

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 74: Chairman's Introduction
- Page 76: Board of Directors profiles
- Page 80: Executive Committee & Company Secretary profiles
- Page 82: Key Board activity during the year and for the year ahead
- Page 84: Directors' duties and s.172 disclosure
- Page 86: Stakeholder engagement
- Page 94: UK Corporate Governance Code application and compliance

Introduction from the Chairman

2024 was a busy year for the Howdens Board and its Committees. Against an uncertain and challenging macroeconomic backdrop, operational and trading matters remained high on the Board's agenda. But testament to the resilient nature of the business and its employees, there was also full consideration of strategic opportunities, capital allocation and good governance considerations.

We have built on our existing processes for determining risks and opportunities (more detail on which can be found in the Strategic Report on pages 36 to 41) and worked more closely as a Board on the matters most fundamental to the Howdens business. The Board spent time with divisional management on areas of key risk such as health & safety and cyber security and worked with senior management on Executive succession and talent.

From a corporate governance perspective, we made good progress in boardroom diversity and monitoring our progress against our SBTi approved Net Zero targets. We updated and consulted with shareholders on the Directors' Remuneration Policy and progressed plans towards further reliance on key controls. The Board has already begun work to address the changes in the updated UK Corporate Governance Code and more detail is provided in the following reports on how it will affect the work of the Board in 2025.

However, the central tenet of leadership at Howdens remains that the business must be worthwhile for all concerned. I hope that the reports that follow showcase our governance achievements and some of our priorities for the year ahead.

Board succession

Having an effective and collegiate Board is vital for Howdens to deliver its growth strategy, provide support and challenge for the Executive team and maintain proper governance practices. 2024 saw us build on our Board refreshment programme initiated in 2023 and during the year we welcomed three new independent Non-Executive Directors to the Board: Vanda Murray, Roisin Currie and Suzy Neubert. These new Directors bring a wealth of strategic, operational and financial experience to the Board, which complements our existing skill set.

We also announced the appointment of Tim Lodge who joined the Board in January 2025. This followed an extensive search to identify the replacement of Andrew Cripps as Audit Committee Chair when he retires from the Board at the AGM in May. Tim is an experienced CFO and Audit Committee Chair and has enjoyed a handover period with Andrew during the 2024 year-end. I am also pleased to confirm that Vanda Murray will take over from Andrew Cripps as Senior Independent Director. Vanda's experience of such roles and excellent interpersonal skills makes her a perfect candidate for this role.

More information on all new appointments to the Board can be found in the Nominations Committee report beginning on page 100.

Strategy

It is one of the Principles of the UK Corporate Governance Code that boards should establish the company's purpose, values and strategy.

The Board discussed strategy and strategic initiatives throughout the year. In November, we approved a £128m capital investment plan for the purchase (subject to planning) and redevelopment of the Runcorn manufacturing site. The Runcorn factory is the Group's high-volume, low-cost cabinet manufacturing site and is a critical part of our business. Something of an unsung hero, Runcorn helps us achieve lower costs, higher quality, and improved service and resilience. I look forward to the Board visiting the site as part of our 2025 calendar.

During 2024, the Board held a meeting in Dublin to showcase the Irish business. International growth remains an important lever of strategic growth for Howdens and the Board has continued to invest away from the UK during 2024. While in Ireland, the Board received presentations from management on the local market and the long-term opportunity. Following the meeting, the Board visited a number of depots and had the opportunity to meet local employees.

Stakeholders and culture

The Code also provides that boards must satisfy themselves that a company's purpose, values and strategy are aligned to its culture. Howdens has a unique, entrepreneurial culture but one that is underpinned by high quality controls and an ethos of personal accountability. Proximity to the business and stakeholder engagement is fundamental to really understanding the Howdens culture.

The Board is collectively responsible for engagement with our stakeholders and therefore we have removed the role of the Non-Executive Director responsible for employee engagement. We have replaced it with a programme of employee events with Non-Executive Directors expected to attend a minimum number of dedicated sessions each year and to provide feedback on all sessions attended. These have included (but are not limited to) Regional Board meetings, depot visits, town hall briefings, site visits and incentive events. Feedback from members of the Board on the new programme, which was in full effect for the duration of 2024, has been universally positive.

The shareholder consultation in respect of our Directors' Remuneration Policy has been another key stakeholder engagement during the year. Vanda Murray has led the consultation in her new role as Remuneration Committee Chair and more information on how we engaged with shareholders is set out in detail in the Remuneration Committee report on page 110.

More information on the employee engagement programme and other stakeholder engagement is set out in detail in this report, starting on page 86.

Board meeting attendance in 2024

Peter Ventress	(6/6)	
Karen Caddick	(3/3)	Retired 2 May 2024
Andrew Cripps	(6/6)	
Roisin Currie	(3/3)	Appointed 1 July 2024
Louis Eperjesi	(6/6)	
Louise Fowler	(6/6)	
Paul Hayes	(6/6)	
Andrew Livingston	(6/6)	
Vanda Murray	(5/5)	Appointed 1 February 2024
Suzy Neubert	(2/3) ¹	Appointed 1 July 2024

¹ Suzy was appointed to the Board on 1 July 2024 and was unable to attend the September meeting due to a commitment made prior to her appointment. She was provided with all the Committee papers ahead of the meeting and provided her feedback to the Chair and Company Secretary.

Additional information

The disclosures and information shown below may be found in the Additional Information section beginning on page 222:

- 2025 Annual General Meeting (AGM) details
- 2024 Final Dividend timetable
- Share capital information
- Significant agreements disclosure

The Board in 2025

We will continue to build on the 'spotlight sessions' held during 2024, which have provided the Board with opportunities to speak to management below the Executive Committee. Details of the Board's programme for 2025 can be found on pages 82 and 83.

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

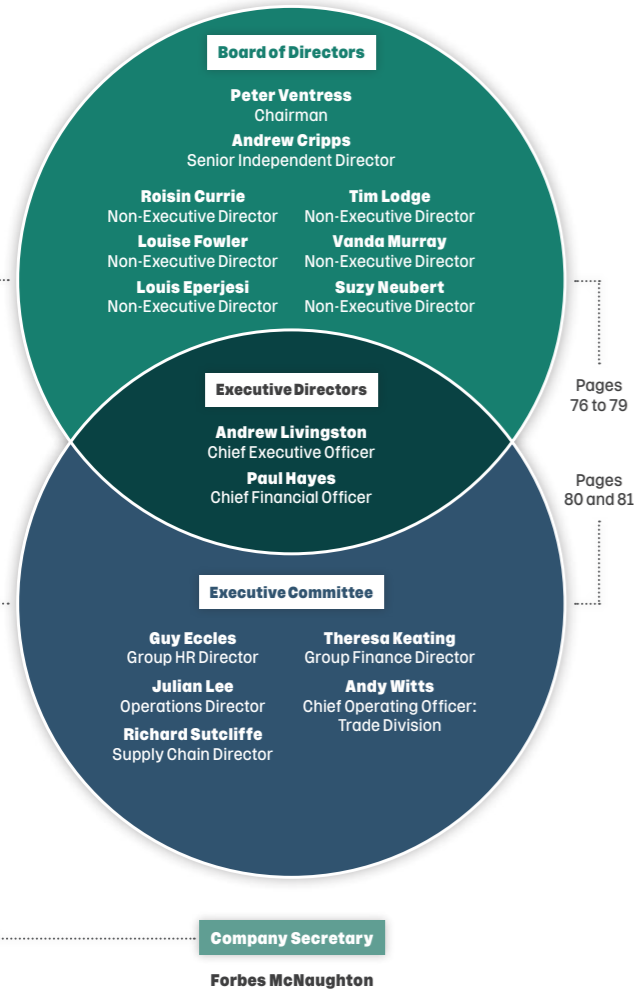
Peter Ventress
Chairman of the Board

Governance

Corporate governance report continued

Board of Directors

Board and Executive Committee structure



Andrew Livingston
Chief Executive Officer



Paul Hayes
Chief Financial Officer



Peter Ventress
Non-Executive Chairman



Andrew Cripps
Senior Independent Director



Roisin Currie
Independent Non-Executive Director



Louis Eperjesi
Independent Non-Executive Director



Louise Fowler
Independent Non-Executive Director



Tim Lodge
Independent Non-Executive Director



Vanda Murray OBE
Independent Non-Executive Director



Suzy Neubert
Independent Non-Executive Director

A N R S

A N R S

A N R S

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

Non-Executive Director of LondonMetric Property Plc

Paul Hayes
Chief Financial Officer

Appointed

Paul was appointed to the Board as Chief Financial Officer on 27 December 2020.

Contribution to the long-term sustainable success of the Company

Paul is an experienced finance executive and has a proven track record in consumer and manufacturing businesses. From 2017 until its acquisition by Recipharm AB in February 2020, Paul was CFO of Consort Medical Plc, a leading drug and device manufacturing business. Before this, he was the Group Finance Director of Vitec Group Plc from 2011 to 2017. Paul has extensive experience in senior finance roles at a number of UK and US listed companies, including Signet Jewelers, RHM Plc and Smiths Group Plc. He is a Chartered Accountant having qualified with Ernst & Young and has a first class masters degree in Mechanical Engineering, Manufacture & Management.

Other listed company appointments

None

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.

Peter Ventress
Non-Executive Chairman

Appointed

Peter was appointed to the Board as an independent Non-Executive Director in July 2022 and 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

Andrew Cripps
Senior Independent Director

Appointed

Andrew was appointed to the Board in December 2015 and became Chair of the Audit Committee in May 2016 and Senior Independent Director in July 2023. He will retire from the Board following the conclusion of the 2025 AGM.

Contribution to the long-term sustainable success of the Company

Andrew brings extensive experience as a non-executive director and audit committee chair with particular knowledge of branded consumer and business-to-business products, manufacturing and distribution in the UK and continental Europe. His experience of multisite wholesale distribution to small business customers at Booker Group Plc is valuable to the Board's decision-making process. He is a Chartered Accountant and former Finance Director with extensive recent and relevant financial experience.

Other listed company appointments

None

Governance

Corporate governance report continuedBoard of Directors continued**Roisin Currie**

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. 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 25 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 an Honorary Professor in Marketing at Lancaster University Management School.

Other listed company appointments

Non-Executive Director of Assura Plc

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 will become Audit Committee Chair in May 2025 upon Andrew Cripps' retirement.

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 Aryzta AG.

Tim is currently independent Non-Executive Director and Audit Committee Chair of both SSP Group Plc and Serco Group Plc, and Senior 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

Vanda Murray OBE

Independent Non-Executive Director

Appointed

Vanda was appointed to the Board in February 2024 and became Remuneration Committee Chair in May 2024. She will become Senior Independent Director (SID) in May 2025 upon Andrew Cripps' retirement.

Contribution to the long-term sustainable success of the Company

Vanda has over 25 years of senior management experience across a range of sectors, including manufacturing, industrial, and support services in Europe, the USA, and Asia. She has previously served as Senior Independent Director and Chair of the Remuneration Committee at Bunzl Plc, Chief Executive Officer of Blick Plc, and UK Managing Director of Ultratame Plc, and she is currently the Chair of Marshalls Plc.

Vanda's extensive experience in both executive and non-executive roles benefit Howdens from both a leadership and a strategy perspective, and her tenure as a remuneration committee chair means she transitioned easily into the Howdens Remuneration Committee Chair role in May 2024. Vanda's experience as a SID also stands her in good stead to succeed Andrew Cripps in this role in May 2025.

Other listed company appointments

Non-Executive Chair of Marshalls 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 of LondonMetric Property Plc, Liverpool Victoria Financial Services Limited (where she is also Chair of the Investment Committee), and Jupiter Fund Management Plc. Alongside her commercial board roles, Suzy is also a trustee and council member at the Prince's Trust.

Other listed company appointments

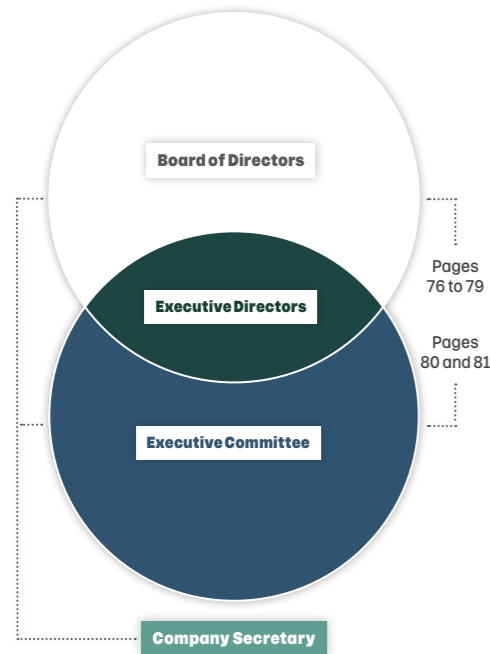
Non-Executive Director of LondonMetric Property Plc and Jupiter Fund Management Plc

Governance

Corporate governance report continued

Executive Committee and Company Secretary

Board and Executive Committee structure



Guy Eccles
Group HR Director



Theresa Keating
Group Finance Director



Julian Lee
Operations Director



Richard Sutcliffe
Supply Chain Director



Andy Witts
Chief Operating Officer: Trade



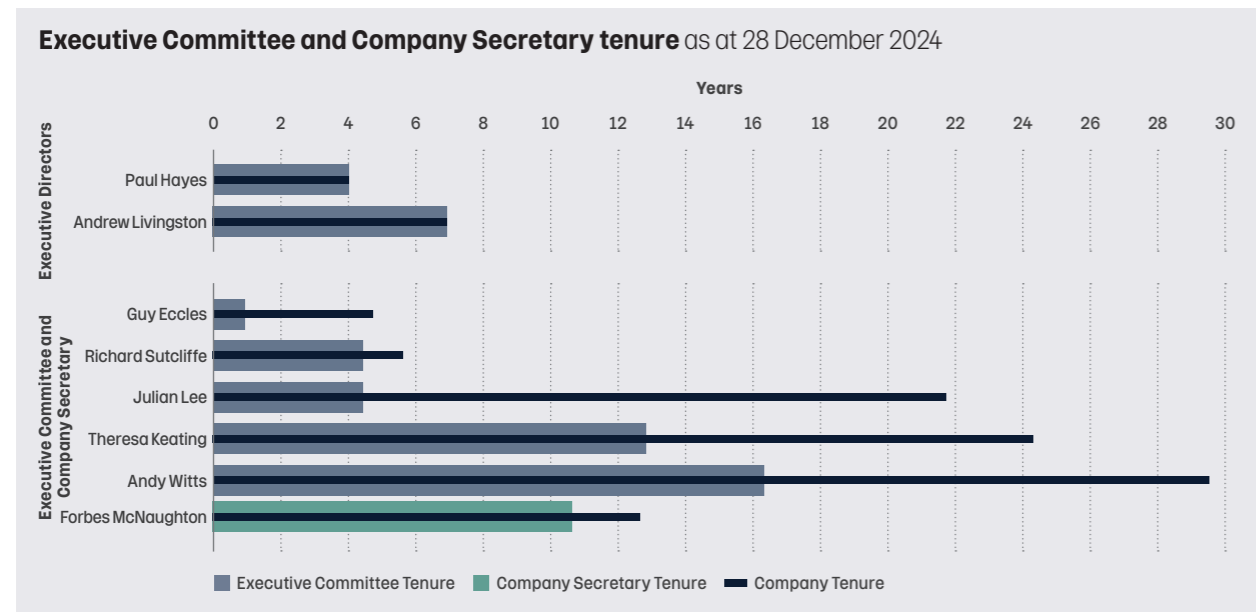
Forbes McNaughton
Company Secretary

Executive Directors*

Andrew Livingston
Chief Executive Officer

Paul Hayes
Chief Financial Officer

* Andrew and Paul's profiles can be found on page 77.



Guy Eccles
Group HR Director

Appointed
Guy joined Howdens in April 2020 and was appointed Group HR Director and a member of the Executive Committee in February 2024.

Contribution to the long-term sustainable success of the Company
Guy joined Howdens as Interim Group HR Director in 2020. Previously he had been running his own consultancy, providing HR support to numerous privately and publicly owned companies across a range of sectors, including retail, healthcare and hospitality. Prior to that he was HR Director of B&Q and Screwfix.

Guy has overall responsibility for all HR matters.

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 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.

Theresa Keating
Group Finance Director

Appointed
Theresa joined Howdens in September 2000 and has been a member of the Executive Committee since February 2012. She will retire from Howdens in March 2025.

Contribution to the long-term sustainable success of the Company
Theresa was appointed Group Finance Director in May 2014, having been Group Financial Controller since 2007. She joined the Group Finance team in 2000 having previously held various commercial finance roles at Waterstones, HMV and Heals.

Theresa also oversaw the key controls project, which identified operational, IT and financial controls to mitigate our key business risks.

Andy Witts
Chief Operating Officer: Trade

Appointed
Andy joined Howdens in July 1995 and has been a member of the Executive Committee since September 2008.

Contribution to the long-term sustainable success of the Company
Andy was one of the founding members of the Howdens depot management team, having joined from Magnet in 1995. Andy was promoted to Sales Director in January 2007 and was appointed Chief Operating Officer of Trade in January 2014.

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

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.

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 2024 and will consider in 2025. 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 2024 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 98. 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 2024. Reporting from our whistleblowing helpline is also considered by the Board on a bi-annual basis.

2024

<p>January</p> <ul style="list-style-type: none"> Health and safety update CEO and CFO updates Investor relations update 2024 Budget review Principal Risks review Whistleblowing update <p>Executive Committee presenters: SL DS</p> <p>Spotlight: Trade Service and Convenience</p>	<p>February</p> <ul style="list-style-type: none"> Health and safety update CEO and CFO updates Investor relations update Draft 2023 Full Year Results announcement, draft 2023 Annual Report and Accounts and 2024 AGM documents Shareholder and capital returns consideration Principal advisors review 	<p>April</p> <ul style="list-style-type: none"> Health and safety update Board evaluation feedback CEO and CFO updates Pensions update Investor relations update Broker update NED appointments consideration NED fees review Group policies approval <p>Spotlight: Product Leadership</p>	<p>May - AGM</p> <ul style="list-style-type: none"> All resolutions were passed with the requisite majority. Further details about the meeting may be found on page 92.
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<p>July</p> <ul style="list-style-type: none"> Health and safety update Board engagement with employees CEO and CFO updates Supply investment consideration Business continuity management Investor relations update Draft 2024 Half Year results and announcement, including consideration of an interim dividend Key and Principal risks review Whistleblowing update <p>Executive Committee presenters: AW JL</p> <p>Spotlight: Period 21 Readiness</p>	<p>September</p> <ul style="list-style-type: none"> Health and safety update CEO and CFO updates 'Make vs Buy' update Investor relations update 2024 Board evaluation planning <p>Spotlight: Development of the business in the Republic of Ireland</p> <p>Executive Committee presenters: AW</p>	<p>November</p> <ul style="list-style-type: none"> Health and safety update CEO and CFO updates Manufacturing site development plan Pensions update¹ Investor relations update Employee engagement update Corporate conflicts register review Schedule of Matters Reserved for the Board and Board Committee Terms of Reference 2025 Board calendar approval <p>Executive Committee presenters: DS</p> <p>Spotlight: Technology Roadmap</p>	<p>Executive Committee presenters</p> <p>JL Julian Lee (Operations Director)</p> <p>SL Stuart Livingstone (Trade Director)</p> <p>DS David Sturdee (Chief Customer Officer)</p> <p>AW Andy Witts (COO: Trade)</p>
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2025

<p>January</p> <ul style="list-style-type: none"> Health and safety update CEO and CFO updates Update from Chair of the Pension Trustees Product update Investor relations update 2025 Budget review Principal Risks review Whistleblowing update Board evaluation feedback 	<p>February</p> <ul style="list-style-type: none"> Health and safety update CEO and CFO updates Draft 2024 Full Year Results announcement, draft 2024 Annual Report and Accounts and 2025 AGM documents Shareholder and capital returns consideration Review of risk management framework NED fees review Principal advisors review 	<p>April</p> <ul style="list-style-type: none"> Health and safety update CEO and CFO updates Pensions update Employee engagement Investor relations and Broker update Group policies approval UK Tax Strategy approval <p>Spotlight session</p>	<p>May - AGM</p> <ul style="list-style-type: none"> Further details can be found on page 225.
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<p>July</p> <ul style="list-style-type: none"> Health and safety update CEO and CFO updates Investor relations update Draft 2025 Half Year results and announcement, including consideration of an interim dividend Market update Key and Principal risks review and review of risk management framework Whistleblowing update <p>Spotlight session</p>	<p>September</p> <ul style="list-style-type: none"> Health and safety update CEO and CFO updates Investor relations update Employee engagement 2025 Board evaluation planning <p>Spotlight session</p>	<p>November</p> <ul style="list-style-type: none"> Health and safety update CEO and CFO updates Pensions update Investor relations update Corporate conflicts register review Schedule of Matters Reserved for the Board and Board Committee Terms of Reference 2026 Board calendar approval Director training <p>Spotlight session</p>	<p>Spotlight sessions</p> <p>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. Sessions focus on topics within the five pillars of the business:</p> <ul style="list-style-type: none"> Trade service and convenience Product leadership Trade value Entrepreneurial culture Trusted trade relationships
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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 2024, please see pages 82 and 83.

The Board regularly considers feedback from the Company's stakeholders. These are set out in detail on pages 86 to 93. 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 2024.

Investment in vertical integration

Vertical integration in manufacturing and logistics is a critical part of our business model, providing low cost and high-quality products, exemplary service to our depots to fulfil our in-stock offer, and better resilience. This creates a significant and sustainable competitive advantage.

During 2024, the Board considered manufacturing and logistics investments to underpin long-term growth and security of supply, which would benefit the Company's investors, the workforce and its customers and further bolster its reputation as the UK's number one trade kitchen supplier.

Runcorn site development

In November, the Board approved up to £128m capital expenditure for the Runcorn manufacturing site to replace our high-volume panel machining line, to expand our warehousing facilities, and to enter into negotiations to procure the freehold of the site. This investment will enhance Howdens' agility and mitigate our supply risks as demand continues to grow, which in turn represents good value for shareholders.

The Board considered the business case for each aspect of the Runcorn site investment, including the payback on investment. For the replacement of the panel machining line, the Board considered how the investment compared to the cost premium for buying panels in from third party providers and concluded that manufacturing a core product such as panels would ultimately represent better value for our depots and therefore our customers.

Purchase of land

In July, the Board considered the purchase of additional land close to one of our existing manufacturing facilities. It was noted that the land could not be used for warehousing but, in time, could be used to extend manufacturing capacity and/or capability, or to build a large-scale solar farm, which would further support the business' environmental sustainability plans as well as providing energy cost savings. Although other strategic opportunities would also be considered, the Board agreed that the purchase of the land would provide optionality. The Board therefore approved the proposal to purchase the land, subject to requisite planning approval.

Consolidation of warehousing

In July, the Board considered a proposal to enter into a long-term lease of a new purpose-built warehouse in Doncaster. It was noted that temporary warehousing solutions had led to network inefficiencies with increased transport movements between locations and that the current setup would not support projected demand. The Board approved the leasing of the new site as it was noted that, in addition to the cost benefits of a simplified and less complex logistics network, the site was located near to a rail head, which could release further benefits for both inbound and outbound freight costs, as well as reduce emissions by reducing transportation from spot warehousing. The Board also noted that environmental due diligence had been undertaken on the site and that the labour requirements at the new site were similar to existing requirements, so there would be no material reduction in staff numbers.

Shareholder returns

In February, the Board recommended a final dividend for 2023 of 16.2p per ordinary share and, in July, it further recommended an interim dividend for 2024 of 4.9p 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 page 93).

Howdens has a prudent risk appetite towards balance sheet management, an approach which has provided a source of great strength in challenging past years, for example during the Covid-19 pandemic.

Share Incentive Plan extension

The Company believes that share plans are an effective way to help employees engage with the business and to benefit from its success. For many years, the Company has offered free shares to its UK employees, with the only condition being that they remained employed by the business for three years. Since 2015, the Company awarded free shares under a UK tax-advantaged Share Incentive Plan (SIP), meaning free shares awarded under the SIP would not be liable to income tax and National Insurance contributions after being held in the SIP trust for five years.

In 2024, following feedback from our colleagues working in our Isle of Man depot, who expressed a keen interest in share plans, the Isle of Man Tax Office was engaged to find out if it would be willing to allow those employees to be offered free shares on the same tax-advantaged basis as our UK employees. The Isle of Man Tax Office granted this concession. In July, the Board formally nominated the Isle of Man employees as eligible to be offered free shares under the SIP and, in August, the Isle of Man employees were awarded SIP free shares for the first time.

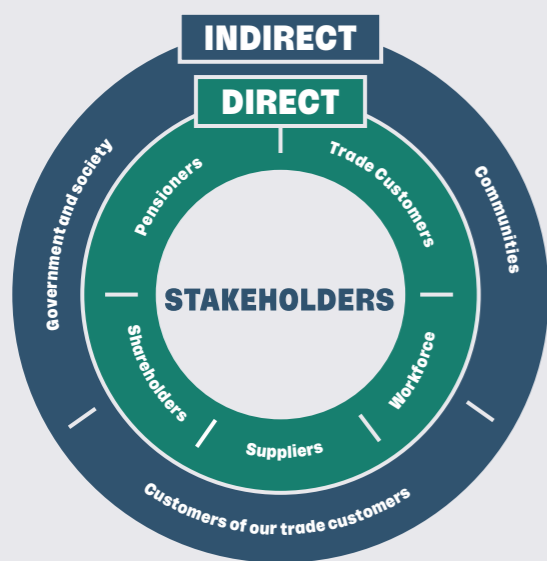
The Company has been an advocate of employee share plans for many years. In 2023, it supported an industry response to a call for evidence on tax-advantaged employee share plans. The response urged the Chancellor of the Exchequer to consider the reform of SIPs by reducing the holding period from five years to two years to make the SIP more relevant for more employees, especially those in younger and lower paid groups. Participation in a SIP increases employee engagement and allows employees to benefit from the success of the companies they work for.

Governance

Corporate governance report continued

Stakeholder engagement

Howdens' stakeholders



Stakeholder and forms of engagement

Trade customers	pages 86 and 87
Workforce	pages 88 and 89
Suppliers	pages 90 and 91
Shareholders	pages 92 and 93
Pensioners	pages 92 and 93

Trade customers

Engagement with our trade customers included the following:

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

Key outcomes of engagement:

- We have continued to refine our rigid cabinet design with the technical and manufacturing teams, and we have invested in new equipment to ensure a high minimum standard of quality.
- We have given depots the tools to be more competitive on the pricing of several products following customer feedback.
- Our strategy for depot improvements has also been informed by feedback from builder forums, including developing our product scanning system.
- Extended gable and panels for kitchens have been made available through our depot network as a result of the feedback from builder forums.



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 88 for further information), which the COO 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 COO 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 first hand. Depot visits also form a key aspect of new Board members' inductions.

Builder forums

Around 20 builder forums were held during 2024. These are arranged by area managers or regional 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 director may also attend. Depot managers may also be invited. The COO 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 Trade Director and, latterly, the COO of Trade.

Trade customer surveys

In addition to the frequent face-to-face conversations 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 2024, we completed these surveys across all of our core categories. We received over 10,000 responses from our customers which has informed category strategy, brand and ranging plans and depot education.

Each month we conduct research to monitor customer satisfaction levels, as part of our Voice of the Customer research, receiving an average of around 1,000 responses per month. 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.

Brochure research focus group

In 2024, we carried out research with both depots and end users to understand the purchase journey and the role of the brochure, the brochure's performance versus our competitor set, and perceptions of Howdens. A mix of qualitative and quantitative methodologies was used, including focus groups, online and face-to-face interviews, and online surveys. The research findings highlighted potential improvements that could be made to the purchase journey for all of our key stakeholders.

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

Key outcomes of engagement:

- As a result of regional board meetings and CEO focus groups, a new pricing and margin tool has been developed and is being tested for roll-out across the depot estate.
- Depots were given the tools to be more competitive locally on entry-level solid surface worktops following feedback at regional board meetings.
- A new extra tall larder cabinet was designed and rolled out to depots following feedback at regional board meetings that the previous system should be simplified to save our customers time when fitting them.
- The number of 'flex hours' employees were expected to work in our supply operations teams was reduced as a result of feedback sessions.
- We have expanded and developed our wellbeing support framework in supply operations, including through training new wellbeing representatives, as a result of engagement with our trade union and works council group.

Board workforce engagement arrangements

In 2023, a review of workforce engagement by the Board was undertaken. Given the complexity of Howdens' operations (when considering the variety of role types in our vertically integrated business and its various geographies), it was agreed by the Board 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 2024, Non-Executive Directors attended regional board meetings (see below), visited depots, attended The Howdens Show (see opposite page), and visited manufacturing 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 the culture of the business came through strongly, especially at regional board meetings, and there was a lot of motivation and positivity in the depot teams ahead of the peak autumn sales period.

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 Chief Operating Officer of Trade attends nearly all meetings and regional 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 2024, a total of 54 meetings were held across the nine UK regions. 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 updated information on actions being taken to issues raised.

CEO focus groups

Our CEO, holds face-to-face monthly CEO focus meetings with depot managers in different regions. These focus groups provide a forum for managers to have a two-way conversation with the CEO and to discuss new ideas within a smaller group setting than Regional Board meetings.

As a result of one of these focus groups in Scotland (as well as feedback in regional board meetings), a new discount management tool was developed and is being rolled out across the depot estate to help depot managers to improve their competitiveness and margin management.

Town halls and feedback sessions

The Operations Director continues to hold at least two 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 feedback sessions are held with employees. It was through these channels that employees continue to express any concerns or opportunities for improvement. Following some of these sessions in 2023, we committed to improving our agreement for flexible working arrangements, ensuring people have a better balance, while also ensuring we continue to maintain our excellent service levels. In 2024, we reduced the number of 'flex hours' people were expected to work in response to that feedback.

Monthly town halls are hosted by our Supply Chain Director, who is also acting Commercial Director, and separately by our Chief Customer Officer, our HR Director and our Chief Financial Officer. The town halls 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.

In 2024, we continued to engage with the collective groups and undertook further training through ACAS to wider groups of our management teams. This helped us build even more productive and effective working relationships.

As a result of the feedback from our trade union and works council groups, we have made enhancements to some of our flexibility arrangements, continued to embed the new in-house occupational health service, expanded and developed our wellbeing support framework, including new wellbeing representative training, and continued to enhance benefits access and provision.

Employees and trade union representatives were also involved in the selection process for a new HR and payroll system, the aim of which is to enhance overall functionality and employee accessibility. Following selection of a provider, employees and trade unions representatives will continue to be involved during the implementation phase.

Surveys

During 2024, we conducted an inclusion survey to establish how close we were to meeting our ambition of being famous for being 'worthwhile for all concerned'. The results of this survey can be found on page 54.

Our supply operations team also conducted a pulse survey during the year. Overall, 75% of respondents stated that they are proud to work for Howdens. Line managers shared their results with their teams and committed to one or two things that they would put in place to help make Howdens an even better place to work.

The Howdens Show

In January 2024, we hosted the Howdens Show, which welcomed over 1,100 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.

A number of 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 bi-annual 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.

Corporate governance report continued

Stakeholder engagement continued

Suppliers

Engagement with our suppliers included the following:

- 1 Suppliers conference
- 2 Category team relationships

Key outcomes of engagement:

- An increased number of suppliers committed to submitting their emissions data to our platform and over 260 supplier representatives attended training on emission data submission.
- Targeted commercial support was provided by suppliers to the French business.



Maintaining strong supplier relationships based on trust is a key facet of our resilient business model. Co-operative 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.

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 (further detail about our Net Zero SBT Plans can be found on pages 46 to 49).

In March 2024, around 150 supplier representatives joined us for a conference in Scotland. The CEO, Group Finance Director, Supply Chain Director and acting Commercial Director, Supply Operations Director, Trade Director, HR Director, Chief Customer Officer and Company Secretary were all present at the conference.

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

The key messages from Howdens to its suppliers at the conference were as follows:

- Suppliers must sign up to Howdens' Net Zero targets and to support the Company's environmental ambitions with regular and accurate sustainability reporting. Our CEO stated that ESG is a "non-negotiable" and supplier plans needed to align with our Net Zero plan.

- Suppliers need to design and supply more products that reduce workload for our builder customers and maintain our 'no call-back' quality standards.
- Suppliers are invited to attend builder forums hosted by Howdens so that they can hear first hand from our customers what works well and what needs improving from a product perspective.
- Suppliers should engage more with the needs of the Howdens business in France.

Following the conference, a number of suppliers provided assistance to the French business. The major kitchen frontals suppliers visited the team in France and assisted with market and competitor intelligence and improved pricing on France-specific ranges. Suppliers have also provided commercial support for a flooring promotion, helped us launch a new range of budget taps made specifically for France, and helped us successfully launch tools in the French market.

Also, following the conference, 115 suppliers signed up to submitting their emissions data to our ESG platform. At the end of 2024, around 50% of our suppliers had submitted data against our baseline year of 2021.

Four training webinar sessions were also held with suppliers during the year to help suppliers to submit their emissions data correctly. Over 260 delegates in total attended the sessions. Further information about supplier engagement in relation to Scope 3 emissions can be found in the Sustainability report on page 49.

Internal training sessions were also held for our Commercial teams to help ensure they could support their suppliers with the data collection.

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.

At Howdens we work with our suppliers to identify promotional opportunities, typically marketed through our popular Rooster Deals publications. These promote footfall into depots, create a talking point between depot staff and customers, and offer exceptional value to our customers.

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.

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.

Governance

Corporate governance report continued

Stakeholder engagement continued

Shareholders

Engagement with our shareholders included the following:

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

Key outcomes of engagement:

- The Executive Directors' shareholding requirement has been increased as a result of the Directors' Remuneration Policy shareholder consultation.
- Relative total shareholder returns (TSR) has been retained as a performance measure for 2025 following engagement with shareholders as part of the wider Directors' Remuneration Policy consultation.

Annual General Meeting (AGM)

The 2024 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;
- performance in France and the Republic of Ireland and potential further international expansion;
- expansion of product range into bedrooms; and
- cyber security preparedness and internal skills, and the use of artificial intelligence in the business.

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

In July and November 2024, the Remuneration Committee consulted with the Company's top 30 shareholders and proxy advisory agencies on proposed changes to our Executive Director remuneration. Details of these consultations are set out in the Remuneration Committee report on page 113.

The Remuneration Committee received a high level of support for its proposals but, following shareholder feedback at meetings with the Remuneration Committee Chair, it agreed to increase the Executive Director shareholding requirement in the updated Directors' Remuneration Policy. It was further agreed to retain relative TSR as a performance measure for the 2025 Performance Share Plan award, albeit at a reduced weighting.

Investor relations programme

During 2024, 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 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 Finance Director alongside other senior managers. The visits enabled investors to see Howdens' strategic initiatives first hand, 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 very positive and so we will continue to run these meetings in 2025.

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 over 10,200 members, of whom c.5,500 are deferred members, and c.4,700 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 2024, 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;
- progressing the GMP equalisation project following the Lloyds bank judgement;
- review and approval of information sharing protocols; and
- preparations for the pensions dashboard roll out.

Newsletters

In March and December 2024, Plan newsletters were sent by the Trustee Board to all members of the DB Plan. The newsletter provided updates on matters such as Pension team changes, enhancements to the online 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 Trustee is ultimately responsible for setting the factors but engaged the Company for its feedback. The updated factors were agreed and implemented from 1 September 2024.

Governance

Corporate governance report continued

UK Corporate Governance Code: application and compliance

This Annual Report and Accounts has been prepared under the 2018 version of the UK Corporate Governance Code (the "2018 Code"), which applies to accounting periods beginning on or after 1 January 2019. We are pleased to report that the Company applied all the Principles of the 2018 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 2018 Code, except for Provisions 40 and 41.

Provision 40 provides that when determining executive director remuneration policy and practices, remuneration committees should address whether remuneration arrangements promote effective engagement with the workforce. 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 2024; 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. 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 pages 115 and 123.

Provision 5 of the 2018 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 can be found on pages 75 and 88.

The Financial Reporting Council (FRC) published the 2024 version of the UK Corporate Governance Code on 22 January 2024 (the "2024 Code"). That iteration of the UK Corporate Governance Code applies to all companies listed in the commercial companies category or the closed ended investment funds category, whether incorporated in the UK or elsewhere. The 2024 Code applies to accounting periods beginning on or after 1 January 2025, except for Provision 29, which is applicable for accounting periods beginning on or after 1 January 2026. It is anticipated that Howdens will prepare its Annual Report and Accounts for the financial year ending 27 December 2025 under the 2024 Code, with the exception of Provision 29.

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.

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 2. 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 118 to 121.

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 2. 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 first hand.

More information about the Board's engagement with the workforce may be found on pages 88 and 89.

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 pages 105 to 107.

C The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.

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 147 to 148.

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 84 to 93. How the Board members discharged their 'Section 172' statutory directors' duties is set out on pages 84 and 85.

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 115, 123, and 131.

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.

Governance

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

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 2024 internal 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 108 and 109.

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 76. 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 75. Similarly, the number of meetings of each Board Committee and the attendance may be found on the following pages: 100 (Nominations Committee), 110 (Remuneration Committee), 142 (Audit Committee), and 150 (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 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 appointments.

Members of the senior management team regularly presented to the Board (see pages 82 and 83 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 145 and 149.

Section 2: Division of responsibilities continued

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 and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

The Nominations Committee engages external search consultancies when searching for Board position candidates. Further information about the appointments process is available on page 105 of the Nominations Committee report and the Board's diversity policy is available on page 104.

The Nominations Committee regularly reviews the skills matrix and the tenure of each Board member (see pages 102, 105 and 107 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 102. The tenure of each Director can be found on pages 80

(Executive Directors) and 105 (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 six months to just over nine 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 2024 internal Board evaluation process and outcomes may be found on pages 108 and 109.

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 77 to 79. 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 2025 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 continuedUK 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 142.

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 2.

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 pages 147 to 148, 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 110.

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 110.

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 112 to 116).

By order of the Board

Peter Ventress
Chairman

26 February 2025