

25 February 2026

Governance

Nominations Committee report



Peter Ventress
Nominations Committee Chair

Introduction

I am pleased to present the Howden Joinery Group Plc Nominations Committee report for 2025. This report is divided into the following sections:

1. Key information at a glance
2. Activities of the Committee in 2025 and key activities in the year ahead
3. Composition and diversity
4. Succession
5. Evaluation

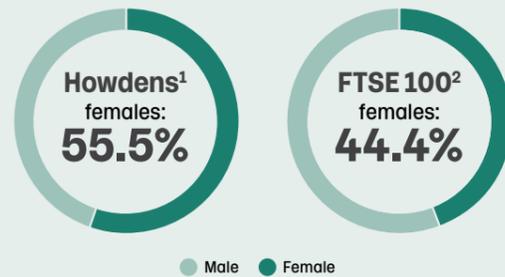
The Nominations Committee has been progressing a phased transition on Board succession and is pleased with the balance of gender, skills, experience, and background that the Board and its Committees now have. We have moved forward in terms of diversity of ethnicity but continue to keep our targets under review.

I look forward to answering any questions on the work of the Nominations Committee from shareholders at the AGM in May.

Peter Ventress
Nominations Committee Chair

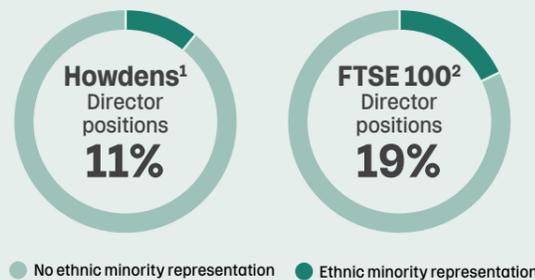
Key information at a glance

Board gender diversity



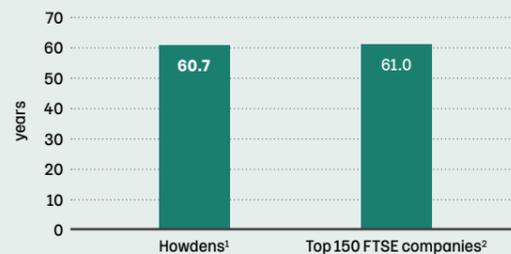
1 Figures correct as at 27 December 2025.
2 Figures derived from the FTSE Women Leaders Review (published February 2026).

Board ethnicity



1 Figures correct as at 27 December 2025.
2 Figures derived from the March 2025 Parker Review update 'Improving the Ethnic Diversity of UK Business'.

Board average age



1 Figures correct as at 27 December 2025.
2 Figures derived from the 2025 UK Spencer Stuart Board Index.

Key Committee activities in 2025

Month	Activity
January	Non-Executive Director appointment • Tim Lodge
February	Committee meeting • Nomination Committee evaluation process and outcomes • Executive Committee and senior management succession update • Board recommendations for AGM elections • Boardroom Diversity Policy approval
May	Non-Executive Director retirement • Andrew Cripps
June	Executive Director (CFO) appointment • Jackie Callaway
September	Committee meeting • Non-Executive Director succession, including consideration of diversity, tenure and skills matrix • Executive succession planning and talent management • Externally facilitated Board evaluation approval • Review of Board Diversity Policy • 2026 Nominations Committee calendar • Nominations Committee Terms of Reference

Committee meeting attendance in 2025

Peter Ventress	(2/2)	
Andrew Cripps	(1/1)	Retired 1 May 2025
Roisin Currie	(2/2)	
Louis Eperjesi	(2/2)	
Louise Fowler	(2/2)	
Tim Lodge	(2/2)	
Vanda Murray	(2/2)	
Suzy Neubert	(2/2)	

Board and Committee evaluation in 2025

Areas of focus:

- Role and operations of the Committee
- Composition
- Leadership
- Process and procedures

Methodology:

See page 100.

Outcomes:

- Review Non-Executive Director engagement with the business, to provide more insight on culture and operations.
- Review committee composition and cadence, to enable deeper topic exploration.
- Re-energise the Nominations Committee remit, centred on senior leadership pipeline and long-term skills planning.
- Build on strong management information control and assurance, to further enhance decision-making.
- Further strengthening of Board-level capability in emerging risk areas, including cyber, technology and AI.

Key Committee activities in the year ahead

- The Committee to recommend the election and re-election of all current Directors at the AGM on 7 May 2026.
- Executive Committee and senior management succession and talent planning.
- The Committee will undertake its review of skills, composition and size of the Board.
- Review of the Boardroom Diversity Policy.
- Board external evaluation planning.
- Review of the Committee's Terms of Reference.

Governance

Nominations Committee report continued

Composition

Non-Executive Directors skills matrix

The Nominations Committee used a skills matrix when assessing its Non-Executive Director succession plans. The matrix highlights where the skills and experience of our Non-Executive Directors are particularly strong, where there are opportunities to further grow the Board’s collective knowledge, and to inform the Board’s future composition as Non-Executive Directors naturally rotate off the Board. The information below is correct at 25 February 2026.

Skills and experience	Importance	Number of Non-Executive Directors	
		Direct experience	Indirect experience
Industry/Sector			
Business-to-business	H	6	1
Manufacturing	H	5	1
Logistics, distribution and supply chain management	H	4	3
Consumer goods	H	5	1
Geographic exposure			
UK	H	7	0
Europe	M	5	1
Governance			
UK listed companies	H	7	0
Company chair experience	M	3	1
Remuneration Committee chair experience	M	3	3
Audit Committee chair experience	M	2	3
Senior independent director experience	M	5	0
Policy development	M	6	1
Technical			
Accounting and Finance	H	2	4
Audit	H	2	3
Executive management	H	7	0
Risk management	H	6	1
HR/Remuneration	M	3	4
E-commerce	M	2	4
Marketing	M	5	1
IT/Cyber security	H	0	5
Legal	M	1	3
Howdens-specific considerations			
Vertical integration	H	5	1
Multisite depot operation	H	2	3

Importance

M Medium H High

Diversity

Board and Executive Committee diversity

UK Listing Rule (UKLR) 6.6.6R(9) requires that a company state whether it has met certain targets on diversity. These targets and whether the Company has met them as at the reference date¹ of 26 December 2025 are set out below. The Board confirms that no changes to the membership of the Board have occurred between the reference date and 25 February 2026 that have affected the Company’s ability to meet one or more of the targets.

Target:	(i) At least 40% of the individuals on the Board of Directors are women.	(ii) At least one of the following senior positions on the Board of Directors is held by a woman: (a) the Chair; (b) the Chief Executive; (c) the Senior Independent Director; or (d) the Chief Financial Officer.	(iii) At least one individual on the Board of Directors is from a minority ethnic background.
Has the target been met by the Company?	The Company has met target (i). The Board is made up of 56% women at the reference date.	The Company has met target (ii) with both the Chief Financial Officer and Senior Independent Director being female.	The Company has met target (iii). Suzy Neubert is from an ethnic minority background.

The data below is presented in accordance with UKLR 6.6.6R(10). The applicable reference date¹ for this data is 27 December 2025. To collect this data, the Company asked members of the Board and Executive Management² to complete a confidential and anonymous online survey.

Gender identity or sex:

	Board Members		Number of senior positions on the board (CEO, CFO, SID and Chair)	Executive Management ²	
	Number	Percentage		Number	Percentage
Men	4	44.4%	2	7	100%
Women	5	55.6%	2	0	-
Not specified/prefer not to say	-	-	-	-	-

Ethnic background:

	Board Members		Number of senior positions on the board (CEO, CFO, SID and Chair)	Executive Management ²	
	Number	Percentage		Number	Percentage
White British or other White (including minority white groups)	8	88.9%	4	7	100%
Mixed/Multiple Ethnic Groups	-	-	-	-	-
Asian/Asian British	-	-	-	-	-
Black/African/Caribbean/Black British	1	11.1%	-	-	-
Other ethnic group, inc. Arab	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-

1 The reference date follows the Company’s year end date. The Company operates a financial reporting calendar of 13 periods and therefore the year end date will change year-on-year.

2 ‘Executive Management’ means members of the Executive Committee (not including the Executive Directors) and the Company Secretary.

Governance

Nominations Committee report continued

Composition continued

Group gender diversity

The Nominations Committee reviews the gender statistics shown in the table below. Where other data is available, this is presented to the Committee in order to determine whether there are any implicit diversity issues. The reference date for the data below is 27 December 2025.

	Board of Directors		Senior Management ¹		Grades 1 to 3 ²		Group ³	
	Number	%	Number	%	Number	%	Number	%
Men	4	44.4%	7	100%	144	75%	8,069	70%
Women	5	55.6%	0	-	47	25%	3,536	30%

1 Members of the Executive Committee, excluding Executive Directors and including the Company Secretary.
 2 These are generally the direct reports of Senior Management and includes Grades 1 to 3 equivalents.
 3 Calculated on an individual basis, not on an FTE basis. Includes UK, France, Belgium, the Republic of Ireland, the Isle of Man, Jersey, and Guernsey.

Boardroom Diversity Policy

The Board recognises the importance of ensuring that there is diversity of perspective, background, and approach in its management team and on its Board. Since the business was established in 1995, it has sought to enable individuals to progress within the organisation regardless of age, gender, socio-economic background, sexual orientation, disability, or formal qualifications.

We believe that it is in the interests of the business and of its shareholders for us to build a Board whose membership is diverse in perspective and experience, as this facilitates better decision-making. We are also mindful of the outputs and recommendations from both the Parker Review and the FTSE Women Leaders Review when making appointments to the Board. The Board will target having at least one member from an ethnic minority, maintain a minimum female membership of 40% and have at least one woman director for one of the 'Big 4' roles (those being Senior Independent Director, Chair, CEO, and CFO) at all times.

The Nominations Committee will continue to seek diversity of mindset as well as of gender, race, ethnicity, and socio-economic background when considering new appointments, and it will continue to review this policy on an annual basis to ensure it remains appropriate. This policy shall also apply to each of the Audit, Nominations, and Remuneration Committees of the Board and we will ensure that at least 40% of members of each of these committees are female. More widely, we are committed to developing a long-term pipeline of executive talent that reflects the diversity of Howdens' business and its stakeholders.

As at 27 December 2025, 55.6% of Board members were women, the CFO and Senior Independent Director positions were held by women and one member of the Board from an ethnic minority group.

Group Diversity Policy

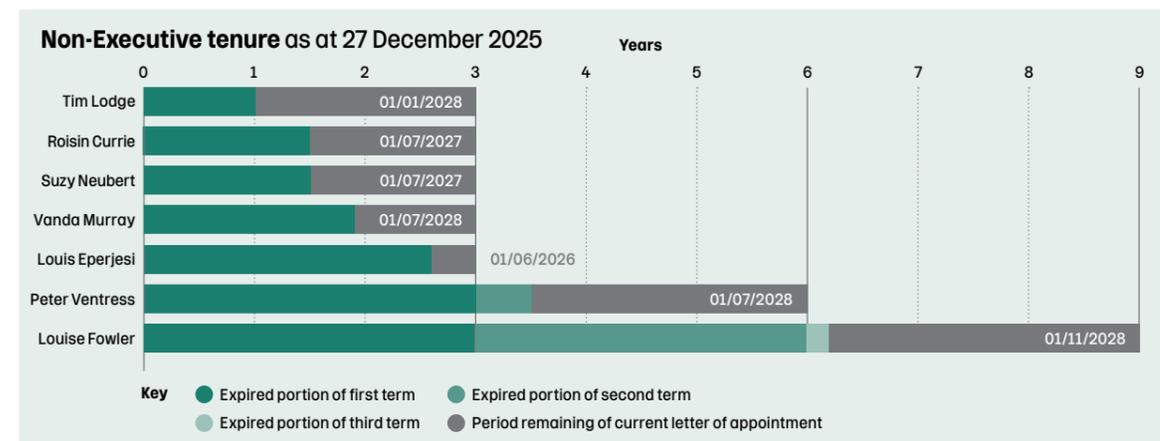
We want Howdens to be a place where everyone is welcomed and has the opportunity to thrive, being worthwhile for ALL concerned. We're committed to encouraging diversity, inclusion and equality amongst our workforce and to eliminating unlawful discrimination. We value the difference a diverse workforce brings and want each employee to be respected, able to be themselves and give their best. Howdens will aim to:

- Create a working environment free of bullying, harassment, victimisation and unlawful discrimination, promoting dignity and respect for all, and where individual differences and the contributions of all workers are recognised and valued regardless of background.
- Seek to ensure that no one is unlawfully discriminated against or harassed inside or outside the workplace (when dealing with customers, suppliers or other business contacts or when wearing Howdens branded clothing) and on work-related trips or events, including social events.
- Encourage equality, diversity, and inclusion in the workplace by providing training opportunities, booklets and toolkits and facilitating open conversations.
- Take seriously complaints of bullying, harassment, victimisation and unlawful discrimination by employees and other workers, customers, suppliers, visitors, the public and any others during the organisation's work activities.
- Make opportunities for training, development and progress available to all staff, who will be helped and encouraged to develop to their full potential, so their talents and resources can be fully utilised to maximise the efficiency of the organisation.
- Make decisions concerning employees based on merit, apart from those limited exemptions and exceptions set out under the Equality Act 2010.
- Ensure recruitment practices are fair and transparent and regularly updated to reflect changes in the law.
- Monitor the make-up of the workforce regarding information such as age, sex, ethnic background, sexual orientation, religion, or belief, so that we continue to meet the aims and commitments set out in this policy.

Succession

An integral part of the work of the Nominations Committee is to establish and maintain a stable leadership framework and to proactively manage changes and their impacts on the future leadership needs of the Company, in terms of both Executive and Non-Executive leadership. Ensuring the correct leaders are in place enables the organisation to compete effectively in the marketplace and therefore to meet its various obligations to its stakeholders.

As detailed in the rest of the report, the Nominations Committee has managed succession programmes for both the Board and senior management, which have ensured that the necessary skills, expertise and experience are present in the leadership of the organisation. The chart below shows the tenure of our Non-Executive Directors and the unexpired term of their service contracts, notwithstanding that all members of the Board stand for re-election by shareholders at each annual general meeting.



Board succession

The Nominations Committee regularly reviews the skills and expertise that are present on the Board and compares these to the expertise that it believes are required given the strategy, business priorities and culture of the organisation.

Since Howdens began trading in 1995, its core strategy has remained largely unchanged. The market, the size, and the stage of maturity of our organisation, however, have changed, and so our Board has needed to evolve through sensible and well-managed succession planning that does not compromise the stability of the Board.

Retirement

During the year, Andrew Cripps retired from the Board at the Annual General Meeting (AGM) in May 2025. He was succeeded in his role as Audit Committee Chair by Tim Lodge and of his Senior Independent Director duties by Vanda Murray.

Appointment

During the year, the Nominations Committee considered the appointment of Jackie Callaway to the Board. Tim Lodge was appointed to the Board in January 2025 and his appointment and induction was reported in the 2024 Nominations Committee report.

When making appointments to the Board, the directors consider the recommendation of the Nominations Committee. In all cases, an external search agency is used and they have regard to the skills matrix (on page 96) to identify opportunities to build on the current skill set of the Board. Longlisting and shortlisting processes are undertaken by the Nominations Committee and preferred candidates meet with all existing members of the Board and selected board advisors where appropriate.

Inductions

As reported in the Nominations Committee report in 2024, we provide tailored induction programmes for all new Non-Executive Directors who join the Howdens Board. These programmes include meeting key senior managers (such as members of the Executive Committee, the Director of Investor Relations, and Director of Risk and Assurance) and key advisors to the Company (such as the Board's pension advisors and external audit partner).

During 2025, Jackie Callaway was appointed CFO. As an Executive Director who was appointed externally, Jackie undertook an extensive programme of visits, meetings and hands-on training to introduce her in all aspects of Howdens' business and its unique culture. This included working in the Lakeside depot to understand firsthand how Howdens maintains its trusted relationships with its local builder customers and its differentiated service offering to the trade. Jackie spent time with the manufacturing and logistics teams to learn about the complexities of the operation and the commercial benefits of Howdens' vertical integration. She has visited the Group's international operations and spent time with all of the Group's support functions.

To provide an external viewpoint on Howdens, Jackie met with the external advisors to the Board during her induction programme, such as the external auditor and pensions advisors. Meetings were arranged with analysts and brokers who provided their views on the Howdens equity story.

Throughout her induction, Jackie has built relationships with internal and external stakeholders, and built the foundations for her future leadership.

Governance

Nominations Committee report continued

Evaluation

In line with the Board's policy to undertake an external Board effectiveness review every three years, and following the 2023 and 2024 reviews which were undertaken internally using the BoardClic platform, the 2025 Board evaluation was conducted by Grant Thornton¹, an external third-party consultant. The methodology for the evaluation is set out below but the process utilised the BoardClic platform used previously. The platform allows collation of iterative, quantitative data on the Board's perceptions of its priorities, strategic objectives, and leadership, as well as governance structures and process, and also enables the Committee to benchmark its review data against other boards.

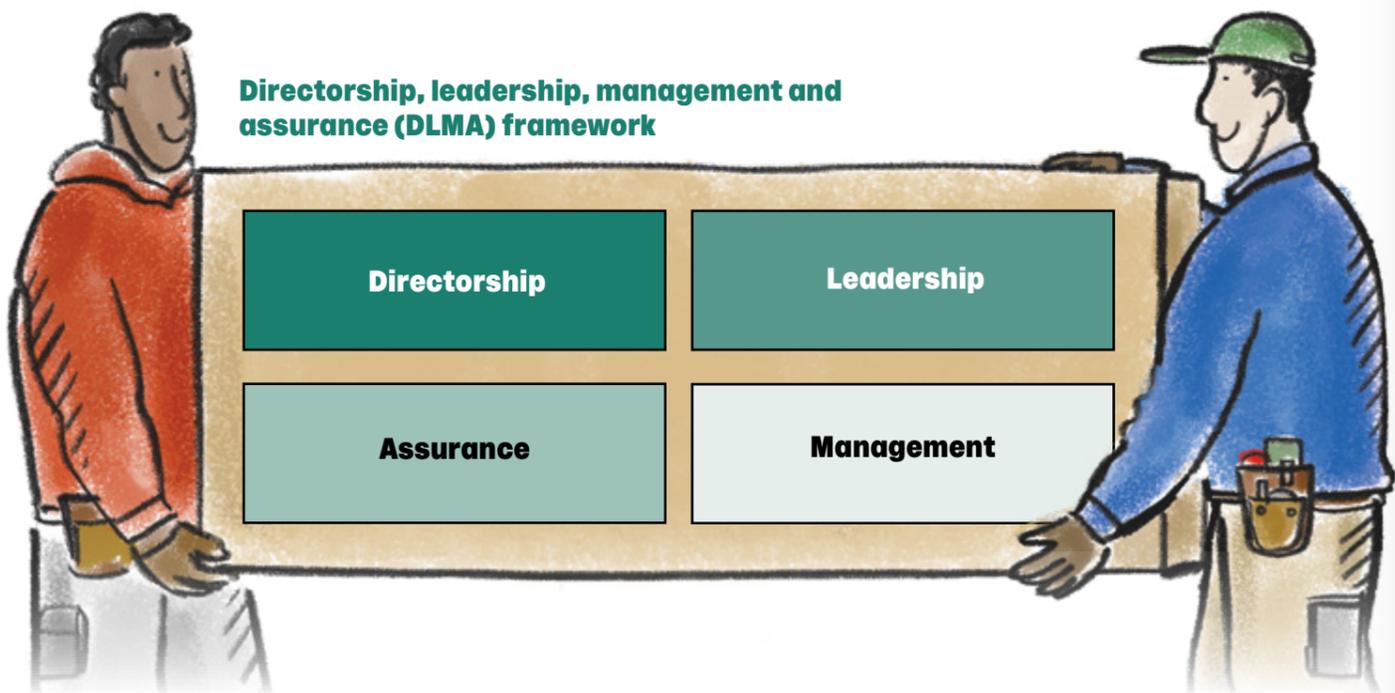
¹ Grant Thornton do not have any other business relationship with the Company or with any member of the Board.

Methodology

The process is outlined below:

- The review of the Howdens Board was conducted following briefings from the Chair, CEO and Company Secretary.
- Observation of the Board and Committee meetings on 5 November and 6 November 2025.
- Interviews were conducted with all members of the Board and the Company Secretary to consider their views.
- Surveys were conducted with all Board members using the BoardClic platform. The Company had used this platform for its last two internal evaluation reviews and the results were viewed in the context over the three-year cycle.
- The conclusions of the evaluation, including the observations and recommendations, were presented to the Chairman.
- The detailed report and main observations were presented to the Board in February 2026 by the Chairman.

The performance of the Howdens Board was assessed through the lenses of directorship, leadership, management and assurance (DLMA), as well as Board dynamics and governance. Alignment with the UK Corporate Governance Code 2024 and the Companies Act 2006 (Sections 171-177) was also considered.



Evaluation conclusions

The evaluation concluded that the Howdens Board continues to operate from a position of strength, showing high levels of effectiveness, cohesion and commitment. It maintains a clear connection to Howdens' entrepreneurial culture and operationally geared model, providing strong oversight and stewardship through recent changes. The Chair and CEO work well in partnership and are highly respected which underpins high-quality Board discussion and dynamics.

Interviews and observations with the Board indicated that there was an opportunity to deepen long-term strategic discussion and extend the horizon beyond a five-year plan. This was not regarded as a capability issue, but an opportunity to create more defined space and focus in the Board's agenda and monitoring.

The Howdens Board was considered in a healthy short- to medium-term balance within the DLMA model, with particular strength in Management and Assurance, and strong Executive Leadership. It was also concluded that it was highly effective in stewarding near-term strategy while maintaining robust control without constraining entrepreneurial culture.

Recommended areas for development and actions going forward

Following the review, the Board will:

- Review Non-Executive Director engagement with the business, to provide more insight on culture and operations.
- Review committee composition and cadence, to enable deeper topic exploration.
- Re-energise the Nominations Committee remit, centred on senior leadership pipeline and long-term skills planning.
- Build on strong management information control and assurance, to further enhance decision-making.
- Further strengthening of Board-level capability in emerging risk areas, including cyber, technology and AI.

Influence on Board composition

There were no matters arising from the evaluation which will influence the composition of the Board in the short term.

By order of the Board

Peter Ventress
Nominations Committee Chair

25 February 2026

Governance

Remuneration Committee report



Vanda Murray OBE
Remuneration Committee Chair

Using this report

We have sought to make our Remuneration Committee report as straightforward to access as possible. The content of the report is governed by various legislation and listed company disclosure requirements and, on occasion, this results in duplication of information. We have tried to reduce this wherever possible and present the information in an accessible and more intuitive way. The report is split into three sections:

1. **This Committee Chair's Statement**
2. **The Directors' Remuneration Policy** (summary)
3. **The Directors' Remuneration Report**
 - Part 1 Company performance and stakeholder experience
 - Part 2 Application of policy in 2025
 - Part 3 Implementation of policy in 2026
 - Part 4 Additional disclosures

We believe that this format clearly differentiates each of the relevant sections of the Remuneration Committee report, directs users to the sections relevant to their use, and is also fully compliant with all applicable rules.

Throughout this report, items shown in dark blue relate to fixed elements of remuneration (base pay, benefits, pension) and items shown in light blue are related to variable elements of pay (such as bonuses and long-term incentives).

Committee meeting attendance in 2025

Vanda Murray	(5/5)	
Andrew Cripps	(3/3)	Retired 1 May 2025
Roisin Currie	(5/5)	
Louis Eperjesi	(5/5)	
Louise Fowler	(5/5)	
Tim Lodge	(4/5) ¹	Appointed 1 January 2025
Suzy Neubert	(5/5)	

¹ Tim was unable to attend the January meeting due to commitments entered into before his appointment. He was provided with all the Committee papers ahead of the meeting and provided his feedback to the Committee Chair and Company Secretary.

Key Committee activities in the year ahead

- Governance updates from advisors.
- Performance updates on in-flight awards.
- Agree fees for Chair of the Board.
- Review active Group pension benefits.
- Agree 2026 annual bonus and LTIP targets.
- Review of the Remuneration Committee Terms of Reference.
- Approval of the 2027 Remuneration Committee calendar.
- Planning for 2027 incentives (taking into account risk and other matters).

Committee evaluation in 2025

Areas of focus:

- Role and operations
- Composition
- Leadership
- Process and procedures

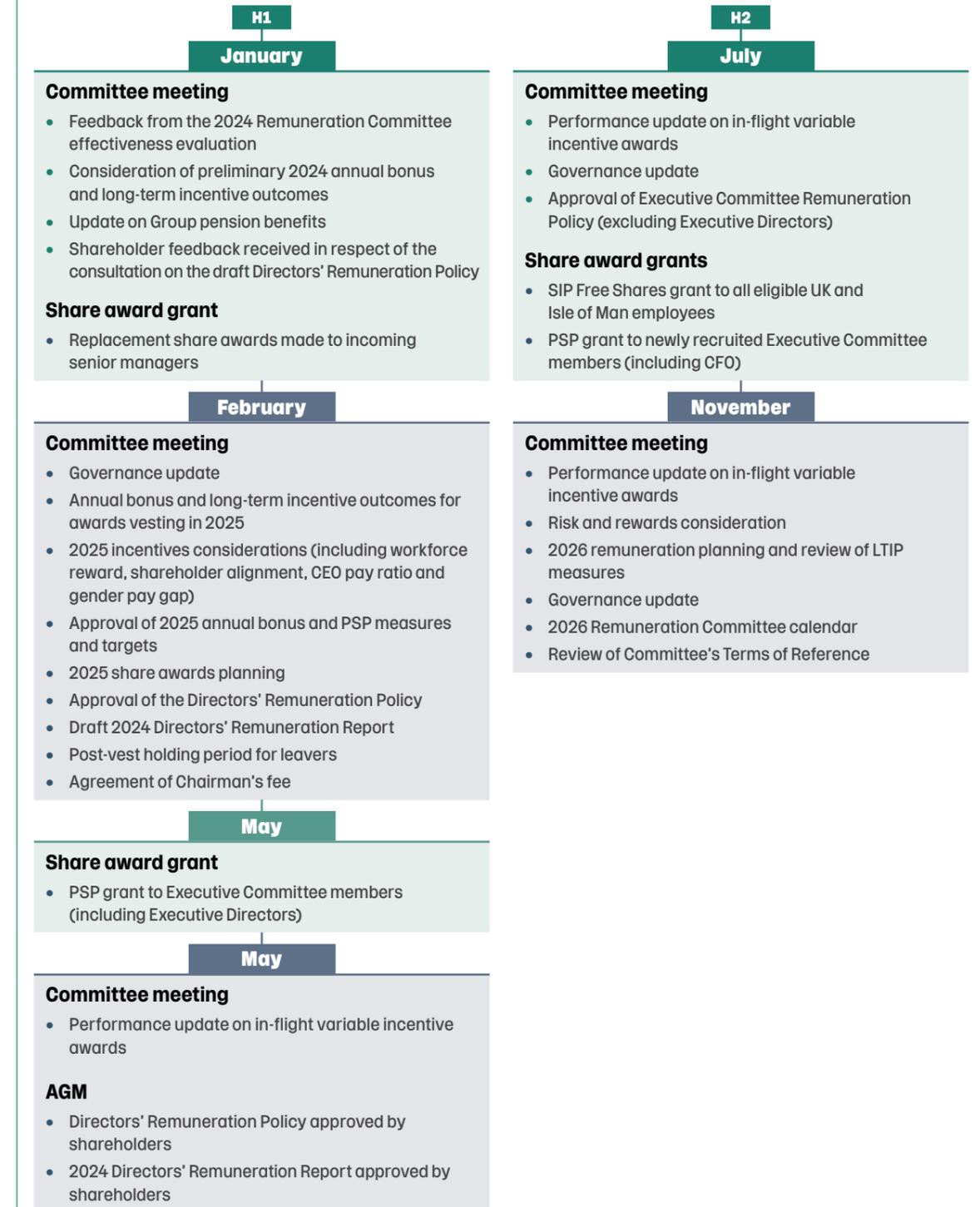
Methodology:

See page 100 of the Nominations Committee report.

Outcomes:

The Remuneration Committee evaluation showed that the Committee is efficient and covering expected issues. It operates in an inclusive manner and is well-facilitated, with strong NED engagement. There is informed discussion and effective Chair leadership that balances efficiency with challenge. Meetings are handled in a very time-efficient manner and the Remuneration Committee Chair is widely credited for recent improvements.

2025 Remuneration Committee activity



Governance

Remuneration Committee report continued**Annual Remuneration Committee Chair's Statement**

I am pleased to present the Howden Joinery Group Plc Remuneration Committee report for 2025. The report has been prepared in compliance with the requirements of the Large and Medium-sized Companies and Groups Regulations 2013 and incorporates changes made under the updated EU Shareholder Rights Directive (SRD II).

2025 was another busy but successful year for the Remuneration Committee. As reported in our 2024 Committee report, we had become concerned that a disconnect had developed between the remuneration experience of our CEO and CFO and the overall shareholder experience in recent years. In 2025 we took the necessary steps to address that disconnect and I was pleased with the high levels of shareholder support we received for both the 2024 Remuneration Committee Report and the updated Directors' Remuneration Policy at the AGM in May. I would like to thank all our shareholders who took part in the consultation process during 2024 and 2025. This engagement was invaluable in ensuring that Howdens has a total remuneration package in place for our top talent which provides reward outcomes commensurate to performance. I am confident that we now have a reward framework in place which is sufficiently stretching and supports our ambitious growth plans.

I would also like to take this opportunity to thank all members of the Committee for their support during the year and to Korn Ferry, our Committee advisors, who continue to update and support the Committee with its endeavours.

2025 reward outcomes

2025 saw strong performance from Howdens in challenging market conditions.

Management delivered profits that were in line with market expectations and the Company continued to invest in strategic initiatives, which included depot openings and refurbishments, investment in the international business and the purchase of the Runcorn manufacturing site. Our increased market share and investment in strategic initiatives means that Howdens is well placed to take advantage of any market opportunities that arise.

During the year, the Committee received updates on the wider employee benefit landscape, including on the Group pension scheme and Howdens' gender pay gap. The Gender Pay Gap Report can be found on www.howdenjoinerygroupplc.com/governance/gender-pay-gap-reports.

It was not necessary or appropriate to invoke any malus or clawback provisions during the reporting period.

Annual bonus

Consistent with prior years, the 2025 annual bonus performance was based on the delivery of both profit and cash flow targets.

2025 followed a similar trading pattern to prior years, with the kitchen market contracting more than had been forecast when the budget was agreed with management. Despite this, PBT performance has resulted in an above target level of achievement across bonus plans for Executive Directors and across the Company more widely where employees are incentivised on Group performance.

Cash flow performance remained robust and demonstrated the continued focus of management on this key measure. The cash flow outturn was above the maximum outperformance target for this measure, resulting in a bonus of 15% of the maximum annual bonus opportunity being achieved.

This strong performance meant that a total annual bonus of 100% of the maximum annual bonus opportunity for our Executive Directors was earned. Further details of the annual bonus outturn for 2025 can be found on page 115.

Performance Share Plan (PSP)

The 2023 PSP was based on the delivery of both a three-year adjusted PBT growth measure, relative total shareholder returns (TSR), return on capital employed (ROCE) and environmental (ESG) measures. The weightings for the four performance measures were 60% PBT, 20% TSR, 10% ROCE and 10% ESG. This was the first PSP award which included ROCE and ESG measures as part of a broader basket of incentive measures. The 2023 PSP performance was measured to FY 2025. In aggregate, the 2023 PSP will vest at 98.4% of the maximum opportunity.

PBT (60% of total award)

The calculation of adjusted PBT excludes any costs or income that the Remuneration Committee assesses to be exceptional in nature so that the vesting outcome results in a fair reflection of the performance achieved over the period. The full year 2025 PBT target range was determined by the Committee with reference to a combination of analyst consensus estimates, internal forecasts and long-term strategic goals and was a change from the automatic use of the prior year PBT figure as the base for targets for the following year.

Over the three-year period, adjusted PBT increased by 6.9% per annum, which equated to vesting at 100% of the total opportunity for this measure. In considering this outcome, the Committee noted specific expenditure that was incurred during the performance period as well as costs which were outside of management's control. These costs and the expenditure that was invested in driving future growth and profitability rather than into 2025 PBT was excluded from the PBT figure for the purposes of the PSP.

TSR (20% of total award)

To determine TSR performance, Howdens was ranked against a comparator group of similar sized companies, those being 50 above and 50 below Howdens by market capitalisation in the FTSE All Share index at or shortly before the start of the performance period (excluding Investment Trusts). There is zero payout for below median performance and threshold vests at 15% of the maximum opportunity at median. 100% of the opportunity is paid out when performance is equal to or more than upper quartile performance and there is straight-line vesting between the threshold and maximum opportunities. Howdens' TSR performance during the three-year period equated to vesting at 91.9% of the total opportunity for this measure.

ROCE (10% of total award)

The ROCE measure was calculated by dividing the Group operating profit by the average capital employed under management's control, expressed as a percentage. The capital employed will include investments in assets, working capital and related balances but will exclude balances that relate to historic or long-term financing or are outside the control of current management. A performance target of 25% was set by the Committee with 15% of the maximum value of the award vesting at this point. At 30% the award vests at 100% of the maximum value and straight-line vesting is applied between these points. Performance outturn below 25% results in the award lapsing in full.

Over the three-year period, ROCE outturn was 36%, which equated to vesting at 100% of the total opportunity for this measure.

ESG (10% of total award)

The ESG measure included three separate carbon emission targets and an underpin related to waste from UK operations. The three carbon emission measures were:

- i) Year-on-year cumulative average Scopes 1 and 2 carbon emissions reduction, based on tCO₂e per £m (carbon intensity ratio).
- ii) Fleet emissions reduction from UK primary fleet, based on CO₂KG/km.
- iii) Achieving carbon neutral status (or equivalent) across manufacturing sites by maintaining certified carbon neutrality or, in newly acquired sites, achieving certified carbon neutrality.

Each of the three emissions measures accounted for one third each of the total award available.

During the performance period, the Group successfully improved its carbon intensity ratio by an average 11.7% per annum and reduced fleet emissions from its UK primary fleet by 23%. This was ahead of the maximum targets for these measures of 4.2% and 15%, respectively. The Group also achieved equivalent carbon neutral status across all manufacturing sites. This strong performance equated to vesting at 100% of the total opportunity for this measure.

The Group also achieved a target of a minimum average over three years of 99% waste avoiding landfill across UK operations which meant that it was not appropriate for the Committee to apply a downward modifier to the outcome under this measure.

2026 reward and incentives**Salary**

The salary increase for Andrew Livingston, CEO, will be 5% in 2026. This reflects Andrew's experience and performance leading the Howdens business. In determining this increase, the Committee had regard to the increase awarded to the wider workforce. The additional performance increase of 2% was awarded as a result of Andrew's strong leadership of the business in the year and was cross checked against external benchmarking of similar sized companies.

The Committee also felt that it was important that the CEO's base pay did not fall behind market again. The business has continued to perform extremely well in what continues to be a challenging environment, with changes made to strengthen the management team and continued long term investment in product range, our depots and production facilities. Jackie Callaway, CFO, will receive a 3% salary increase which is in line with the wider workforce. These increases will be effective from 1 April 2026 which is also aligned to increases for the wider workforce.

The Committee continues to review the Executive Director remuneration packages annually against companies that operate in the same or similar sectors to Howdens and companies of a similar size and complexity.

Annual bonus

The Committee has maintained the annual bonus opportunity of 200% of base salary for Executive Directors. The Committee believes that this remains appropriate having reviewed the position with reference to market data for companies that operate in the same or similar industries and UK listed companies of a similar size and complexity.

For the 2026 annual bonus, we replicated the tried and tested methodology of PBT and cash flow measures used in the 2025 annual bonus. The measures retain their previous weighting: PBT represents 85% of maximum opportunity and cash flow represents 15% of maximum opportunity. This maintains the focus on profit in incentives and alignment with our depot teams, while maintaining a healthy stretch between 'target' and 'maximum' bonus levels to ensure strong shareholder alignment. These targets will be disclosed in the 2026 Annual Report and Accounts.

PSP

In 2025, the Committee introduced strategic performance measures to complement the existing measure set of PBT, TSR, ROCE and a basket of complementary environmental measures. These measures and their respective weightings (60% PBT, 10% each for TSR, ROCE, ESG and strategic measures) for the 2026 award. The Committee believes that these measures and their respective weightings are appropriate for the 2026 PSP award, but this will be kept under review by the Committee in future years.

The strategic performance measures remain based on the achievement of quantifiable targets over the three-year performance period and include international sales growth and vertical integration (as a % of product sales that are manufactured in-house). The strategic measure used in 2025 of the percentage of sales generated from new product initiatives has been updated with a vitality measure which includes new product innovation but also the growth of our Click & Collect service.

The Committee have decided to make these changes to incentivise management to ensure strong returns on the new products being brought to market and ensuring there is also sufficient focus on delivering growth from our core product portfolio. The weighting for each strategic measure remains 3.3% of the total award.

Governance

Remuneration Committee report continued

Annual Remuneration Committee Chair's Statement continued

The Committee considered the impact on the weighting of financial and non-financial measures when selecting the new strategic measures. The metrics used are either entirely financial or based heavily on financial information and therefore the Committee is satisfied that the weighting of financial measures remains comfortably above the Policy minimum of 75% financial measures for the PSP.

As agreed by shareholders at the 2025 AGM, the maximum long-term incentive opportunity for the Executive Directors has increased to 300% of salary. For the 2026 PSP award, the CEO will receive a maximum award equivalent to 300% of salary and the CFO will receive an award of 250% of salary. This increase of 15% of salary reflects the performance of both individuals and the Group in 2025.

Performance targets for the 2026 PSP are set out on pages 120 and 121 of this report.

Board Chair and NED fees

The Committee has reviewed the Board Chair's fee and, reflecting on his time commitment to the business, felt that a below lower quartile level against similarly sized listed companies was not appropriate. Compared to a group of 40 companies with market capitalisations averaged over the whole of 2025, whose median equalled Howdens', his fee was below the lower quartile level of £355,000. His fee has been increased to £411,000, which is a 20% increase and moves it to 6% above the median level.

The Board (excluding the NEDs) has reviewed the fees payable to NEDs and, also reflecting on their time commitment to the business, decided that their base fee should increase to £82,000 (a 15% increase) and the SID and Committee Chair fees should increase to £22,000 each.

The Board Chair and NEDs have all agreed that the cash from this increase in their fees (net of income tax and national insurance deductions) will be used each year going forward to purchase shares in the Company, which they intend to retain whilst they remain on the Board. This programme of regular share purchases will further align their interests with shareholders over the longer term.

Senior management and the wider workforce

In addition to the Executive Directors, the Remuneration Committee also sets remuneration for senior management. We classify 'senior management' as members of the Executive Committee (excluding Executive Directors), the Company Secretary, and the Director of Risk and Assurance. During the year, the Committee reviewed and approved an updated Executive Committee Remuneration Policy which applies to members of the Executive Committee who are not Executive Directors. The Committee agreed that the share ownership requirement for this cohort be increased to 200% of salary, following the increased requirement of 300% for Executive Directors.

The Committee also received updates on all-employee remuneration policies to provide the context for, and to ensure alignment with Executive remuneration. The Committee considers a dashboard of measures and metrics based on the requirements of Provision 33 of the UK Corporate Governance Code (and supporting guidance). This is intended to showcase some of the key internal and external measures that the Committee consider when determining Executive Director and senior management remuneration (further detail on the dashboard may be found on page 113).

The Committee did not consult with the wider workforce on Executive Director pay arrangements in 2025 (as in previous years). The Committee has safeguards in place (as considered in this report), which ensure good alignment on remuneration across the organisation. All UK employees with shares in the Share Incentive Plan (SIP) (which is the significant majority of employees as SIP free shares have been granted to all UK employees since 2015) have a de facto say on Executive Director pay at general meetings. We are satisfied there remains strong alignment between Executive remuneration and that of the wider workforce due to Howdens' unique incentive culture across all roles and, when setting Executive pay, the Committee has regard to factors including wider workforce pay, CEO and gender pay gap ratios, and the experience of our shareholders.

The Committee considers that the policy has operated as intended in terms of pay for performance for 2025.

Board changes

Jackie Callaway joined as our CFO on 2 June 2025 and received remuneration in line with our Policy, a summary of which begins on page 107. Her salary was £525,000 on appointment, which was 1.9% higher than Paul Hayes' salary.

Paul Hayes retired from the Board at the end of May 2025. He will retire from the Group in April 2026 and remains available until then, but receives only salary, benefits, and allowances. Paul did not earn any bonus in respect of 2025 and was not granted an award under the 2025 PSP. He will also not be eligible for any bonus in respect of 2026, nor will he be granted an award under the 2026 PSP. Paul will be treated as a good leaver in respect of any unvested share plan incentives.

We continue to be committed to an open and transparent dialogue with our stakeholders, and the Committee would welcome any feedback or comments you have on this report or how we intend to implement the Directors' Remuneration Policy in 2026. In the meantime, I look forward to answering any questions on the work of the Committee from shareholders at our AGM in May.

Vanda Murray OBE
Remuneration Committee Chair

■ Fixed ■ Variable

Summary of the Directors' Remuneration Policy

Howdens' Directors' Remuneration Policy, as set out in our 2024 Annual Report and Accounts, was approved by shareholders at our 2025 AGM. Below is a summary of that policy, how that policy links to strategy, and consideration of some of the factors the Committee addressed when formulating the policy. How the policy has been applied during 2025 and will be applied during 2026 can be found on subsequent pages in the report. The full Directors' Remuneration Policy can be viewed at www.howdenjoinerygroupplc.com/governance/remuneration-policy.

When determining the Directors' Remuneration Policy, the Committee was mindful to ensure that the policy and other remuneration practices were clear, simple, predictable, proportionate, safeguarded the reputation of the Company and were aligned to Company culture and strategy.

Executive Directors

The table below sets out the key components of Executive Directors' pay packages, including why they are used and how they are operated in practice. Remuneration is benchmarked against rewards available for equivalent roles in a suitable comparator group. In addition to benchmarking, the Committee considers general pay and employment conditions of all employees within the Group and is sensitive to these, to prevailing market conditions, and to governance requirements.

BASE SALARY	
How this element of remuneration supports our strategy	Recognises the market value of the Executive Director's role, skill, responsibilities, performance and experience.
Operation	Salaries are normally reviewed annually.
Opportunity	Reviews take into account the performance of the individual, any changes in their responsibilities, pay increases for the wider workforce and internal relativities. Increases will normally be only for inflation and/or in line with the wider employee population. Salaries are set with consideration of each Executive Director's performance in role and responsibilities, and within a range defined by a market benchmark derived from companies of a comparable size, including those operating in a similar sector. The peer group used is reviewed whenever benchmarking is performed, and the Committee applies judgement in identifying appropriate peer group constituent companies. The individual's level of total remuneration against the market is considered at the same time.
Performance measures	None.
BENEFITS	
How this element of remuneration supports our strategy	Provides a competitive level of benefits.
Operation	Howdens pays the cost of providing the benefits on a monthly basis or as required for one-off events.
Opportunity	Benefits are based upon market rates and currently include receipt of a company car or car allowance, health insurance and death-in-service insurance payable by the Company. Other benefits may be provided where appropriate and reasonable business-related expenses can be reimbursed if determined to be a taxable benefit.
Performance measures	None.
PENSION	
How this element of remuneration supports our strategy	Provides competitive long-term savings opportunities.
Operation and opportunity	Executive Directors will be entitled to participate in the Howdens Retirement Savings Plan with contribution rates in line with the wider workforce. The level of salary supplement is aligned to the maximum pension benefit available to the Executive Director.
Performance measures	None.

Governance

Remuneration Committee report^{continued}Summary of the Directors' Remuneration Policy^{continued}

ANNUAL BONUS	
How this element of remuneration supports our strategy	Incentivises performance over the financial year and deferral links bonus payout to share price performance over the medium term.
Operation	<p>At least 30% of any bonus earned is deferred into shares. Shares are paid out on the second anniversary of deferral date.</p> <p>The Committee has the discretion to adjust the bonus outcome if it feels that the formulaic outcome is not reflective of overall underlying performance. Any adjustment made using this discretion will be explained in the following Annual Report on Remuneration.</p> <p>Payment is normally subject to continued employment.</p> <p>Malus provisions apply for the duration of the performance period and to shares held under deferral. Clawback provisions apply to cash amounts paid for two years following payment. Therefore, clawback and/or malus will operate on the award for a total period of up to two years after the performance period¹. Clawback may be applied in the following scenarios:</p> <ul style="list-style-type: none"> material misstatement of accounts; erroneous assessment of a performance target; where the number of plan shares under an award was incorrectly determined; gross misconduct by a Director; corporate failure; or serious reputational damage.
Opportunity	The threshold payout for the annual bonus will be up to 20% of salary. The maximum opportunity under the annual bonus is 200% of salary.
Performance measures	At least 75% of the bonus will be based on financial metrics.

PERFORMANCE SHARE PLAN (PSP)	
How this element of remuneration supports our strategy	Focuses management on longer-term financial growth than addressed by the annual bonus. Long-term financial growth is key to the generation of shareholder value.
Operation	<p>Executives have the opportunity to participate in the PSP on an annual basis. The PSP operates over a three-year vesting cycle. Awards will generally be granted towards the beginning of the performance period and vest based on performance over a three-year performance period.</p> <p>The Committee has the discretion to adjust the PSP outcome if it feels that the formulaic outcome is not reflective of overall underlying performance. Any adjustment made using this discretion will be explained in the following Annual Report on Remuneration.</p> <p>Vested awards are subject to a two-year holding period following vesting, during which no performance measures apply. The holding period continues to apply post-employment.</p> <p>Malus provisions apply for the duration of the vesting period. Clawback provisions apply for the duration of the holding period¹, through which vested awards may be reclaimed in the event of:</p> <ul style="list-style-type: none"> material misstatement of accounts; erroneous assessment of a performance target; where the number of plan shares under an award was incorrectly determined; gross misconduct by a Director; corporate failure; or serious reputational damage. <p>A payment equivalent to the dividends accrued on vesting performance shares may be made at the point of vesting, normally in shares.</p>
Opportunity	The threshold vesting for the PSP will be up to 15% of maximum. The maximum opportunity under the PSP is 300% of salary.
Performance measures	At least 75% of the PSP will be based on financial metrics.

1. The Committee considers this time period to be appropriate as it is a reasonable period in which the specified circumstances would be discovered, and the period is in line with FTSE 100 market practice.

■ Fixed ■ Variable

SHAREHOLDING REQUIREMENT	
How this element of remuneration supports our strategy	Shareholding requirement strengthens alignment of interests between participants and shareholders.
Operation	<p>Executive Directors are expected to retain vested shares from deferred bonus and long-term incentive awards (net of income tax and National Insurance contributions) until they reach the minimum requirements.</p> <p>Unvested long-term incentive shares are not taken into account. PSP shares and deferred bonus shares (net of income tax and National Insurance contributions) within a holding period are counted towards the requirement.</p>
Opportunity	The Executive Directors will be required to retain a minimum shareholding of 300% of base salary. Post-cessation of employment, Executive Directors will be required to retain 300% of base salary, or full actual holding if lower, for two years post-cessation from the Board of Howden Joinery Group Plc.

ALL-EMPLOYEE SHARE INCENTIVE PLAN	
How this element of remuneration supports our strategy	To encourage employee share ownership.
Operation	Executive Directors are able to participate in the tax-advantaged Share Incentive Plan available to all eligible UK employees.
Opportunity	The maximum participation levels will be set based on the applicable limits set by HMRC.
Performance measures	None.

Remuneration policy for other employees

The remuneration policy described above applies specifically to Executive Directors of the Group. However, the Remuneration Committee believes it is appropriate that all reward received by senior management is directly linked to the performance of the Company and aligned with shareholder value. Accordingly, Executive Committee members and selected senior managers participate in the same incentive schemes as the Executive Directors, at a reduced level, to ensure alignment between the leadership team and our shareholders.

Below Executive Committee level, certain senior management grades participate in a similar annual bonus plan that is linked to PBT and cash flow. The promotion of employee share ownership is also cascaded through all tiers of management. Since 2023, a deferred bonus share arrangement replaced the PSP for these employees. Free shares grants are made at a reduced level to a wider population within Howdens that do not use performance conditions to encourage share ownership throughout the Company. Employees can also purchase additional shares in the Company in a tax efficient way through our Buy As You Earn scheme, which operates under the Share Incentive Plan.

Non-Executive Directors' Remuneration Policy

The Group's policy on Non-Executive Director (NED) and Chairman fees and benefits is set out below.

FEES	
How this element of remuneration supports our strategy	To attract NEDs who have a broad range of experience and skills to oversee the implementation of our strategy.
Operation	<p>The fees for the Non-Executive Directors are determined by the Chairman and Chief Executive and approved by the Board.</p> <p>The fee for the Chairman is determined by the Remuneration Committee while the Chairman is absent.</p> <p>No other services are provided to the Group by Non-Executive Directors.</p>

Governance

Remuneration Committee report continued

Summary of the Directors' Remuneration Policy continued

Opportunity	<p>Fees for Non-Executive Directors are set out in the statement of implementation of policy on page 119.</p> <p>The fees reflect the time commitment and responsibilities of the roles. Accordingly, committee chairmanship and the Senior Independent Director (SID) are paid in addition to the NEDs' basic fee. Committee chairmanship fees currently apply only to the Audit and Remuneration Committees. The Chairman receives no fees in addition to the Chairman's fee. In exceptional circumstances, additional fees may be paid where there is a substantial increase in the temporary time commitment required of NEDs.</p> <p>Fees may be reviewed every year and are set within a range defined by a market benchmark of comparably sized companies and having regard to the base salary increase payable to the wider workforce.</p>
Performance measures	NEDs are not eligible to participate in any performance-related arrangements.

BENEFITS	
How this element of remuneration supports our strategy	To attract NEDs who have a broad range of experience and skills to oversee the implementation of our strategy.
Operation and opportunity	NEDs are entitled to receive expenses in respect of reasonable travel and accommodation costs and any income taxes charged on these.
Performance measures	None.

Service contracts and letters of appointment

Executive Directors' employment contracts are not fixed term, but have a maximum of twelve months' notice of termination on both sides. In the event of termination by the Company, there will be no compensation for loss of office due to misconduct or normal resignation. In other circumstances, Executive Directors may be entitled to receive compensation for loss of office, which will be paid monthly for a maximum of twelve months equivalent to the monthly salary that the Executive Director would have received if still in employment with the Company. Executive Directors will be expected to mitigate their loss within a maximum twelve month period, as appropriate, of their departure from the Company.

Non-Executive Director appointments are for an initial period of three years. They are subject to re-appointment annually. They are not entitled to any form of compensation in the event of early termination. Copies of the Directors' service contracts and letters of appointment are available at the Company's registered office during usual business hours.

Executive Director	Date of service contract	Notice from the Company	Notice from the individual
Andrew Livingston	6 July 2017	12 months	12 months
Jackie Callaway	2 June 2025	12 months	12 months

Non-Executive Director	Original date of appointment	Effective appointment date in most recent letter	Unexpired term at 27 December 2025
Peter Ventress	1 July 2022	1 July 2025	2.5 years
Roisin Currie	1 July 2024	1 July 2024	1.5 years
Louis Eperjesi	1 June 2023	1 June 2023	0.4 years
Louise Fowler	1 November 2019	1 November 2025	2.8 years
Tim Lodge	1 January 2025	1 January 2025	2.0 years
Vanda Murray	1 February 2024	1 February 2024	1.1 years
Suzu Neubert	1 July 2024	1 July 2024	1.5 years

Directors' Remuneration Report - Part 1: Company performance and stakeholder experience

In this section of the Directors' Remuneration Report, we detail some of the considerations the Committee has regard to when implementing the Directors' Remuneration Policy. Contained in this section are specific disclosures on Group performance, as well as comparative disclosures on the relative importance of spend on pay, historic CEO single figure, CEO ratio and all-Director remuneration relative to average employees.

Group performance

Total shareholder return (TSR)

The graph below illustrates the Company's TSR performance relative to the constituents of the FTSE 100 (excluding investment trusts) of which the Company is a constituent.

Howdens historical TSR



Profit before tax (PBT)

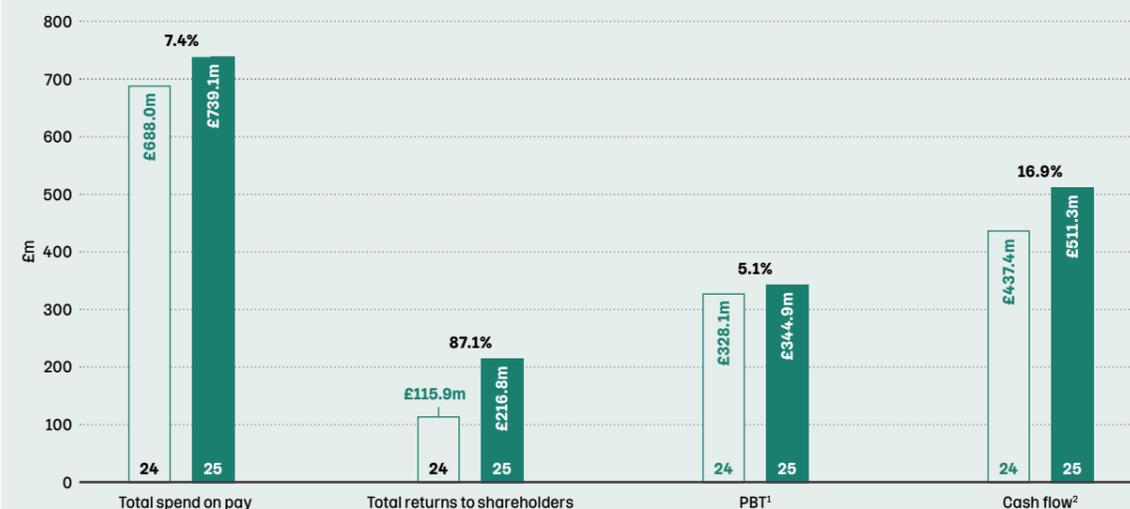
The graph below illustrates the Company's historical PBT performance.

Howdens historical PBT (£m)



Relative importance of spend on pay

The graph below sets out the change in the Group's total remuneration spend from 2024 to 2025 compared to the total returns to shareholders of the Group and the two incentive performance measures PBT and cash flow.



1 See consolidated income statement on page 157.
2 Net cash flow from operating activities is the definition used for the annual bonus scheme (see page 119).

Governance

Remuneration Committee report continued

Directors' Remuneration Report - Part 1: Company performance and stakeholder experience continued

Fixed Variable

CEO historical pay reporting

Historical single figure

The table below shows the historical CEO single figure and incentive payout levels. They show that the performance of the annual bonus and long-term incentives have reflected the challenging market conditions.

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
CEO single figure (£'000)	3,098	1,268	2,569	1,391	816	3,951	2,571	2,517	3,155	5,051
Annual bonus (% of maximum)	48%	35%	75%	76%	0%	100%	100%	24%	58%	100%
LTIP vest (% of maximum)	100%	0%	0%	0% ¹	0%	100%	43%	100%	74%	98%

1 Andrew Livingston was appointed as CEO in April 2018 and therefore he was not granted an award under the LTIP in 2017.

CEO pay ratio reporting

Howdens has calculated the CEO pay ratio for 2025 in line with the Directors' Remuneration Reporting Regulations. The data used to calculate the CEO pay ratio and the pay and benefits of the reference employees was accurate as at 31 December 2025.

CEO pay ratio

Year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2025	A ¹	145:1	128:1	104:1
2024	A	90:1	79:1	65:1
2023	A	76:1	65:1	54:1
2022	A	74:1	64:1	53:1
2021	A	135:1	113:1	93:1
2020	A	31:1	25:1	21:1
2019	A	71:1	58:1	48:1
2018	A	122:1	100:1	81:1

1 In accordance with section 17 of The Companies (Miscellaneous Reporting) Regulations 2018, method A was used in the calculation of the pay ratios; ranking the pay and benefits of all our UK employees for the relevant financial year to identify the 25th, 50th, and 75th percentile-ranked employees and using the pay and benefits figures for these employees to determine the pay ratios at each quartile. Method A has been used as it has been identified by the Department for Business and Trade in its guidance as the most statistically accurate method for identifying the pay ratios.

Pay and benefits of reference employees

The total pay, benefits, and salary of each employee who is the best equivalent of the 25th, 50th, and 75th ranked employee is as follows:

	25th percentile	50th percentile	75th percentile
Total pay and benefits (FTE) ²	£34,771	£39,592	£48,539
Salary (including overtime) (FTE) ²	£26,870	£31,095	£39,491

2 The pay and benefits of employees was calculated in line with the Single Total Figure of Remuneration methodology. In our calculations we used actual pay from 1 January 2025 to 31 December 2025. Joiners, leavers and part-time employees' earnings have been annualised on an FTE basis (excluding any payments of a one-off nature). Where bonus payments are made on a monthly or quarterly basis, we included payments made in the 2025 compensation year; however, for annual bonus payments, we estimated the bonus due to employees for the 2025 compensation year (payment is due in March 2026). P11D values are based on the 2024-25 reportable values; however, they have been annualised accordingly.

2025 pay ratio explanation³

A significant proportion of the CEO's remuneration for 2025 is made up of variable pay (i.e. annual bonus and share awards). Since the 2023 Performance Share Plan (PSP) award was granted, the Company's share price (three-month average to 27 December 2025) has increased by just under 25% and it is the three-month average share price on 27 December 2025 on which the value of the PSP award, which is reported in the single figure of remuneration table on page 114, is based. The annual bonus is also due to pay out at 100% of maximum for the CEO. In the previous year, the CEO's bonus paid out at 58% of maximum.

3 Explanations for the CEO ratios of previous years may be found in the respective annual report for that year.

How executive pay relates to pay and reward throughout the Company

Howdens' vertically integrated business means that our workforce is made up of a wide range of roles from kitchen designers to skilled engineers, and from warehouse staff to senior management. We work on the premise that Howdens must be worthwhile for all concerned and our reward structures across the business are designed to reflect the levels of personal autonomy and outperformance we expect from every individual. Our pay structures vary between roles to deliver an appropriate balance between fixed and variable pay. Emphasis on profit in our reward structures, from the depots to the Executive Directors, helps to provide some alignment of reward across the business.

It is a feature of our pay structure that senior management often receive a larger proportion of their total pay through incentives and the outcome of incentives is likely to be the main cause of variability in the ratio in future years. The Remuneration Committee is regularly updated on the benefits provided across the business and is mindful that consistency of approach and fairness are two key principles and important drivers for change.

All-Director remuneration relative to average employees

Listed companies are required to disclose the annual change in each director's pay in comparison to the average change in employee pay. This comparison is made on salary, bonus, and taxable benefits, so does not include some of the elements disclosed under the single figure of remuneration table such as pension contribution or long-term incentives. While there is only a requirement for a listed entity to provide employee pay information for that entity (i.e. not on a Group-wide basis), a 'Group' comparator has instead been included in the table below as this provides a more representative comparison as Howden Joinery Group Plc did not employ any individuals during 2020 to 2025.

Footnotes have been included beneath the table in relation to the 2024 to 2025 period. Footnotes relating to prior years can be found in the previous applicable annual report.

	% change in basic salary					% change in benefits					% change in bonus				
	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
Average Howdens Group employee remuneration	9%	3%	9%	5%	1%	(14)%	(17)%	5%	(9)%	(15)%	12%	6%	(18)%	(4)%	38%
Executive Directors															
Andrew Livingston	18%	2%	6%	3%	12%	53%	(18)%	40%	5%	(85)%	103%	152%	(67)%	3%	100%
Jackie Callaway ¹	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Executive Directors															
Roisin Currie ²	103%	-	-	-	-	75%	-	-	-	-	-	-	-	-	-
Louis Eperjesi	8%	83%	-	-	-	(100)%	100%	-	-	-	-	-	-	-	-
Louise Fowler	4%	13%	0%	3%	4%	17%	20%	25%	300%	0%	-	-	-	-	-
Tim Lodge ³	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vanda Murray ⁴	36%	-	-	-	-	33%	-	-	-	-	-	-	-	-	-
Suzy Neubert ²	103%	-	-	-	-	(100)%	-	-	-	-	-	-	-	-	-
Peter Ventress	2%	2%	101%	-	-	0%	0%	0%	-	-	-	-	-	-	-
Former Directors															
Paul Hayes ⁵	(55)%	2%	6%	3%	-	(58)%	(26)%	(6)%	80%	-	(100)%	152%	(67)%	3%	-
Andrew Cripps ⁶	(65)%	24%	11%	6%	3%	0%	0%	0%	0%	0%	-	-	-	-	-

1 Jackie Callaway was appointed to the Board in June 2025 and therefore comparative figures cannot be calculated for any of the periods reported above.
 2 Roisin Currie and Suzy Neubert were appointed to the Board in July 2024 and so did not receive a full year of fees or benefits in 2024.
 3 Tim Lodge was appointed to the Board in January 2025 and therefore comparative figures cannot be calculated for any of the periods reported above.
 4 Vanda Murray was appointed to the Board in February 2024 and was appointed Chair of the Remuneration Committee in May, for which she was paid an additional fee for the remainder of the year. In May 2025, Vanda was also appointed Senior Independent Director and therefore received the additional fee in respect of this role for the remainder of the year.
 5 Paul Hayes retired from the Board at the end of May 2025. His basic salary and benefits were therefore significantly lower in 2025 than in 2024 and he did not receive a bonus in respect of 2025.
 6 Andrew Cripps retired from the Board at the beginning of May 2025 and therefore did not receive a full year of fees in 2025.

Wider workforce considerations

When determining the base salary, benefits and variable pay awards for the Executive Directors and senior management, the Committee had regard to the information referred to in a 'Provision 33 of the UK Corporate Governance Code Dashboard', which includes information such as the CEO pay ratio, gender pay gap statistics, and the salary, bonus, pensions, benefits and share plan arrangements available to the wider workforce.

Governance

Remuneration Committee report continued

Directors' Remuneration Report - Part 2: Application of policy in 2025

In this section of the Directors' Remuneration Report we set out how the Committee has executed the policy for 2025. Disclosures in this section are retrospective and where applicable are shown against prior year comparator.

Single figure of remuneration (audited)

£'000	Salary/fees		Taxable benefits ¹		Pension		Total fixed		Bonus		LTIP		Total variable		Total remuneration	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024 ²	2025	2024 ²	2025	2024 ²
Executive Directors:																
Andrew Livingston	855	726	35	23	103	87	993	836	1,710	841	2,348	1,160	4,058	2,001	5,051	2,837
Jackie Callaway <small>Appointed June 2025</small>	306	-	14	-	37	-	357	-	613	-	-	-	613	-	970	-
Paul Hayes <small>Retired May 2025</small>	213	474	10	26	26	57	249	556	-	550	1,251	618	1,251	1,168	1,500	1,724
Total	1,374	1,200	59	49	166	144	1,599	1,392	2,323	1,391	3,599	1,778	5,922	3,169	7,521	4,561
Non-Executive Directors:																
Andrew Cripps <small>Retired May 2025</small>	36	102	0	0	-	-	36	102	-	-	-	-	-	-	36	102
Roisin Currie	71	35	7	4	-	-	78	39	-	-	-	-	-	-	78	39
Louis Eperjesi	71	66	0	1	-	-	71	67	-	-	-	-	-	-	71	67
Louise Fowler	71	68	7	6	-	-	78	74	-	-	-	-	-	-	78	74
Tim Lodge <small>Appointed Jan 2025</small>	85	-	0	-	-	-	85	-	-	-	-	-	-	-	85	-
Vanda Murray	103	76	4	3	-	-	107	79	-	-	-	-	-	-	107	79
Suzy Neubert	71	35	0	1	-	-	71	36	-	-	-	-	-	-	71	36
Peter Ventress	340	332	0	0	-	-	340	332	-	-	-	-	-	-	340	332
Total	848	741	18	15	-	-	866	756	-	-	-	-	-	-	866	756

1 Executive Directors' taxable benefits are based upon market rates and include receipt of a company car or car allowance, non-exclusive use of a company driver, health insurance, and death-in-service insurance payable by the Company. Non-Executive Directors are entitled to receive expenses in respect of reasonable travel and accommodation costs.
2 The vesting value of the 2022 PSP award for the Executive Directors has been restated to reflect the actual share price on vesting on 6 April 2025 of £6.65672.

Fixed Variable

Notes to the single figure table

Annual bonus (audited)

Our annual bonus for 2025 was based on PBT and cash flow measures subject to an aggregate maximum of 200% of salary. The PBT and cash flow measures were weighted as follows, with the actual outcome set out below:

	PBT component		Cash flow component		Total
	Target	% of salary	Target	% of salary	% of salary
Threshold	£279m	17%	£404m	3%	20%
Target	£310m	85%	£421m	15%	100%
Outperformance	£325.5m	170%	£430m	30%	200%
Actual outcome:	£344.9m	170%	£511.3m	30%	200%

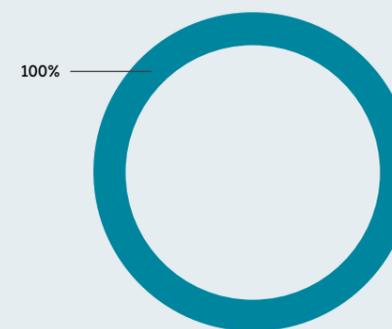
70% of the total bonus will be paid in cash and 30% will be deferred into Company shares for two years following the deferral date (subject to continued employment).

	Andrew Livingston	Jackie Callaway
Total bonus (£'000)	1,710	613¹

1 Jackie Callaway joined Howdens as CFO on 2 June 2025 and her annual bonus reflects pro-rata to that date. Paul Hayes, who was CFO for the period until Jackie's appointment, did not receive any annual bonus in respect of the year.

PBT outcome

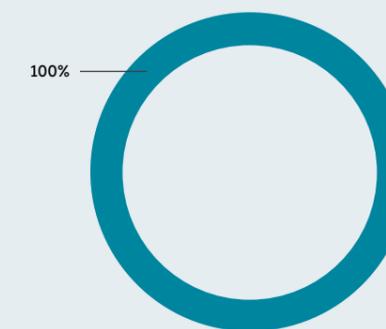
Worth 85% of maximum bonus opportunity (170% of salary)



● Actual outcome ● Target not reached

Cash flow outcome

Worth 15% of maximum bonus opportunity (30% of salary)



● Actual outcome ● Target not reached

Governance

Remuneration Committee report continuedDirectors' Remuneration Report - Part 2: Application of policy in 2025 continued

Performance Share Plan (PSP) (audited)

Targets and actual outcomes

2023 PSP AWARD							
	Performance Period	Grant Date	Vest Date	Additional Post-Vest Holding Period			
	Three Years	6 April 2023	6 April 2026	Two years			
Performance Conditions							
Profit Before Tax (PBT) 60% weighting	PBT at end of Performance Period		Proportion of PBT component of Award that may vest				
	£484m		100%				
Performance Period: FY2022 to FY2025	Straight-line vesting between these two points						
	£400m		15%				
	Less than £400m		0%				
Actual Outcome:	£495.9m		100%				
Relative Total Shareholder Returns (TSR) 20% weighting	Howdens' rank versus comparator group		Proportion of TSR component of Award that may vest				
	At or above upper quartile		100%				
Performance Period: FY2022 to FY2025	Straight-line vesting between these two points						
	At median		15%				
	Below median		0%				
Actual Outcome:	Between median and upper quartile		91.9%				
Return on Capital Employed (ROCE) 10% weighting	ROCE achieved		Proportion of ROCE component of Award that may vest				
	30% or above		100%				
Performance Period: FY2022 to FY2025	Straight-line vesting between these two points						
	25%		15%				
	Less than 25%		0%				
Actual Outcome:	36%		100%				
Environmental Measure (EM) 10% weighting	Improving our carbon intensity ratio		Fleet emissions reduction		Carbon neutral status of manufacturing sites		Waste avoiding landfill
	Per annum reduction	Proportion of EM that may vest	Reduction	Proportion of EM that may vest	Number of sites	Proportion of EM that may vest	A target of a minimum average over three years of 99% waste avoiding landfill across UK operations will apply which, if not achieved, will result in a downward modifier to the outcome under this Environmental measure.
Performance Period: All carbon emission and waste targets to be achieved by 31 December 2025. Base year for all targets is 2021.	4.2%	33.3%	15%	33.3%	Four	33.3%	
	Straight-line vesting between these points		Straight-line vesting between these points		Straight-line vesting between these points		
	4.0%	7.5%	12%	7.5%			
	Below 4.0%	0%	Below 12%	0%	Two	0%	
Actual Outcome:	11.7%	33.3%	23%	33.3%	Four	33.3%	99%

Further detail on outcomes can be found on the next page.

Fixed Variable

Performance Share Plan (PSP) (audited) continued

Outcome

PBT - 60%

FY 2025 PBT was £495.9m, equivalent to 6.9% p.a., calculated on an adjusted basis, excluding those costs and income that the Remuneration Committee assessed to be exceptional in nature so that the vesting outcome results in a fair reflection of the performance achieved over the period. The costs that were assessed to be exceptional in nature related to a combination of strategic investments made to deliver growth beyond 2025 and one-off costs linked to events not envisaged when the targets were set in 2023. This component of the award will vest at 100% of maximum opportunity.

TSR - 20%

Based on three-year performance to FY 2025, the Company was ranked 24th compared to the comparator group and therefore 91.9% of the TSR component of the award will vest.

ROCE - 10%

Based on performance to FY 2025, the Company achieved a ROCE of 36% and therefore 100% of this component of the award will vest.

ESG - 10%

The Company outperformed all of the carbon emission reduction and waste targets (see below) and therefore 100% of the 2023 PSP award will vest.

- Improvement in carbon intensity ratio: The Company achieved an average reduction of 11.7% and therefore 100% vests.
- Fleet emissions reduction: The Company achieved an average reduction of 23% and therefore 100% vests.
- Certified carbon neutral status (or equivalent) across manufacturing sites: The Company achieved carbon neutral status (or equivalent) across all of its manufacturing sites by 31 December 2025 and therefore 100% of the component of the award vests.
- Avoiding waste to landfill: The Company achieved an average of greater than 99% over the three-year period and therefore no downward modifier was applied.

The overall final vesting of the 2023 PSP award is 98.4% of the maximum opportunity.

The share price at the date of grant was 664.6p and the three-month average to 27 December 2025, the price on which the value of the award is calculated, was 827.8p. Therefore, £463,022 of Andrew Livingston's PSP award, as shown in the single figure of remuneration table, is attributable to share price appreciation and £246,681 of Paul Hayes's PSP award.

Governance

Remuneration Committee report continued

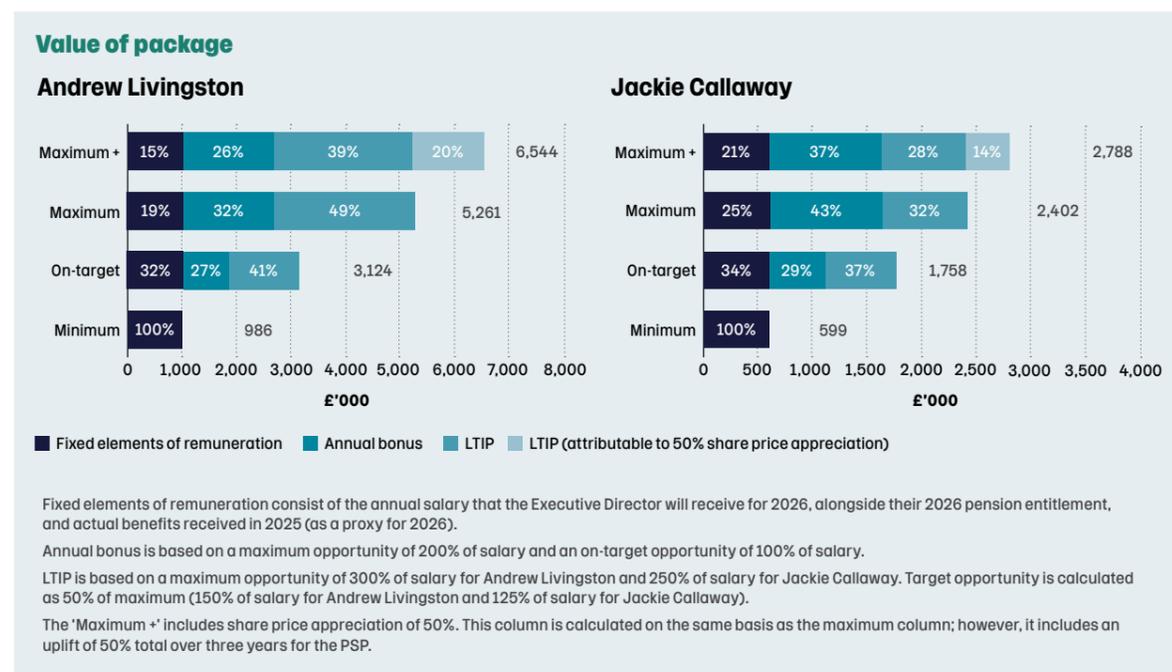
Directors' Remuneration Report - Part 3: Implementation of policy in 2026

In this section of the Directors' Remuneration Report we set out how the Committee has implemented policy for 2026. Disclosures in this section are forward looking. The outcome of any variable award for Executive Directors will be reported in the Remuneration Committee report for the financial year 2026.

2026 remuneration scenarios

The remuneration package for the Executive Directors is designed to provide an appropriate balance between fixed and variable performance-related components, with a significant proportion of the package weighted towards long-term variable pay. The Committee remains satisfied that the composition and structure of the remuneration packages is appropriate, clearly supports the Company's strategic ambitions and does not incentivise inappropriate risk-taking. The Committee reviews this on an annual basis.

The composition and value of the Executive Directors' remuneration packages in a range of performance scenarios are set out in the charts below. These charts show that the proportion of the package delivered through long-term performance is in line with our proposed new Remuneration Policy and changes significantly across the performance scenarios. As a result, the package promotes the achievement of superior long-term performance and aligns the interests of the Executive Directors with those of other shareholders. A brief description of the remuneration scenarios and the elements they are made up of is set out below the charts.



Fixed Variable

Non-Executive Director fees

Current fee levels for Non-Executive Directors are set out in the table below. The Committee has reviewed the Chair's fee and, reflecting on his time commitment to the business, increased it to £411,000, which is a 20% increase. The Board (excluding the NEDs) has reviewed the fees payable to NEDs and, also reflecting on their time commitment to the business, increased the base fee to £82,000 (a 15% increase) and the SID and Committee Chair fees to £22,000 each. These increases (after the payment of taxation) will be used to purchase shares in the Company, which the individuals intend to retain while they remain on the Board.

	Basic NED fee ¹	Chair fee	SID fee	Committee Chair fee	
2026	Annual fee - cash	£71,400	£341,445	£17,340	£20,400
	Annual fee - to be used to purchase shares in the Company	£10,600	£69,555	£4,660	£1,600
	Total fee remuneration	£82,000	£411,000	£22,000	£22,000
	Effective date	1 April 2026			
2025	Annual fee	£71,400	£341,445	£17,340	£20,400
	Effective date	1 April 2025			

¹ The Chair of the Board of Directors does not receive the basic Non-Executive Director fee or an additional fee for chairing the Nominations and Sustainability Committees.

Executive Director base salaries

Executive Directors' base salary increases are set out in the table below. The rationale for the increases may be found in the Annual Remuneration Committee Chair statement on page 105.

Executive Directors	2026		2025	
	Salary (£'000)	Effective date	Salary (£'000)	Effective date
Andrew Livingston (CEO)	898	1 April 2026	855	1 January 2025
Jackie Callaway (CFO) ¹	541	1 April 2026	525	2 June 2025

¹ Jackie Callaway was appointed as an Executive Director on 2 June 2025.

Executive Director annual bonus measures

The table below sets out annual bonus measures for 2026. Targets for these measures are considered commercially sensitive by the Board and so are not disclosed here. Performance targets, together with achievement against them, will be set out in full in the 2026 Remuneration Committee report.

Bonus measure	Definition	Performance level	Payout level
PBT	Pre-exceptional profit before tax from continuing operations	Threshold	17% of salary
		Target	85% of salary
		Maximum	170% of salary
Cash flow	Net cash flow from operating activities, taking into account the efficiency with which working capital is used, and adjusted for exceptional items	Threshold	3% of salary
		Target	15% of salary
		Maximum	30% of salary

Governance

Remuneration Committee report continued

Directors' Remuneration Report - Part 3: Implementation of policy in 2026 continued

Executive Director Performance Share Plan (PSP) measures

Set out below and on the next page are the performance measures and relative weightings for each of the measures for the 2026 PSP award. Further detail about the measures may be found on pages 105 and 106. The maximum opportunity under the PSP is 300% of base salary for the CEO and 250% of base salary for the CFO. The performance period is three years, measured over the relevant financial years. The award will also be subject to a two-year post-vesting holding period and malus and clawback provisions. See page 124 for scheme interests awarded in 2025.

PBT - 60% weighting		
	PBT performance condition ¹	Payout level
PBT component vesting schedule	£376m	100% of maximum
	<i>Straight-line vesting between these points</i>	
	£323m	15% of maximum
	Less than £323m	0% of maximum

Return on Capital Employed (ROCE) - 10% weighting		
ROCE component measurement details	Calculated by dividing the Group operating profit by the average capital employed under management's control, expressed as a percentage. The capital employed will include investments in assets, working capital and related balances but will exclude balances that relate to historical or long-term financing or are outside the control of current management. Excluded items include: cash, pension deficit repair contributions, deferred tax and long-term financing of the Group, such as lease liabilities and borrowings. Targets are the same as set in 2025, reflecting the period of investment taking place.	
	ROCE performance condition	
Performance assessment	24%	
	<i>Straight-line vesting between these points</i>	
	21%	
	Less than 21%	

Strategic measures - 10% weighting		
	Performance condition	Payout level
International sales growth		
Year-on-year cumulative sales over performance period versus three-year cumulative sales to YE 2025	See note 2 below	Up to 33.3% of the strategic measures component of the award
Vitality revenues		
Absolute £ sales generated from products launched in the performance period plus revenues from click and collect sales	See note 2 below	Up to 33.3% of the strategic measures component of the award
Vertical integration		
Average % of COGS manufactured in-house over the performance period	See note 2 below	Up to 33.3% of the strategic measures component of the award

1 FY2028 is one week shorter than FY2027 and these targets reflect this.
2 Commercial sensitivity precludes the advance publication of the strategic measures targets; however, they will be disclosed retrospectively in the applicable Remuneration Committee report.

Fixed Variable

Relative TSR - 10% weighting		
Comparator group and averaging period for TSR performance	<ul style="list-style-type: none"> Companies ranked up to 50 above and 50 below Howdens by market capitalisation in the FTSE All Share index at or shortly before the start of the performance period (excluding Investment Trusts). TSR average for the two months preceding the first day of the performance period and two months TSR average for the final two months of the performance period. 	
Performance assessment	Performance against comparator group	
	Equal to or above upper quartile	
	<i>Straight-line vesting between these points</i>	
	Below median	

Environmental measures - 10% weighting			
Environmental component measurement details	All carbon emission and waste targets to be achieved by 31 December 2028. Base year for all targets is 2021.		
	Performance condition	Payout level	
Improving our carbon intensity ratio	4.2% p.a. reduction	50% of maximum	
	<i>Straight-line vesting between these points</i>		
	Year-on-year cumulative average Scopes 1 and 2 carbon emissions reduction, based on tCO ₂ e per £m	4.0% p.a. reduction	7.5% of maximum
Fleet emissions reduction	Below 4.0% p.a. reduction	0% of maximum	
	<i>Straight-line vesting between these points</i>		
	UK primary fleet only, based on CO ₂ KG/km	15% reduction	50% of maximum
	12% reduction	7.5% of maximum	
	Below 12% reduction	0% of maximum	

A target of a minimum average over three years of 99% waste avoiding landfill across UK operations will apply which, if not achieved, will result in a downward modifier to the outcome under this Environmental measure.

Governance

Remuneration Committee report continued

■ Fixed ■ Variable

Directors' Remuneration Report - Part 4: Additional disclosures

In this section of the Directors' remuneration report, more detail is provided in respect of a number of key disclosures. These disclosures include Executive Director pension entitlements, shareholdings, and external appointments. More detail is also provided on the operation of the Remuneration Committee and AGM voting performance.

Consideration by the Directors of matters relating to Directors' remuneration

The Committee met five times during 2025 and discussed a number of items for which it is responsible. Under its Terms of Reference, which are reviewed on an annual basis, the Committee is responsible for determining the broad policy and specific remuneration packages for Executive Directors and senior management (that being the members of the Executive Committee, the Company Secretary and the Director of Risk and Assurance), including pension rights and, where applicable, any compensation payments. The Committee is also regularly updated on pay and conditions applying to other employees in the Company.

Loss of office payments or payments to past Directors (audited)

As announced to the market in April 2025, Paul Hayes retired as Chief Financial Officer and Director with effect from 30 May 2025. From 1 June 2025 to 27 December 2025, Paul received salary and benefits pursuant to his service contract totalling £351,256. The value of Paul's base salary for the period 1 June 2025 to 27 December 2025 was £300,417, the value of the payments received in lieu of pension was £36,050 and his other benefits for the period was £14,765. He did not receive an annual bonus in respect of FY2025 and was not granted an LTIP award in 2025.

Paul will continue to receive his base salary and benefits pursuant to his service contract until 30 April 2026, during which period he will remain at the Company's disposal. The value of Paul's base salary for the period 1 January 2026 to 30 April 2026 will be £171,667, the value of the payments received in lieu of pension will be £20,600 and his other benefits for the period will be £5,009. He will not receive an annual bonus in respect of FY2026.

In accordance with the Company's approved loss of office policy, unvested awards under the 2023 and 2024 LTIP Performance Share Plan will be pro-rated to reflect the period from the respective award date until his terminations date, as a proportion of the period from the award date until the expected vesting date (calculated by reference to whole months). To the extent that the Board determines any performance conditions have been satisfied over the respective performance period, the pro-rated 2023 and 2024 LTIP PSP awards will vest on their normal vesting dates and will be subject to post-vest holding periods. Paul's share awards held in the Share Incentive Plan will be released to him following his termination date and his deferred bonus shares awarded pursuant to his 2023 and 2024 bonus entitlements will vest on the normal vesting date subject to the rules of the Deferred Bonus Plan.

All payments to Paul will be subject to deductions for tax and National Insurance contributions and, other than the amounts disclosed above, Paul will not be eligible for any other payments for loss of office.

External appointments

Howdens allows Executive Directors and other appropriate senior employees to accept a maximum of one external non-executive appointment outside the Company, subject to permission from the Committee, provided this is not with a competing company nor likely to lead to conflicts of interest. Andrew Livingston was a Non-Executive Director of LondonMetric Property Plc, a FTSE 100 REIT, until 20 May 2025. Andrew received £25,833 in fees in respect of his role as Non-Executive Director. Jackie Callaway is Non-Executive Director and Chair of the Audit Committee for IMI Plc and received £98,500 in fees in respect of this role. Jackie held this appointment upon her appointment.

Total pension entitlements (audited)

Executive Directors are invited to participate in the Howdens Retirement Savings Plan (the 'Plan') or receive an amount in lieu of membership of the Plan. More information on pension entitlements for Executive Directors can be found in the proposed Directors' Remuneration Policy. The table below sets out the payments made in lieu of membership of the Plan for the Executive Directors who served during the year. No additional benefits become receivable if Executive Directors retire early.

	Current		Former
	Executive Director	Andrew Livingston	Jackie Callaway ¹
Accrued pension at 27 December 2025 (£'000)	-	-	-
Normal retirement date	-	-	-
Pension value in the year from defined benefit component (£'000)	-	-	-
Pension value in the year from defined contribution component (£'000)	-	-	-
Pension value in the year from cash allowance (£'000)	103	37	26
Total	103	37	26

¹ The pension entitlements shown reflect the individual's tenure as an Executive Director.

Executive Director shareholdings (audited)

Executive Directors are currently expected to build up and maintain a personal shareholding in the Company of at least 300% of salary so that their interests are aligned with those of shareholders. The table below sets out the total shares held together with unvested Performance Share Plan awards and those held subject to deferral conditions. Neither of the Executive Directors held share options that were subject to performance conditions or held share options that were vested but unexercised. Unvested deferred bonus shares (net of income tax and National Insurance contributions) are taken into account in calculating the Executive Directors' shareholdings.

	Current		Former
	Executive Director	Andrew Livingston	Jackie Callaway ⁶
Shareholding requirement (% of salary)	300%	300%	300%
Shareholding requirement (number of shares) ¹	309,854	190,261	186,637
Shares owned outright (including by connected persons) ^{2,5}	677,357	28,916	188,684
Current shareholding (% of salary) ¹	656%	46%	303%
Guideline met	Y	N	Y
Share awards subject only to continued employment ³	160	29	141
Share awards subject to performance conditions and continued employment ⁴	801,770	133,211	264,164

- Based on a share price of £8.2781, being the three-month average price to 27 December 2025, and basic salary as at 27 December 2025.
- Includes Share Incentive Plan (SIP) partnership and dividend shares.
- Includes only SIP free and matching shares.
- Performance Share Plan awards under the Long-Term Incentive Plan.
- Between 27 December 2025 (the end of the period) and 25 February 2026, Andrew Livingston has acquired 34 SIP partnership Shares and has been awarded one SIP matching share. No other changes to the Executive Directors' total shareholdings (including any holdings of their connected persons) have occurred between the end of the period and 25 February 2026.
- Jackie was appointed to the Board on 2 June 2025. It is expected that in future she will retain vested shares from deferred bonus and long term incentive awards (net of income tax and National Insurance contributions) until she meets the shareholding requirement.
- Paul retired from the Board on 30 May 2025. His respective reported shareholding is therefore given as at the date he retired from the Board and his share awards subject to performance conditions and continued employment are provided gross of good leaver pro-ration.

Non-Executive Director shareholdings (audited)

There is no shareholding requirement for Non-Executive Directors. The shareholding figures below include any shares held by connected persons. With the exception of Andrew Cripps, who was not a member of the Board as at 25 February 2026¹, the Company can confirm that no changes to the Non-Executive Directors' total shareholdings (including any holdings of their connected persons) have occurred between the end of the period and 25 February 2026.

	Non-Executive Director							
	Andrew Cripps ¹	Roisin Currie	Louis Eperjesi	Louise Fowler	Tim Lodge	Vanda Murray	Suzy Neubert	Peter Ventress
Shareholding:	7,500	1,387	3,100	470	7,500	3,000	7,305	20,316

¹ Andrew Cripps retired from the Board on 1 May 2025. His respective reported shareholding is therefore given as at the date he retired from the Board.

Governance

Remuneration Committee report continued

Scheme interests awarded during the financial year (audited)

During 2025, the Executive Directors were invited to participate in the Performance Share Plan (PSP) and Share Incentive Plan (SIP), as set out in the table below. Further information on conditional shares and SIP free and matching shares may be found in note 23 of the consolidated financial statements:

Nature of award:	Conditional shares under the PSP				
	CEO		CFO		
Number of shares under award	305,932		133,211		
Face value of award ¹	£2,436,748.38		£1,061,025.62		
	Performance period	Grant date	Vest date	Additional holding period	
	See individual Performance Conditions below	CEO: 2 May 2025 CFO: 18 August 2025	CEO: 2 May 2028 CFO: 18 August 2028	Two years	
Performance Conditions:					
Profit Before Tax (PBT) (60% weighting) Performance period: FY2025 to FY 2027	PBT at end of performance period		Proportion of PBT component of award that can vest		
	£360m		100%		
	Straight-line vesting between these points				
	£320m		15%		
	Less than £320m		0%		
Relative Total Shareholder Returns (TSR) (10% weighting) Performance period: FY2025 to FY2027	Howdens' rank versus comparator group		Proportion of TSR component of award that can vest		
	At or above upper quartile		100%		
	Straight-line vesting between these points				
	At median		15%		
	Below median		0%		
Return on Capital Employed (ROCE) (10% weighting) Performance period: FY2025 to FY 2027	ROCE achieved		Proportion of ROCE component of award that can vest		
	24%		100%		
	Straight-line vesting between these points				
	21%		15%		
	Less than 23%		0%		
Strategic measures (SM) (10% weighting) Performance period: FY2025 to FY 2027	International sales growth	New product introductions	Vertical integration		
	Worth up to 33.3% of the SM component of the award	Worth up to 33.3% of the SM component of the award	Worth up to 33.3% of the SM component of the award		
	Commercial sensitivity precludes the advance publication of the SM targets; however, they will be disclosed retrospectively in the applicable Remuneration Committee report.				
Environmental measures (EM) (10% weighting) Performance period: All carbon emission and waste targets to be achieved by 31 December 2027. Base year for all targets is 2021.	Improving our carbon intensity ratio		Fleet emissions reduction		Waste avoiding landfill
	Per annum reduction	Proportion of EM that can vest	Reduction	Proportion of EM that can vest	
	4.2%	50%	15%	50%	
	Straight-line vesting between these points		Straight-line vesting between these points		
	4.0%	7.5%	12%	7.5%	
	Below 4.0%	0%	Below 12%	0%	

¹ Based on a share price of £7.965, being the closing price on 1 May 2025.

Nature of award:	Free and matching shares under the SIP ¹					
	Award type	Award date	Vest date	Number of shares under award	Award price ²	Face value of award ²
CEO	Matching shares	19 May 2025 to 19 Aug 2025	19 May 2028 to 19 Aug 2028	22	Average £8.43	Average £46.31
	Free shares	1 Sep 2025	1 Sep 2028	29	£8.37	£242.73
CFO	Free shares	1 Sep 2025	1 Sep 2028	29	£8.37	£242.73

¹ Free and matching share awards under the SIP do not have performance conditions; however, there is a service condition of three years from the award date during which time the participant must remain employed by a UK Howdens Group company to avoid forfeiting the award.

² The face value of the award is calculated using the share price at grant (the 'Award price').

Fixed Variable

Advisors to the Committee

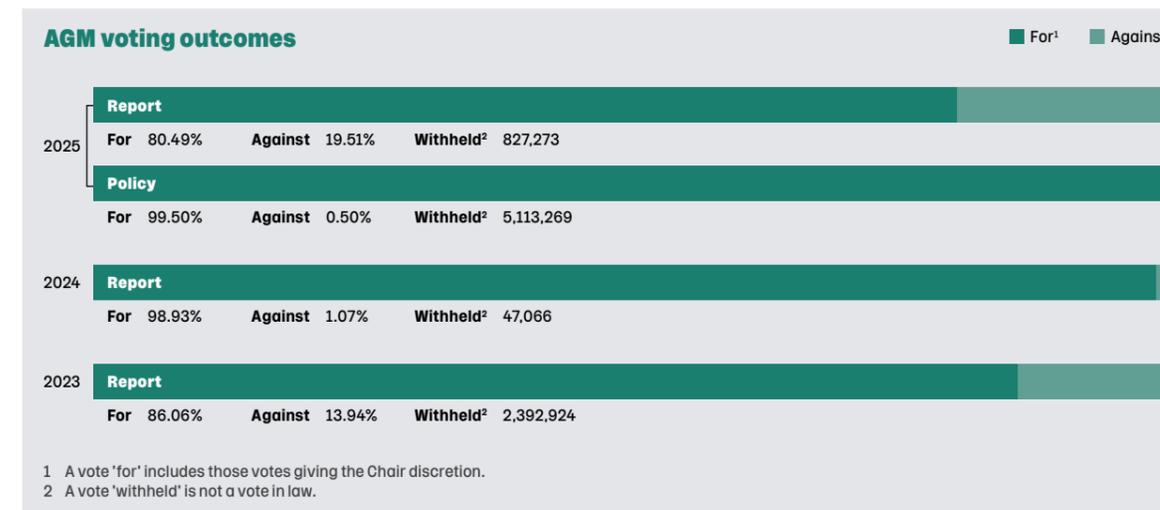
The Committee regularly consults with the CEO and CFO on matters concerning remuneration, although they are never present when their own reward is under discussion. The Company Chair attends the Remuneration Committee by invitation except when his own remuneration is determined. The Company Secretary acts as secretary to the Committee but is never present when his own reward is determined.

The Committee also has access to detailed external information and research on market data and trends from independent consultants. A representative from the Committee's independent advisor usually attends each meeting of the Remuneration Committee. Korn Ferry was appointed by the Committee as its retained independent advisor in September 2022 following a competitive tender process. Korn Ferry is a member of the Remuneration Consultants' Group, which operates a code of conduct in relation to executive remuneration consulting, and it does not provide any other services to the Group.

The Committee is satisfied that Korn Ferry provided robust, objective and independent advice during the year. Work undertaken during the year for the Committee included Directors' Remuneration Policy review, updating the Committee on trends in compensation and governance matters, and advising the Committee in connection with benchmarking of the total reward packages for the Executive Directors and other senior members of staff. Total fees paid to Korn Ferry in relation to remuneration services provided to the Committee totalled £79,995 with fee levels based on the quantity and complexity of work undertaken.

Voting at the 2025 AGM

The result of the binding vote on the Directors' Remuneration Policy ('Policy') and the advisory vote on the Directors' Remuneration Report ('Report') at the 2025 AGM are shown in the chart below. The 2024 and 2023 AGM results are also shown in the chart below.



By order of the Board

Vanda Murray OBE
Remuneration Committee Chair

25 February 2026

Governance

Audit Committee report



Tim Lodge
Audit Committee Chair

Introduction

I am pleased to present the Howden Joinery Group Plc Audit Committee report for 2025. This report is divided into the following sections:

1. Key information at a glance
2. Activities of the Committee in 2025 and key activities in the year ahead
3. Financial reporting
4. Governance
5. External auditor
6. Controls and internal audit

As announced in November 2024, I took on the position of Audit Committee Chair at the AGM in May. I took over from Andrew Cripps who chaired the Committee since May 2016. Andrew's tenure saw a period of extensive regulatory change and external market uncertainty and his contribution to the Board was significant. I'd like to take this opportunity to thank Andrew on behalf of the Committee and wish him well for the future.

I look forward to answering any questions on the work of the Audit Committee from shareholders at the AGM in May.

Tim Lodge
Audit Committee Chair

Key information at a glance

External auditor¹

External auditor	KPMG LLP ('KPMG')
External auditor appointed	12 May 2022
Lead audit partner	Zulfikar Kamran Walji
Lead audit partner tenure	Year two (of a five-year cycle)
Reappointment of external auditor to be recommended by the Board	Yes

¹ The information above is correct as at 27 December 2025.

Further information on page 130.

Audit fees



Further information on pages 143 and 164.

Areas of significant financial judgement

- Inventory obsolescence provisioning
- Defined benefit pension scheme obligation

Further information on pages 128 and 129.

2025 Audit Committee activity

H1	H2
January	July
Committee meeting <ul style="list-style-type: none"> Audit Committee effectiveness 2024 Year End update External audit progress update 	Committee meeting <ul style="list-style-type: none"> 2025 Half Year results, including going concern considerations External auditor Half Year review 2025 external audit plan Key controls and Half Year control reviews update
February	September
Committee meeting <ul style="list-style-type: none"> 2024 draft Annual Report and Accounts and Full Year Announcement Year End 2024: key judgements External audit report External audit policies External auditor independence Key controls: year end assurance 	Committee meeting <ul style="list-style-type: none"> Internal Audit report IT controls update Discussion with external auditor (without management present) Annual review of risk and control framework Internal Audit Charter Director of Risk & Assurance reporting line Cyber security update ESG assurance update
April	November
Committee meeting <ul style="list-style-type: none"> Effectiveness of the external auditor and audit processes 2025 preliminary external audit plan Cyber security update UK depot compliance Internal audit report 	Committee meeting <ul style="list-style-type: none"> Corporate Governance update 2025 External audit plan update Internal Audit report 2026 internal Audit plan and budget Key controls and fraud controls UK and French Depot compliance update Supplier governance update Terms of reference review 2026 Audit Committee calendar Discussion with external auditor (without management present)
May	
Committee meeting <ul style="list-style-type: none"> ESG limited assurance - approval for non-audit services to be provided by external auditor. 	
AGM <ul style="list-style-type: none"> The reappointment of KPMG LLP as the external auditor and authority for the Directors to determine the auditor's remuneration were approved by shareholders 	

Governance

Audit Committee report continued

Committee meeting attendance in 2025

Andrew Cripps	(4/4)	Retired 1 May 2025
Tim Lodge	(6/7) ¹	Appointed 1 January 2025
Roisin Currie	(7/7)	
Louis Eperjesi	(7/7)	
Louise Fowler	(6/7) ²	
Vanda Murray	(7/7)	
Suzu Neubert	(7/7)	

¹ Tim was unable to attend the January meeting due to commitments entered into before his appointment. He was provided with all the Committee papers ahead of the meeting and provided his feedback to the Committee Chair and Company Secretary.

² Louise was unable to attend the April meeting due to a scheduling conflict. She was provided with all the Committee papers ahead of the meeting and provided her feedback to the Committee Chair and Company Secretary.

Financial reporting

Results review

The Audit Committee reviewed the Group's 2024 Annual Report and Accounts (published in March 2025) in February 2025, and the 2025 half-yearly financial report in July 2025. It also reviewed the Group's 2025 Annual Report and Accounts in February 2026.

As part of these reviews, the Committee scrutinised papers from management on accounting policy, areas of significant judgement, the Group's key risks, going concern considerations and longer-term viability. The Committee also discussed reports from KPMG on their audit of the Annual Report and Accounts and review of the half-yearly financial report.

The Committee considered whether the Annual Report and Accounts were fair, balanced and understandable and contained the information necessary for shareholders to assess the Company's position, performance, business model, and strategy.

Controls over financial reporting

The Committee received the results of management's key control assessments prepared by Group and Divisional management half yearly as well as a report from the Director of Risk and Assurance on the scope of those controls and adequacy of evidence retained. The effectiveness of the Group's internal financial controls (with specific reference to controls in place on a divisional basis) and the disclosures made in the Annual Report and Accounts on this matter were reviewed by the Audit Committee.

The Committee also debated regular updates in respect of the wider key controls programme during the year. More information on the key controls programme can be found on page 132.

Key Committee activities in the year ahead

- Review of the Annual Report and Accounts and preliminary results announcement.
- Review of Audit Committee effectiveness.
- KPMG's reappointment as auditor to be recommended to shareholders at the Annual General Meeting (AGM).
- Review of the 2026 interim results.
- Consideration of Internal Audit's annual plan, findings, independence, and resources.
- Material controls ('Provision 29') readiness.
- Approval of the 2027 Audit Committee calendar.

Accounting policies

There were no changes in accounting policies in the year.

Areas of significant financial judgement

The Committee exercises its judgement in deciding the areas of accounting that are significant to the Group's accounts. In addition to requesting papers from management, the Committee reviews the external audit plan and highlights which areas are of particular concern to the Committee and on which it would further question audit conclusions. The external auditor's report details the results of their procedures in relation to these areas to the Committee.

The matters shown below have been discussed with the Chief Financial Officer and the external auditor. The Committee has challenged the underlying assumptions and is satisfied that each matter has been fully and adequately addressed by the Executive Committee, appropriately tested, and reviewed by the external auditor, and the disclosures made in the 2025 Annual Report and Accounts are appropriate.

Inventory obsolescence provisioning

The Group's in-stock model (further information about which can be found in the Strategic Report beginning on page 2) and the scale of our product range necessitates tight management of inventory to ensure local availability of stock while at the same time minimising obsolescence and wastage. In 2025, management continued to take a strategic position on stock holding. The Committee challenged management's conclusions on stock valuation and provisioning.

The external auditor provided reports to the Committee which evaluated the appropriateness of provisions held against the carrying value of inventory, while also having regard to the age of discontinued lines and volumes of continuing lines relative to the expected usage and the levels of historical write-offs. The Committee considered the auditor demonstrated appropriate scepticism in their approach.

The Committee also considered the processes used to value each category of inventory, including the assumptions behind obsolescence provisions, and was satisfied with the judgements made, and the auditor's conclusions.

Actuarial valuation of pension fund liabilities

The Committee reviewed the report of the Company's actuaries, concluding that:

- the actuarial assumptions applied to pension fund liabilities, and in particular the discount, inflation and mortality assumptions, were appropriate; and
- they concurred with the views of the external auditors.

Other key judgements

Valuation of pension fund assets

The Audit Committee also considered processes to value pension fund assets. At 27 December 2025, 43% of total pension fund assets (2024: 49%) were assets for which there is no observable market value (see note 22 of the consolidated financial statements).

Some of the asset valuations required judgement because manager valuations at the balance sheet date were not expected to be available until after the finalisation of this report. To minimise the risk that the valuations were not in line with assumptions, the asset managers were contacted to check for indicators of impairment or expected impairments, any significant market events that may have impacted the assets since the latest valuation, or any significant changes in fund composition which would lead them to think that there had been any impairment since the most recent valuation date. The Committee concurred with the approach taken.

Governance

Governance updates

Updates on the latest governance practices for audit committees and changes in reporting requirements were reviewed with the external auditor. In addition to other resources, members of the Audit Committee are members of the KPMG Board Leadership Centre and other bodies, which provide updates on financial and reporting matters.

During the year, the Committee received regular updates on the proposed corporate governance reforms. This included strengthened board accountability for the effectiveness of the risk and internal control framework and declarations on the effectiveness of risk management and internal control systems as set out in the updated UK Corporate Governance Code 2024. The Company has reported compliance (or provided an explanation in any instances of non-compliance) against all relevant provisions of the updated UK Corporate Governance Code 2024, with the exception of Provision 29, in the 2025 Corporate Governance Report on page 88.

Committee effectiveness

An effectiveness review was carried out by Grant Thornton on the Committee and its members as part of the wider external Board evaluation process (further detail regarding the effectiveness review methodology can be found on page 100). The review concluded that the Audit Committee operates in an effective manner with strong non-executive engagement.

Assurance discussions are robust and the Committee balances risk, controls and Howdens decentralised model thoughtfully, supported by strong governance behaviours and rapport.

It was also concluded that the current mix of financial, commercial and relevant sector experience of the Committee, and that of its advisors, was such that the Committee could effectively exercise its responsibilities.

Policies and conflicts

The Committee reviewed its policies in relation to allocation of non-audit work (further detail on this policy may be found on page 131) and employment of ex-audit firm personnel. It also reviewed the Directors' related parties and conflicts of interest register. Further information about the Committee's review of related parties and conflicts of interest may be found on pages 133.

Competition and Markets Authority Order (the 'Order') compliance

The Audit Committee confirms that the Company has complied with the provisions of the Order throughout its financial period ended 27 December 2025 and up to the date of this report.

Audit Committees and the External Audit: Minimum Standard (the 'Minimum Standard')

Since the introduction of the FRC's Minimum Standard in May 2023, and in undertaking its role and responsibilities during the year, the Audit Committee has complied with the Minimum Standard throughout the year. Information about the last external audit tender can be found in the 2022 Annual Report and Accounts. The Committee's assessment of the effectiveness of the external auditor can be found on pages 130 and 131.

Committee membership and Chair

Independence is critical for fair assessment of the management team and the external and internal audit functions. The Committee is composed entirely of independent Non-Executive Directors.

Tim Lodge was appointed Audit Committee Chair in May 2025. He is responsible for determining the Committee's agenda and for maintaining the key relationships between the Group's senior management, Director of Risk and Assurance, the Company Secretary and senior representatives of the external auditor. He is also responsible for ensuring that key audit issues are reported to the Board in an effective and timely manner and that they are reported to shareholders in the Annual Report.

Governance

Audit Committee report continued

Recent and relevant financial experience

Tim Lodge is a fellow of the Chartered Institute of Management Accountants and has over 30 years' finance and accounting experience. He spent six years as Chief Financial Officer (CFO) at Tate & Lyle PLC and held CFO roles at the COFCO International group. He is currently the Audit Committee Chair of SSP Group plc and Serco Group Plc, both public companies.

Competence relevant to the sector

The unique business model of Howdens means it does not naturally fit into one sector and therefore when the Committee undertook an assessment of its skills and experience it assessed them against a number of sectors relevant to the Company. These included building and construction, multi-site wholesale, manufacturing and logistics, and service to customers.

The Committee concluded that competence relevant to these sectors was well represented within the current membership. Thorough inductions are provided to the Committee members and opportunities to meet with senior management and Executives further enhance their working knowledge of the way the Company operates.

External auditor

External auditor appointment

Following a comprehensive external audit tender process, the Board recommended KPMG's appointment to its shareholders at the 2022 AGM. The Board recommended KPMG's reappointment to shareholders at the 2025 AGM and shareholders approved the reappointment with 99.9% of votes in favour.

External auditor independence

Auditor independence is an essential part of the audit framework and the assurance it provides. The Committee therefore undertook a comprehensive review of auditor independence prior to appointment and during 2025, which included:

- a review of the independence of the external auditor and the arrangements which they have in place to restrict, identify, report and manage conflicts of interest;
- a review of the changes in key external audit staff for the current year and the arrangements for the day-to-day management of the audit relationship;
- consideration of the overall extent of non-audit services provided by the external auditor, in addition to case-by-case approval of the provision of non-audit services as appropriate; and
- deliberation of the likelihood of a withdrawal of the auditor from the market and note taken of the fact that there are no contractual obligations to restrict the choice of external auditor.

At the year end, the external auditor formally confirmed that they had complied with the requirements of the FRC Ethical Standard as well as internal requirements and their independence and objectivity had been maintained. The Audit Committee also has a policy in relation to the employment of former members of the external audit team.

External auditor effectiveness

To assess the effectiveness of the external auditor, the Committee reviewed:

- the proposed plan of work presented by the external auditor, including audit risks, materiality, terms of engagement and fees prior to commencement of the 2025 audit;
- the external auditor's fulfilment of the agreed audit plan and any variations from the plan;
- evaluation from key management personnel and members of the Committee of the external auditor's exercise of professional scepticism and challenge;
- robustness, scepticism, and perceptiveness of the auditor in their handling of the key accounting and audit judgements;
- internal control and risk content of the external auditor's report; and
- independence of thought and potential for conflict.

The Lead Audit Partner also met with all members of the Board to discuss their expectations and areas of focus for the audit process.

The Committee concluded that the external auditor remained effective and audit quality remained high, and therefore the Board will once again recommend KPMG's reappointment to shareholders at the 2026 AGM.

External auditor fees

All relevant fees proposed by the external auditor must be reported to and approved by the Audit Committee. Details of external audit fees may be found in note 4 to the consolidated financial statements on page 164.

In May and July 2025, the Audit Committee approved proposals from KPMG to undertake certain private limited ESG assurance services for the Group. The Committee determined that it was in the Company's best interests to acquire these services from KPMG due to the benefit of efficiencies created by having one audit and assurance provider, though day-to-day assurance work was to be carried out by a team separate from the financial audit team. Approval was given for two limited assurance engagements in accordance with International Standard on Assurance Engagements UK and ISAE 3410. The Committee took into account both the FRC Ethical Standard and Howdens' own policy for the provision of non-audit services when considering the proposals and concluded that the engagements were a permitted service under the policy.

Performance expectations for the external auditor

Specific auditor responsibilities

- Discuss the audit plan, materiality, and areas of focus in advance.
- Report issues at all levels within the Company in a timely fashion.
- Ensure clarity of roles and responsibilities between local KPMG and Howdens' Finance teams.
- Respond to any issues raised by management on a timely basis.
- Meet agreed deadlines.
- Provide continuity and succession planning of key staff members of KPMG.
- Provide sufficient time for management to consider draft auditor's reports and respond to requests and queries.
- Ensure consistent communication between local and central audit teams.

Wider responsibilities

- Adhere to all independence policies.
- Provide timely up-to-date knowledge of technical and governance issues.
- Serve as an industry resource, communicating best practice trends in reporting.
- Deliver a focused and consistent audit approach for the Group that reflects local risks and materiality.
- Liaise with the Howdens Internal Audit and Risk team to avoid duplication of work.
- Provide consistency in advice at all levels.
- Ultimately, provide a high-quality service to the Board, be scrupulous in their scrutiny of the Group and act with utmost integrity.

Independence

The Committee reviews the independence of the external auditor biannually. This includes consideration of the potential for conflicts of interest as well as the auditor's internal procedures to ensure independence of its staff.

Policy for non-audit services provided by the external auditor

The main aims of this policy are to:

- ensure the independence of the auditor in performing the statutory audit; and
- avoid any conflict of interest by clearly detailing the types of work that the auditor can and cannot undertake.

The Audit Committee has reviewed the policy for non-audit services to ensure that it is in line with the FRC's Revised Ethical Standards 2019 (which took effect from 15 March 2020) and the FRC's Audit Quality Practice Aid 2019.

The policy, in line with regulation, substantially limits the non-audit services which can be provided by the external auditor. The policy provides:

- a 70% cap of the value of the audit fee for all non-audit services calculated on a rolling three-year basis; and
- categories of service that are prohibited from being carried out by the auditor.

The policy specifies a de minimis limit as well as the type of non-audit work that the auditor may be engaged in without the matter first being referred to the Audit Committee, which considers each referral on a case-by-case basis.

The policy ensures that the auditor does not audit its own work or make management decisions for the Company or any of its subsidiaries. The policy also clarifies responsibilities for the agreement of fees payable for non-audit work.

In the year, the Committee has only authorised KPMG to review the half-yearly financial report and conduct a limited assurance review over certain ESG KPIs. Both of these are technically non-audit services, but are so closely connected with external audit that it is appropriate that KPMG conduct the work and their independence is not compromised.

Controls and internal audit

Internal control framework

The Group has enhanced its established framework of internal controls, which includes the following key elements:

- The Board approves the Group's strategy and annual budgets; the Executive Committee is accountable for performance against these.
- The Group and its subsidiaries operate control procedures designed to ensure complete and accurate accounting of financial transactions and to limit exposure to loss of assets or fraud.
- The Audit Committee meets regularly and its responsibilities are set out in the Audit Committee Terms of Reference (which can be found on the Company's website at www.howdenjoinerygroupplc.com/governance/corporate-governance-report/terms-of-reference-of-the-audit-committee). The Audit Committee receives reports from the Internal Audit function on the results of work carried out under an annually agreed audit programme. Operational and compliance controls are considered when the Committee reviews the annual Internal Audit programme. The Audit Committee has full and unfettered access to the internal and external auditors.
- Operating entities provide certified statements of compliance with key financial and non-financial risk areas aligned with principal risks. These include IT and cyber controls, supplier management, ESG, health & safety and data protection as well as other operational areas. These controls are cyclically tested by Internal Audit to ensure they remain effective and are being consistently applied.
- The Audit Committee annually assesses the effectiveness of the assurance provided by the internal and external auditors.

Governance

Audit Committee report continued

Case study

Provision 29 readiness and material controls

The 2024 version of the UK Corporate Governance Code has introduced a new Provision (Provision 29), requiring boards to monitor their company's risk management and internal control framework and, at least annually, to conduct a review of its effectiveness. For financial years beginning on or after 1 January 2026, a description of how the Board monitored and reviewed the effectiveness of the framework, a declaration of the effectiveness of material controls, and a description of any material controls that have not operated effectively (including action taken or proposed to improve them) must be reported in the annual report.

In readiness for these changing requirements, Howdens has completed a three-year Company-wide readiness project. Sponsored jointly by the CEO and CFO with the oversight of the Audit Committee, the Key Controls Project was a wide-reaching improvement programme to further improve our governance, controls and evidence. A key objective of the project was to retain Howdens' culture of empowered, entrepreneurial teams operating efficiently while demonstrating effective control and governance.

Our approach mapped our principal risks as well as wider legal, financial, compliance and operational risk areas to a revised governance framework with clear accountability for each Executive Committee member. To do this we have revised our risk appetite matrix and developed a clear link to both operational and financial materiality, ensuring that our governance approach focuses on truly material controls,

while allowing the business to keep track of its wider operational control effectiveness.

For each area, a control framework was developed, focused on providing the Executive member responsible with appropriate information and evidence to ensure it remains effective. Directly aligned with our deeply embedded risk management process, all control owners and reviewers are responsible for understanding individual, evidenced risks in their area and signing off that controls are effective and have fully operated during the period.

Throughout the project we have aimed for a clear and efficient process, covering governance and controls to manage both Economic Crime and Corporate Transparency Act 2023 (ECCTA) and the revised UK Corporate Governance Code in one simple process. We have upgraded our governance, risk and compliance (GRC) tooling, which was already familiar to the business, to provide both management sign-off of control effectiveness and evidence management to support it. Our GRC solution is directly linked with our 3rd line Internal Audit activity, providing a clear link between control sign-off, review and assurance activity for the Executive Committee and Audit Committee.

The Audit Committee anticipates that it will report in full against Provision 29 in the 2026 Annual Report and Accounts.

Internal audit

The Internal Audit team has focused on the development of our processes and frameworks to align with both new Institute for Internal Audit (IIA) standards and the requirements of the function for the revised Corporate Governance Code. This has included training for the full team and the wider business.

An updated Internal Audit Charter has been approved by the Committee and communicated to management, thereby refreshing understanding of responsibilities for internal controls and their verification, based on the three lines of defence model.

The Committee reviewed and challenged:

- internal Audit's programme of work and resources and approved its annual plan and budget;
- the level and nature of assurance activity performed by Internal Audit;
- results of audits and other significant findings, including the adequacy and timeliness of management's response;
- staffing, reporting and effectiveness of divisional audit; and
- independent assurance.

Independent assurance

The Committee assessed the coverage of independent assurance by reviewing the annual internal audit and compliance plans against the Group's controls governance process.

Internal audit effectiveness

The Committee considered that the Internal Audit function remained effective and provided a comprehensive level of assurance through its programme of work.

The Internal Audit team has reviewed and ensured compliance with the revised IIA Standards. The revised Standards became effective in 2025. The team also remains compliant with the International Professional Practices Framework (IPPF).

The Audit Committee has commissioned an external assessment of the internal audit function every five years to assess the performance and effectiveness of the Internal Audit department. The next scheduled assessment against the new Standards commenced in 2025 and will complete in 2026.

The last assessment was completed in 2021 and no areas reviewed were considered to be of concern.

Fraud risk & ECCTA

The Committee has reviewed management's progress in implementing required developments to comply with ECCTA. The Committee considered the controls in place to mitigate fraud risk and received a report from Internal Audit and other compliance functions to confirm controls are effective. The Committee will continue to regularly assess best practice for ECCTA compliance over the course of 2026.

Cyber and information security risk

The risk of a cyber security incident is considered to be one of the Group's principal risks. More information on this risk can be found on page 37.

Updates on cyber and information security were presented to the Committee by the Supply Chain Director, Head of Information Security and the Director of Infrastructure and Service Delivery at the Committee meetings in April and September. Areas considered by the Committee during these updates included threat landscape, cyber insurance, and access controls.

There were no significant information security breaches during the year and there have been no such breaches during the preceding three-year period. The Board received training from A&O Shearman on cyber security and the wider threat landscape. All members of the Audit Committee attended this training.

Divisional controls

Members of senior management are regularly invited to Audit Committee meetings to discuss financial reporting, succession planning, risk management, and controls in their business areas. During the year, this included updates from:

- the Trade Finance Director who set out her team's priorities, risks and opportunities;
- the Head of Compliance for the Trade division who also presented to the Committee on the progress of the UK depot compliance programme;
- the Supply Chain Director who attended to present on SAP controls and cyber security;
- the UK Commercial Finance Director who presented feedback from the review of the ESG limited assurance engagement; and
- the Commercial Director who provided an update on Supply Chain management.

Whistleblowing

Complaints on accounting, risk issues, internal controls, auditing issues and related matters are reported to the Audit Committee as appropriate. Oversight of the Company's whistleblowing policy is a matter considered by the Board. The Board receives biannual updates on whistleblowing statistics and trends (see pages 76 and 77).

Conflicts of interest and related parties

The Companies Act 2006 places a duty upon Directors to ensure that they do not, without the Company's prior consent, place themselves in a position where there is a conflict, or possible conflict, between the duties they owe the Company and either their personal interests or other duties they owe to a third party. If any Director becomes aware that they, or any party connected to them, have an interest in an existing or proposed transaction with the Company, they must notify the Board as soon as practicable. The Board has the authority to authorise a conflict if it is determined that to do so would be in the best interests of the Company. The Audit Committee reviews the output of this process annually to ensure it is appropriately monitored.

By order of the Board

Tim Lodge
Audit Committee Chair

25 February 2026

Governance

Sustainability Committee report



Peter Ventress
Sustainability Committee Chair

Introduction

I am pleased to present the Sustainability Committee report for 2025. This report is organised into the following sections:

1. **Committee member attendance, Committee evaluation results, Committee activity in 2025 and key activities in the year ahead**
2. **Committee environmental and social considerations in the year**

Having a sustainable business is a priority for the Board. It is central to everything we do and the Sustainability Committee helps to ensure that it is given as much of the Board's time and attention as our other business priorities. Many of the items considered and approved at the Committee are considered in detail in the Sustainability Matters report (beginning on page 42), so this Committee report is necessarily shorter than others to avoid duplication but to still highlight some of the key work of the Committee during the year, and to consider the work in the year ahead.

Peter Ventress
Sustainability Committee Chair

Committee meeting attendance in 2025

Peter Ventress	(3/3)	
Andrew Cripps	(2/2)	Retired 1 May 2025
Roisin Currie	(3/3)	
Louis Eperjesi	(3/3)	
Louise Fowler	(3/3)	
Tim Lodge	(3/3)	
Vanda Murray	(3/3)	
Suzy Neubert	(3/3)	

2025 Sustainability Committee activity

February

Committee meeting

- ESG strategy update
- Reporting and assurance: update on limited assurance by KPMG and the Carbon Trust review
- Deforestation Policy approval
- EDI update
- Gender pay gap report and gender pensions gap
- 2024 Sustainability Committee report
- Sustainability Committee effectiveness review

April

Committee meeting

- ESG strategy update
- Reporting and assurance
- Sustainable product demonstration

September

Committee meeting

- Compliance and regulatory update
- Product innovation
- EDI update
- Employee wellness initiatives
- 2026 Sustainability Committee calendar
- Committee Terms of Reference

Key Committee activities in the year ahead

- Receive updates on execution of the Group's sustainability strategy, including the roadmap for SBTi Net Zero targets.
- Receive updates on the Group's equality, diversity and inclusion priorities, workforce skills and development.
- Review the Sustainability Committee's Report and Terms of Reference.
- Approval of the 2027 Sustainability Committee calendar.

Committee environmental and social considerations in the year

ESG compliance

A significant proportion of the Committee's activity during the year was in consideration of the regulatory burden relating to ESG disclosure and compliance. Whilst the provisions in the Corporate Sustainability Reporting Directive (CSRD) applicable to the French business have been delayed, seemingly until 2028, the overall reporting obligation on the Group remained significant. In order to support our disclosure activities during the year, a dedicated data analyst was recruited to the ESG team and the Director of Commercial Finance was given accountability for carbon and waste reporting. The Committee was supportive of both of these developments and welcomed the rigour and audit-readiness this would provide.

KPMG have been engaged since 2024 to provide private limited assurance over the Group's carbon disclosures (as mentioned in the Audit Committee report, which starts on page 126). Sustainability Committee will work with the Audit Committee on CSRD readiness and to support the Group's ESG reporting going into 2026.

Net Zero¹

The Committee received regular updates on progress against the Group's SBTi approved Net Zero targets from the Director of ESG and will continue to do so in 2026 and in future years. During the year, the Committee received updates on various carbon reduction initiatives throughout the Group. This included the installation of solar panels at the Howden site. More information on these initiatives can be found in the Sustainability Matters report, which begins on page 42.

The Committee is mindful of 2030 targets, which include the reduction of absolute Scope 1 and 2 GHG emissions by 42% and absolute Scope 3 GHG emissions by 25%. In addition, the Committee will monitor the target for 25% of suppliers (by spend) to set science based targets by 2027.

More information on the Group's sustainability activities can be accessed at <https://howdens.foleon.com/sustainability/our-road-to-zero/>

¹ See page 47 for a definition of 'Net Zero'.

Supplier engagement

Identifying and reducing emissions from Howdens' supply chain represents the biggest challenge to achieving the Group's Net Zero goals. The Committee received updates from the Director of ESG throughout the year on the supplier engagement strategy and the focus on supplier emissions data.

In March 2026, members of the Committee will attend the Howdens Supplier Conference and will take direct feedback from suppliers.

Biodiversity

In February, Howdens announced details of a two-year sponsorship partnership programme with National Parks. The programme supports nature recovery projects that focus on enhancing biodiversity, restoring local ecosystems, and contributing to urgent climate action across the UK's National Parks.

In April, the Committee reviewed the Group deforestation policy. This policy can be found at www.howdenjoinerygroupplc.com/docs/librariesprovider25/archives/sustainability/deforestation-policy-approved-24th-march-2025.pdf

Nature and the environment are a key aspect of Howdens' wider sustainability agenda and the partnership with National Parks supports this. The Committee will receive regular updates from the Director of ESG during 2026 on Howdens approach to nature and biodiversity. Further information is available at www.newforestnpa.gov.uk/about-us/uk-national-parks/howdens/

Incentivising sustainable behaviour and training

In 2023, the Remuneration Committee introduced an ESG performance measure into the long-term incentive plan used for executive management. The measure included a basket of carbon reduction measures and an underpin to provide that more than 99% of the Group's operating waste was diverted from landfill. This award will vest in April 2026. Details of how management performed against the targets set can be found on pages 116 and 117 of the Remuneration Committee report. The Sustainability Committee will continue to work with the Remuneration Committee to agree suitably stretching targets on environmental matters.

In 2025, a training module on ESG strategy and sustainable behaviours was made available to all employees through the Howdens Academy platform. The Committee is committed to ensuring that information and incentives are used to promote the Group's wider ESG strategy.

Governance

Sustainability Committee report continued

Equality, diversity and inclusion (EDI) and skills

The Committee continued to have oversight of management's EDI strategy and received regular updates from the HR team throughout the year.

The Committee considered and approved the Group's Gender pay gap report in February and will continue to monitor this with the Remuneration Committee in 2026. Information was also provided to the Committee on the gender pensions gap.

The Committee received updates on employee diversity data and the results of pulse surveys undertaken throughout the year. The introduction of the Workday HR system in 2026 will provide the Committee with more detailed information and analysis.

Employee wellness

Safeguarding the health of our employees (physical and mental) underpins our sustainable business. By providing better access to healthcare and support services, we improve the lives of our employees and reduce the number of lost time hours for the business.

During the year, the Committee received updates on various wellbeing initiatives introduced by management. These included the ongoing use of wellbeing reps throughout the business, 'know your numbers' health screening, gambling and alcohol awareness support sessions and access to a virtual GP service. These services are available to all employees and the Committee will continue to support management on new wellbeing initiatives in the year ahead. More information on these initiatives can be found on page 55.

Directors' report

The Directors have pleasure in submitting their report and the audited financial statements for the 52-week period ended 27 December 2025. Comparative figures relate to the 52 weeks ended 28 December 2024.

To make our Annual Report and Accounts more accessible, a number of the sections traditionally found in this report can be found in other sections of this Annual Report and Accounts where it is deemed that the information is presented in a more connected and accessible way. The Directors' report comprises the sections detailed below, including the statement on political donations and research and development. Any sections that have been moved have been cross-referenced below.

Located in the Strategic Report:

Matters of strategic importance, principal Group activities, business review, and results: pages 1 to 35.

Dividend and other returns to shareholders: pages 20, 33, and 34.

Located in the Sustainability matters report:

Greenhouse gas emissions and streamlined energy and carbon reporting (SECR): Details of the Group's greenhouse gas emissions, as required by Sch. 7 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulation 2008 as amended by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, are set out on page 60. Information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (SI 2018/1155), can be found on pages 60 and 61.

Located in the Governance section:

Directors of Howden Joinery Group Plc: The names of anyone who served as a Director during the period can be found on page 69 under 'Board meeting attendance'.

2024 version of the UK Corporate Governance Code (the 'Code'): How the Company applied the Principles and complied with the Provisions of the Code can be found on pages 88 to 93. A copy of the Code can be accessed via www.frc.org.uk.

Internal control and risk management arrangements: Internal control arrangements information can be found in the Audit Committee report on pages 131 to 133. Risk management arrangements information can be found on pages 36 to 41.

Board and Group Diversity policies: page 98.

Stakeholder engagement: Details regarding the engagement with suppliers, customers, and others in business relationships with the Company, as required by Sch. 7 to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), can be found on pages 80 to 87.

Employees: The total number of employees and gender diversity statistics are located on page 98. The methods of engaging with the workforce can be found on pages 82 and 83. All eligible UK employees have been invited to participate in a free shares award under the Company's Share Incentive Plan (the 'SIP') each year since 2015 and, since 2024, Isle of Man employees have been invited to participate in free shares awards. Since 2021, eligible UK employees have also been invited to participate in a SIP partnership and matching shares plan.

Directors' statement of disclosure of information to the auditor: page 65.

Governance

Directors' report continued

Located in the financial statements:

Employees: The average number of employees and their remuneration are shown in note 21. Details of the SIP can be found in note 23.

Financial risk management (relating to SI 2008/410 Schedule 7 Part 1.6): note 20.

Disclosure required under UKLR 6.6.1R:

- Details of long-term incentive schemes: note 23.
- Details of any tax relief, including amount and treatment: note 7.

The remaining disclosures required by UKLR 6.6.1R (with the exception of those described below under subheading 'Located in the additional information section') are not applicable to the Company.

Dividend: note 17.

Located in the Additional Information section:

Annual General Meeting (AGM): Information about the AGM can be found on page 215. The recommendation to reappoint KPMG LLP as the Group's auditor can be found on page 126.

Share capital, substantial shareholdings and whether the Company's acquired its own shares (including nominal value of shares purchased): pages 215 and 216.

Directors' Indemnity and Insurance: page 216.

Significant agreements, which take effect, alter or terminate upon a change of control: page 216.

Disclosure required under Listing Rule 6.6.1R:

- Dividend waivers: page 215.
- Published profit forecasts made during the reporting period to 27 December 2025: page 216.

Political donations

The Group made no political donations during the current and previous financial years. Nor has it made any contributions to any non-UK political party during the current or previous financial years.

Research and development (R&D)

The Group undertakes development activities in relation to its product design and innovation work. The five pillars that new product design and sourcing decisions are based on are: sustainability, quality, design, cost, and availability (further information on new product introductions can be found on pages 22 and 23). The Group also undertakes development work in relation to its digital capabilities to make life easier for our trade customers and our depots (further information about our digital developments can be found on pages 23 and 27).

By order of the Board

**Forbes McNaughton
Company Secretary**

25 February 2026

Non-financial and sustainability information

Non-financial measures are an important part of our business and we have recognised the importance of non-financial information in our annual reports for many years. The Board is committed to acting responsibly and working with our stakeholders to manage the social and ethical impact of our activities. The Howdens culture is to be 'worthwhile for all concerned' and so we aim to treat all our stakeholders fairly and with integrity.

We have a number of Group policies to provide guidance to our employees. The policies are designed to be easily understood and they generally include examples of acceptable and unacceptable behaviours.

To consolidate our reporting requirements under sections 414CA and 414CB of the Companies Act 2006 in respect of non-financial reporting and sustainability information, the table below shows where in this Annual Report and Accounts to find each of the disclosure requirements.

Focus area	Policies and statements	More information and outcomes
Environmental matters	Sustainability and Corporate Social Responsibility Statement of Intent (see Group website).	<ul style="list-style-type: none"> • Greenhouse gas emissions and streamlined energy and carbon reporting (pages 60 and 61). • Discussion about the Company's sustainability strategy and SBT Net Zero commitment and targets (pages 44 to 47). • Climate-related financial disclosure as defined in section 414CA(2a) Companies Act 2006 (Governance - (a) on pages 206 and 207; Strategy - (f) on pages 207 and 208; Risk management - (b), (c), (d) and (e) on pages 208 to 211; Metrics and Targets - (g) and (h) on page 209). • Discussion of the Company's progress on implementing the recommendations of the Task Force on Climate-Related Financial Disclosures (pages 58 and 206). • Discussion of the UN Sustainable Development Goals (UN SDGs) (page 45). • Discussion of our progress on 'zero waste to landfill' (page 29), Route to Net Zero (pages 46 and 47), decarbonisation of the distribution fleet (page 51), our sustainable product offer and product innovation (page 52) and our use of renewable energy sources (page 50). • KPIs on production waste reduction (page 29) and our target of 100% of wood-based material used in manufacturing processes being made from FSC® or PEFC certified sources (page 29).
Social matters	Sustainability and Corporate Social Responsibility Statement of Intent (see Group website).	<ul style="list-style-type: none"> • Our impact on our stakeholders (pages 56 and 57) and engagement with stakeholders (starting on page 80). • Our progress on equality, diversity and inclusion and wellbeing matters (pages 54 and 55). • Our Boardroom and Group Diversity Policies (page 98).
Respect for human rights	Human Rights Policy and Modern Slavery Statement (see Group website).	<ul style="list-style-type: none"> • Discussion of our EDI and wellbeing initiatives (pages 54 and 55). • Our Modern Slavery Statement (see Group website) sets out how we actively monitor suppliers and train our procurement staff. • Internationally recognised labour standards form part of our contracts of employment.
Anti-bribery and corruption	Anti-bribery and corruption, conflicts of interest, corporate gifts and hospitality, anti-money laundering, anti-tax evasion, anti-competition law and anti-fraud.	<ul style="list-style-type: none"> • The Board considers and approves the following Group policies: anti-bribery and corruption, anti-money laundering, anti-tax evasion, competition law policy, anti-fraud, market abuse compliance and the Modern Slavery Statement and whistleblowing. • We have a rolling programme of refresher training on human rights, modern slavery, and anti-bribery for our compliance team and buyers. • Further information about our whistleblowing facility may be found on page 133.
Employees	Health & Safety Statement of Intent (see Group website), market abuse compliance, data protection and privacy, and whistleblowing.	<ul style="list-style-type: none"> • KPI on Health and Safety and discussion of Health and Safety performance and initiatives (page 29). • Discussion of employee rewards and benefits, development opportunities and apprentice schemes (pages 54, 55, and 109). • Diversity policies and statistics (pages 97 and 98). • Workforce engagement (pages 82 and 83). • Directors' Remuneration Policy (see Group website for the full current policy).

We outline our resilient business model on pages 16 and 17. All of our non-financial KPIs are presented together on page 29. A discussion of our principal and emerging risks, including those related to our business relationships, products and services, as well as a description of our risk management process, starts at page 36.