

Strategic Report - Sustainability Matters

Sustainability Matters

Worthwhile for all concerned

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Why sustainability matters to us

Sustainability generates long-term value

- Helps to preserve our culture, supports our business model, increases business resilience, mitigates our risks and addresses the material needs of our stakeholders.

Sustainability is part of our culture

- Our culture is to be 'worthwhile for all concerned'. For our staff, our customers, our suppliers, the environment and the communities we work in.

Sustainability supports our business model

- Gives us a competitive advantage and builds business resilience and helps us to maintain sector-leading margins.
- Lowest cost production in our own UK factories leads us naturally to minimising waste, energy and raw materials.
- Being trusted partners to our suppliers and customers means that our relationships need to be worthwhile for all over the long term.
- Each of our depots relies on strong local relationships to trade profitably, so we need to be a good neighbour in each of those communities.

Sustainability mitigates our risks

We discuss our principal risks beginning on page 37. Sustainable behaviour helps us to address some of those risks.

- Investing in keeping our people safe, developing their skills and offering them a great place to work is the right thing to do, but it also mitigates our 'Health & safety' and 'People' risks.
- Developing and maintaining sustainable supplier relationships mitigates our 'Supply chain' risk.
- Sustainability is a core principle of our new product design. This gives us energy-efficient, safe and durable product, and mitigates our 'Product' risk.

Our material sustainability areas and our ESG strategy

We last refreshed our ESG materiality assessment in 2023 by commissioning an independent review with third-party specialists, consulting both external and internal stakeholders.

We present our materiality assessment and show how the material topics are aligned to the strategic pillars and foundation principles of our ESG strategy at page 48. Our ESG strategy is summarised on the next page.

Our sustainability KPIs, our Net Zero SBTi targets, ESG and remuneration

Our sustainability KPIs cover safety, use of wood from certified sources and avoiding sending waste to landfill. You can find them on pages 50 and 53.

Our SBTi Net Zero targets were submitted in the first half of 2023 and were approved in January 2024. We present these targets on page 47.

Our PSP share plan includes ESG-related vesting targets, which are aligned with our Net Zero goal. Please see page 51 and 117 for details of the targets.

ESG strategic highlights of 2025

Progress against SBTi targets

Good progress. 2030 Scope 3 reduction achieved by 2025 (page 61).

Supplier engagement

Extensive supplier engagement - linked to our SBTi targets and increasing the accuracy of our Scope 3 data (page 49).

Climate resilience scenarios

Updated our climate scenarios for TCFD reporting (page 59).

Investment in solar power

£3.5m solar panel investment went live in H1 2025. Generating 1.8GWh in 2025 (page 50).

The Board and Executive Committee lead our commitment to sustainability

The importance of sustainable behaviour is recognised right through the business. You can see the Board's Statements of Intent on Health & Safety and Sustainability at: www.howdenjoinerygroupplc.com/sustainability/group-health-safety-and-sustainability-policies. The Board's Sustainability Committee met regularly throughout the year and their report begins on page 134.

Our sustainability strategy

Our sustainability vision		
UK's leading responsible kitchen business A sustainable product offering, responsibly manufactured or sourced, that meets the needs of the builder and the end consumer.	A unique and sustainable culture Maintaining and building on our culture of being worthwhile for all concerned. Continuing to grow a sustainable business that appeals to current and future stakeholders.	Leader in risk and resilience governance An agile and resilient business, proactively managing ESG risks, with transparent high-quality stakeholder reporting.

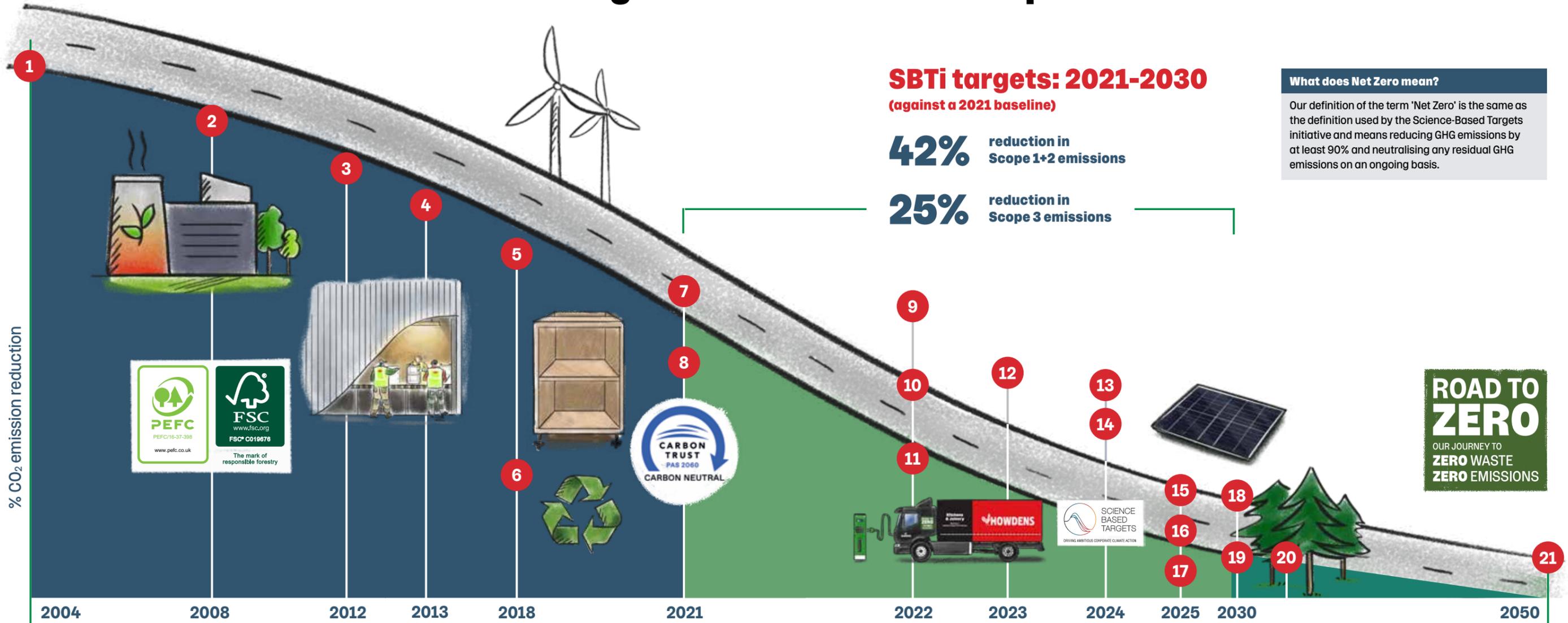
Our sustainability strategy					
Strategic objectives	Net Zero			Climate resilience	
Strategic pillars	Supply chain emissions	Renewable energy /sustainable operations	Decarbonise the fleet	Sustainable product offer & innovation	Supply chain risk mapping & resilience
	See page 49	See page 50	See page 51	See page 52	See pages 59
Foundations	EDl: Strategic priorities & wellbeing See pages 54				
	Behavioural health & safety: Maintain & next steps See page 53				
	Effective waste management: Zero to landfill See page 53				
	Emissions reductions: SBTi Net Zero targets See page 47				
Governance	Effective reporting & disclosure				

Our material SDGs	
UN SDG description and relevant targets under each SDG	
	SDG targets 8.4, 8.5, 8.6, 8.7, 8.8: resource efficiency; sustainable growth; full, productive and worthwhile employment; equal pay for work of equal value; youth training; eradicate modern slavery and child labour; safe and secure working environments.
	SDG targets 12.2, 12.5, 12.6, 12.7: sustainable management and efficient use of natural resources; reduce waste, increase recycling and reuse; publish sustainability information; sustainable procurement.
	SDG targets 13.1, 13.2: strengthen resilience to climate-related hazards; integrate climate change and emission reduction measures into strategic planning.
	SDG targets 15.1, 15.2: conservation and sustainable use of forests.

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Our Net Zero commitment and targets

How we plan to reduce our emissions



What does Net Zero mean?
Our definition of the term 'Net Zero' is the same as the definition used by the Science-Based Targets initiative and means reducing GHG emissions by at least 90% and neutralising any residual GHG emissions on an ongoing basis.

SBTi targets: 2021-2030
(against a 2021 baseline)

42% reduction in Scope 1+2 emissions

25% reduction in Scope 3 emissions

ROAD TO ZERO
OUR JOURNEY TO ZERO WASTE ZERO EMISSIONS

2004 2008 2012 2013 2018 2021 2022 2023 2024 2025 2030 2050

Our history of positive action

- 1 Biomass heating boilers (in use since 1995)
- 2 FSC® and PEFC chain of custody introduced
- 3 Carbon Trust standard (first carbon reduction plan)
- 4 Further investment in biomass for factory heating
- 5 Development and introduction of 100% recycled and 100% recyclable cabinet legs
- 6 Zero to landfill achieved in manufacturing
- 7 Introduction of renewable electricity in our supply operations
- 8 Carbon neutral status achieved*

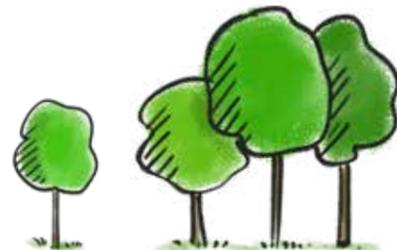
Our SBTi targets to 2030

- 9 Introduction of renewable electricity in depots
- 10 Committed to Science Based Targets initiative (SBTi) with Net Zero plan
- 11 Introduction of HVO alternative fuel
- 12 Introduction of EV trucks in our XDC network
- 13 Long-term exploration of alternative fuels, materials & technologies
- 14 Approval of our SBTi targets
- 15 Solar panels start to generate energy at our Howden factory
- 16 On track to meet our SBTi 2030 commitments
- 17 Working with suppliers to decarbonise

2030-2050

- 18 Increased use of HVO and solar
- 19 Interim 2030 emission reduction targets
- 20 Monitoring and using new technologies, where appropriate for our business
- 21 Net Zero - 90% reduction in emissions against a 2021 baseline

* In our Howden and Runcorn factories.



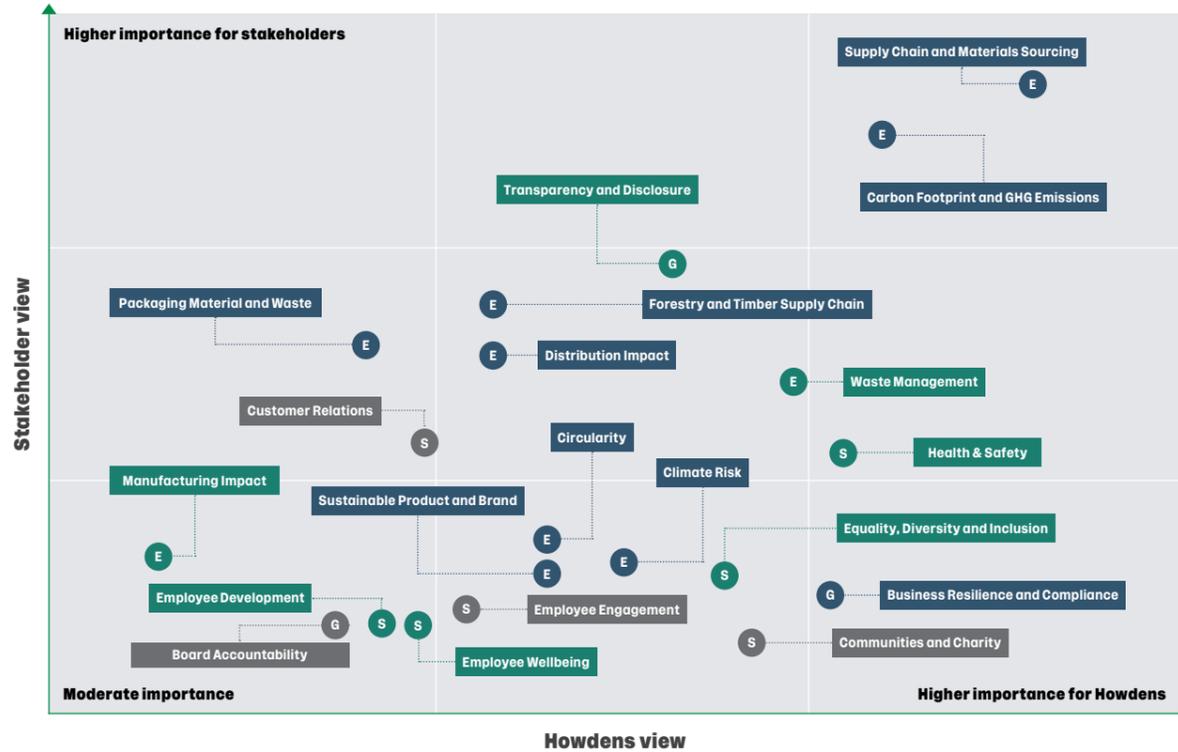
Strategic Report - Sustainability Matters

Our material sustainability issues

Our ESG materiality assessment

In 2023 we refreshed our existing ESG materiality assessment by commissioning an independent specialist review and carrying out interviews with both internal and external stakeholders. The results are below.

Results of the materiality assessment and stakeholder engagement:



- Aligns to our ESG strategic pillars
- Aligns to our ESG foundation values
- Aligns to wider business strategy and governance
- E Environment
- S Social
- G Governance

Stakeholder views are gathered from interviews with depot managers, employees, suppliers and investors. **Howdens views** are gathered from interviews with the senior leadership team.

When examining the answers from both sets of interviews, we found that the scoring for some topics was being given on a net basis, because the interviewees were aware that the Group had effective plans of action in place for these topics and were taking account of this in their answers.

Correlation of material topics with our ESG strategy

As well as showing the relative importance of each of the topics that arose in our stakeholder interviews, the diagram above shows how they link to our ESG strategic pillars and foundation values, set out at page 45, or in some cases, how they link with our wider business strategy and our governance.

Double materiality

We have completed the initial stages of a double materiality assessment ('DMA'), which will give us further strategic insight and will prepare us for reporting under the European Corporate Sustainability Reporting Directive ('CSRD') in the future.

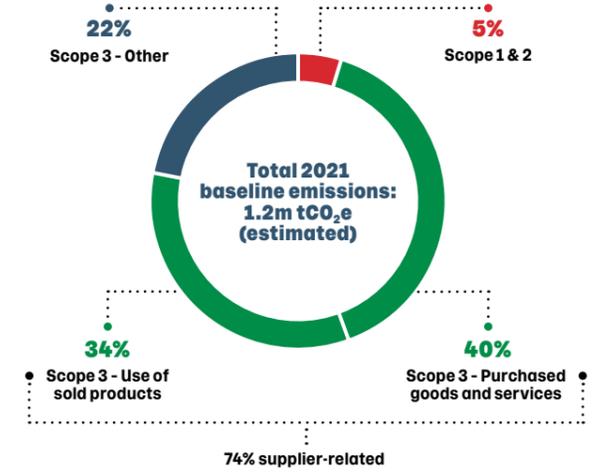
The DMA raised six additional topics, which were already addressed by some areas of our existing ESG strategy, and which we will give additional consideration to in the future. These topics were: pollution; biodiversity; circularity; own workforce; workers in the value chain, and affected communities.

Supplier engagement - addressing Scope 3 emissions together

Why supplier engagement is important

95% of our baseline total emissions are Scope 3, i.e. they are in our value chain. Three quarters of these relate to goods purchased from our suppliers and the use of products that we source from our suppliers.

We can only achieve our Net Zero SBTi targets by collaborating with our key suppliers.



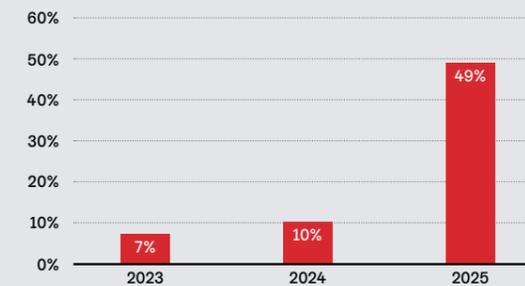
Our history of supplier engagement

See our website: www.howdenjoinerygroupplc.com/sustainability/supplier-engagement

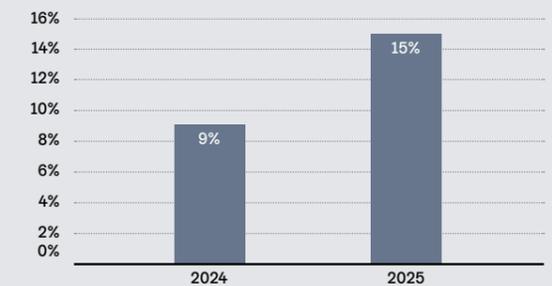
Supplier engagement headlines in 2025

1. Continued increase in supplier commitment to providing more accurate emissions data.

Number of our main suppliers who have submitted finalised emissions data for 2021-2024



Percentage of suppliers with approved SBTi plans



2. ESG objectives are included in standard supplier terms of business.

Defined targets in line with our SBTi objectives, and commitment to provide carbon reporting data.

3. Supply chain risk mapping and resilience to climate change.

We have included key supplier operations in our physical climate risk assessment exercise - see page 59.

* The Director of ESG is a management role and is not a Director of the Board of Howden Joinery Group Plc.

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Strategic pillar - renewable energy & sustainable operations

KPI




All chipboard & MDF used in our manufacturing processes is from FSC® or PEFC certified sources

KPI - FSC®/PEFC

We used 249,000 cubic metres of chipboard and 59,000 cubic metres of MDF in our factories in 2025 - enough to fill 123 Olympic swimming pools - so it's natural that we have a long-standing KPI requiring all wood to be from certified sources.

FSC® or PEFC certification means that the wood comes from responsibly managed sources and that we have independent documented evidence of an unbroken chain of ownership all the way from the forest to us - via the mill, the importer and our suppliers.

Renewable energy headlines in 2025

Solar energy investment at Howden

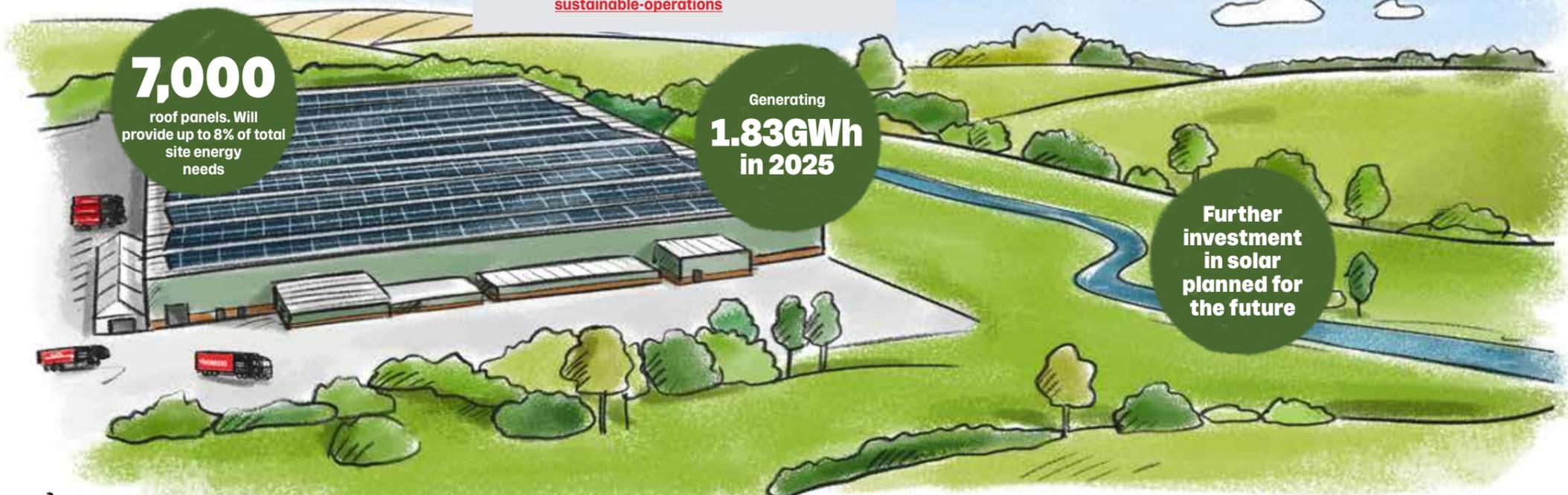
In 2024 we approved a £3.5m investment in solar panels at our manufacturing site in Howden. This put 7,000 PV panels on our main warehouse roof, covering an area of 350,000ft². The installation began to generate power in 2025 and has generated 1.83GWh of electricity in its first year. This was 12% of the total site electricity consumption and avoided 378 tCO₂e of Scope 2 emissions. The investment is expected to pay back within 5 years. We intend to install more solar panels across our estate in the future.

Policies

-  Read our Modern Slavery Statement: www.howdenjoinerygroupplc.com/governance/modern-slavery-statement
-  Read our Human Rights Policy: <https://investorcom.sitfinity.cloud/docs/librariesprovider25/archives/governance/human-rights-policy.pdf>

More information

-  More information on renewable energy and sustainable operations on our website: www.howdenjoinerygroupplc.com/sustainability/renewable-energy-and-sustainable-operations



Strategic pillar - decarbonising the distribution fleet

Strategic importance and current position

We operate our own transport fleet, and it accounts for around a third of our Scope 1 baseline CO₂ emissions, so it's a clear ESG strategic priority area for us, as well as being a key part of our SBTi 2030 emission reduction target.

The scope for step changes in a fleet that's already operating at a high level of efficiency is small, but our fleet drove over 19 million miles in 2025, so every incremental gain is worthwhile.

Fleet decarbonisation headlines in 2025

Increasing the use of HVO in our fleet

Hydrotreated vegetable oil ("HVO") is a sustainably sourced, plant-based biofuel which can replace diesel without requiring engine modifications. It reduces CO₂ by up to 90% compared to diesel, and has lower nitrogen oxide and particulate emissions. We have increased our HVO usage in each of the last three years and plan to increase it by a further 40% in 2026.

LNG lorries in our fleet

Bio-LNG is produced by anaerobic digestion of organic waste, manure and sewage and produces up to 85% less CO₂ than diesel. We have 15 LNG vehicles in the fleet at the end of 2025.

Electric vehicles in our XDC network

With current technology, there isn't a viable electric vehicle with the range to replace our long-haul fleet. Our XDC network, described at page 26, involves shorter range deliveries and is operated on our behalf by third-party logistics partners. We have engaged with one of our partners and between us we are now operating four electric vehicles at the end of 2025.

Future plans for fleet

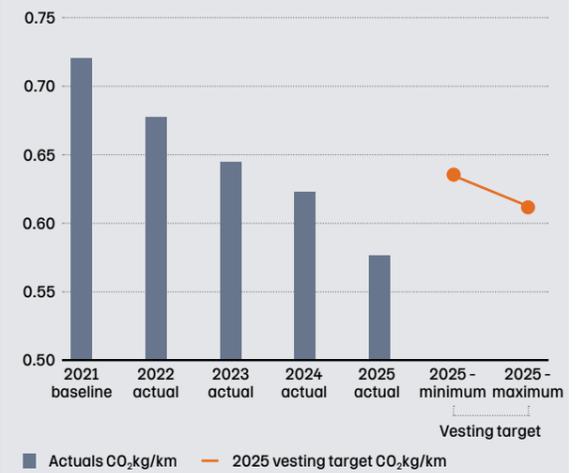
We are introducing longer trailers in 2026, with 14% more capacity. This will reduce the number of trailer movements by around 500 per year, and will reduce both our fuel consumption and our CO₂ emissions.

Metrics and targets: link to LTIPs

Our distribution fleet has a 2030 emissions reduction plan, aligned with our SBTi Net Zero commitments.

The first step of this is the emissions reduction targets, which are built into our PSP share awards (page 117) and are aligned with the first 5-year targets in our SBTs, giving minimum payout at a total cumulative reduction from our 2021 baseline of 12%, and a maximum payout at 15%.

2025 performance achieved maximum vesting.



More information

-  More information on reducing fleet emissions on our website: www.howdenjoinerygroupplc.com/sustainability/decarbonising-the-distribution-fleet

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Strategic pillar - sustainable product offer and product innovation

We want to create sustainable products that we're proud of. We make over 4.5 million cabinets a year in our own UK factories, so our choices here can make a real difference. We buy our chipboard from sustainably managed UK forests. For every acre of trees used, an acre or more is planted.

When the cabinet has come to the end of its life in the home it can be recycled and broken down to produce more chipboard, which can be used to make more cabinets in the future.

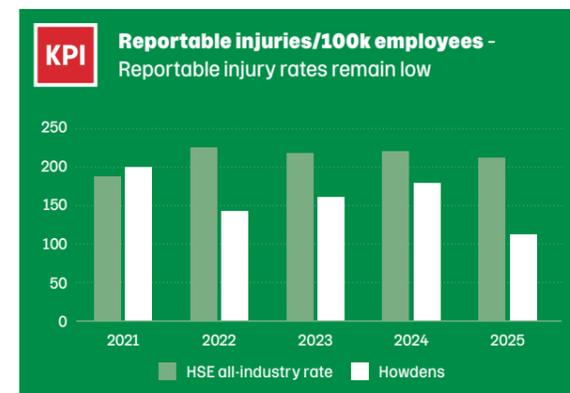
We don't only want to do things to an incredibly high standard - we want them to be sustainable too. Sustainability is built into our product design process and is one of the five pillars that we base new product design and sourcing decisions on, sitting on an equal footing alongside quality, design, cost and availability.

Some recent examples of building sustainable considerations into new product are shown below.

- 1 Cabinets kitchens and bedrooms**
 Our new kitchen family, Frome, leads the way in using materials with reduced environmental impact. It uses PET-based decorative foil instead of PVC, reducing the harmful impacts of the production and use of PVC. The PET we use can have up to 30% post-consumer waste, depending upon availability and production demands. Frome is also the first family in the Howdens portfolio to contain MDF produced using up to 30% recycled timber content, reducing the demand on virgin fibre. Our Allendale kitchen family has taken a significant step forward in 2025 with the introduction of the Allendale Reed Green colour, using polypropylene decorative foil instead of PVC. This shift away from the use of PVC has paved the way for future Allendale introductions. Polypropylene is one of the most sustainable plastics available, and its durability means we can use less of it, further reducing its environmental impact. We hope to eventually use polypropylene for the whole Allendale range. We're investing in an environmental Life Cycle Analysis calculation tool so that we can make more informed decisions to reduce environmental impacts of potential new products earlier in the design process.
- 2 Innovation**
 We continue to explore new technologies that can reduce the need for virgin or less environmentally friendly materials, exploring ideas both within and outside of the furniture industry. Examples include looking at agricultural and fabric waste to reduce demand for plastic in injection moulding, wood fibre in paper production, and MDF. We have continued to build our external innovation network including partnerships with universities.
- 3 Appliances**
 Lamona washing machines are now 'A' rated, giving a 25% reduction in energy consumption over a 10 year life. Lamona dishwashers are now 'C' rated, giving a 9% reduction in energy consumption over the same period. Launched energy-saving tool Youreko on our product website which allows customers to compare energy use and potential cost savings for different products over their lifetimes. Failure rates have improved by 4.3% year on year to 2.45%, reducing the number of repairs and replacements, and their associated emissions.
- 4 Joinery & flooring**
 Our supplier engagement programme and SBTi emissions reduction targets have actively encouraged suppliers to take action. Our main UK door supplier, Jeldwen, achieved Cradle2Cradle bronze certification in February 2025. The Bronze level of certification recognises their intent to improve the way their product is made, establishing a commitment to ongoing assessment and optimisation. We continue to assess the removal of plastic wrap and by the end of 2025 all plastic door corner protectors were removed from supply. We are incorporating more recycled content into our vinyl, laminate and engineered floors. In 2026 we will explore further collaboration with our partners on end-of-life recycling for flooring.

ESG foundation values - health & safety, carbon neutral, renewable energy and waste

Keeping our people safe and healthy



- Our safety KPI has remained low at 110 RIDDOR-reportable injuries per 100,000 employees in 2025. This is 47% below the 2024/2025 HSE All-Industry rate of 209. We continue to be vigilant on all aspects of health & safety.
- Our accident severity rate has also remained low at 18.7 hours lost to accidents per 100,000 hours worked.
- We continue to hold ISO 45001 Health & Safety management certification across our UK and Republic of Ireland depots, and our manufacturing and distribution network.

Developments in 2025

- Rolling out our new 'SAFER Together' and 'Blueprint for Safety Excellence' programmes.
- Renewal of 3-year ISO 45001 certification across the UK depot network.

More information

More information on our approach to Health & Safety on our website: www.howdenjoinerygroupplc.com/sustainability/health-safety

Carbon Trust Route to Net Zero Standard

We were very pleased to achieve this standard at the 'Taking Action' tier in 2024, with an accreditation which lasts for 2 years. This tier is the first of three tiers, and it required us to show historical reduction in operational emissions, greenhouse gas emissions reduction targets, and foundational CO₂e management practices. This is an important step in our Net Zero journey and demonstrates our commitment to climate leadership and best practices.



Reducing waste



Our baseline: zero to landfill across all UK operations

We are pleased to have maintained our standard of zero to landfill across all UK operations in 2025 and we continue to see this as our baseline for the future.

Future challenges for our waste management

We are now working on more challenging targets for the future, which concentrate on opportunities for reuse and recycling of waste streams that have previously gone to energy recovery. We are assessing options and circular principles to both eliminate waste and also find routes for reuse and repurposing.

More information

More information on our approach to reducing waste on our website: www.howdenjoinerygroupplc.com/sustainability/waste-management

CDP

This is our third cycle of reporting CDP data for Climate, and we were pleased to be awarded Grade B. This score recognises evidence of action and processes to manage decarbonisation issues, showing that the company is moving from understanding to implementation.

We are delighted to have scored a Grade A in the subsections for emissions reductions initiatives, low carbon products, Governance, Scope 3 emissions and targets.



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ESG foundation value - EDI & Wellbeing Vision

Worthwhile careers, opportunities to develop and thrive

"I want Howdens to be a 'home from home' place to work, where you are valued for who you are and where you can give the best of yourself, make a great contribution to the business and build lifelong friendships". Andrew Livingston - CEO

Our inclusion strategy: Worthwhile for ALL, Support for ALL, Accessible for ALL.

See our website: www.howdenjoinerygroupplc.com/sustainability/people-edi-and-wellbeing

2025 Headlines

Employee inclusion survey

Our Employee inclusion survey showed positive improvements since last year across the 3 main questions:

74%
said Howdens is a great place to work (up 6%).

78%
expressed pride in working for Howdens (up 5%).

74%
felt everyone has the opportunity and encouragement to succeed (up 4%).

Developing our managers

We continue to build on the strong foundations of learning with a particular focus on helping managers get the best out of their teams. 80% of leaders who have attended our Leading the Way programme say it has made a difference to their team's performance.

In March 2025 we launched a new manager induction to help managers new to Howdens understand our culture, lead their teams and run their depot or operation successfully. So far over 100 managers have completed the programme.

Helping our kitchen sales designers perform

Our 'Better Buy Design' programme gives our designers the skills and confidence to design and sell great kitchens. The four-day accredited course tests designers in real customer scenarios. Over 300 designers have completed the programme. The results speak for themselves. Trained designers reach full performance in half the time and deliver a sales margin that is higher than a control group that have not completed the training. Designers new to the business also have a revamped induction, ensuring they are 'Ready to Trade' as soon as possible.

Aspiring managers and talent pipelines

In 2025 our first cohort of aspiring managers completed our 'GROW' programme with 50% of them securing a new role in the business. We plan to expand this programme to more areas of the business in 2026.

In November we launched our 'Future Ready' programme to help spot and develop the next generation of Depot leaders. By understanding people's strengths and potential, managers can improve succession for future needs.

Rewarding success

We believe great managers realise potential in their teams and create opportunities for success. Over 85% of eligible employees received a bonus, and our depot teams earned a record amount in incentives during Trade Fest on the back of fantastic peak trading. We continue to recognise successful depot team members at our annual Gleneagles event and our Golden Rooster Awards ceremony.

Apprentice levy transfer - training tomorrow's customers

There is a recognised shortage of tradespeople in the construction industry. Since starting a small trial in 2021 we have committed to transferring up to 20% of our apprentice levy to small construction-related businesses so that they can bring on the new generation of skilled tradespeople. Since 2021, we have committed £1.8m supporting 157 apprenticeship opportunities in trades such as joinery, plumbing, electrical, and painting and decorating.

EDI priority areas

We've brought our EDI working groups together into the Worthwhile for ALL Forum, focusing on ethnicity, disability and gender. This helps us keep our actions meaningful and relevant.

More information

More information on our EDI priorities: www.howdenjoinerygroupplc.com/sustainability/people-edi-and-wellbeing

EDI headlines in 2025

We launched a Women in Technology mentoring scheme to nurture female talent. Five mentoring partnerships are now well established in response to listening sessions and in support of our Gender Pay Gap action plan.



Our wellbeing strategy

Our wellbeing strategy encompasses three key elements: **financial, mental and physical.**

More information

More information on our wellbeing strategy: www.howdenjoinerygroupplc.com/sustainability/people-edi-and-wellbeing

Health & wellbeing highlights

Supporting wellbeing

Our proactive internal annual health campaign 'Know your numbers' continues to gather interest, growing from 542 participants in 2023 to 1,351 in 2025, and with a reduction in the number of employees with worrying health indicators.

We're seeing an increased openness amongst our employees to share stories and experiences on health and wellbeing topics. We marked World Menopause Day with a session titled 'Male Support Matters' where male employees shared their experiences of supporting family or colleagues during menopause. And new for 2025 was a webinar on Gambling Awareness, again strengthened by a powerful employee story.

We enhanced our wellbeing benefits with the launch of the Virtual GP service in September 2025. This service is open to all employees and their immediate family members and so far almost 700 people have accessed it. We expect to see an improvement in employee wellbeing.



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Our impact on our stakeholders

Environment

- 100%** All of our chipboard is from sustainably managed UK forests
- Zero to landfill** across our UK operations
- 1.8GWh** solar electricity generated in 2025 by our new £3.5m investment at our Howden factory. Short payback period. Further investment planned.
- 94%** of company cars are PHEV/EV as we move away from fossil fuels

Apprentices

- 14th** place in Sunday Times Top 100 Apprentice Employers 2025
- 13%** of our current employees started their Howdens career as an apprentice
- 3rd** cohort of our Chartered Management Apprentice programme launched
- £2m** of Apprenticeship Levy invested in developing worthwhile careers in 2025

Shareholders

- £117m** dividends paid in 2025
- £1bn** returned to shareholders in 5 years 2021-2025
- £100m** share buyback in 2025

The wider economy

- £480m** of tax generated or collected. Corporation tax, NI PAYE, VAT etc.
- £342m** of working capital extended to our customers in our peak trading period
- Over 550k** small business customers supported by our trade account facility in our peak trading period. No fees, up to 8 weeks to pay

Community & charity

- £81k** raised in partnership with Movember for men's health charities
- £315k** donated to support Craft & Making workshops in partnership with the National Saturday Club

People

- Over 12,000** full-time jobs with prospects. In manufacturing, in over 950 local depots, and in distribution, systems and support
- Over 970** local communities where we employ people
- £675m** salaries and benefits paid to our employees in 2025
- 11,000** members of our largest pension schemes
- 100%** of UK employees in share ownership schemes

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Task Force on Climate-Related Financial Disclosures - climate-related opportunities and risks

Our TCFD reporting

Our TCFD report begins on page 206. We set out a summary of the main strategic points from the report below.

Progress in 2025

We have made good progress in 2025. Mainly in working with suppliers to collect more, and more accurate, Scope 3 data (page 61), and also in refreshing our climate risk scenario modelling (page 210).

No identified material climate-related risks in the medium term

The results of our scenario modelling agree with the results of our existing business risk management process (described starting on page 36), in that they did not identify any material climate-related risks in the medium term (to 2030). This also agrees with the results of the work done on assessing physical climate risks (page 59).

No identified material financial impact of meeting our SBTi targets in the short term

We have examined the estimated incremental costs of meeting our SBTi targets over the short term (to 2027), and neither the incremental capex requirement nor the net annual effect on operating profit is material. We have not noted any indication of material financial impact in the medium term (to 2030), but our financial forecasting works on a 3-year cycle so we are not making any claims beyond the end of that cycle.

Summary of climate-related opportunities and risks

These are presented in more detail starting on page 211. We have mitigating actions in place for the risks, and none of the risks are regarded as a principal risk.

Opportunities	
Access to capital	A climate-resilient strategy could increase demand for our shares and/or provide access to lower-cost financing
Brand	Establishing a brand which is regarded as a leader in managing climate-related risks could lead to increased brand awareness, sales and market share, as well as increased attractiveness to employees
Cost reduction	Reductions in energy and raw material usage, as well as initiatives such as generating our own energy, will reduce costs.
Product design	Becoming a leader in sustainable product design could increase competitive advantage and market share

Risks	
Sourcing	Carbon pricing, pressure on supply chains, raw material unavailability or price increases
Operations	Physical climate-related risks
Decarbonisation of our transport fleet	Adjustments to working practices and requirement for additional investment

Resilience to physical climate risk

Using climate risk modelling to assess risk

We've done a significant amount of work to help us understand the parts of our business most at risk from physical climate change and to assess the potential financial impact.

We've used a physical risk assessment tool built on the Intergovernmental Panel on Climate Change's Recognised Climate Pathways (RCPs). We've used the tool to analyse the risk of rain, river floods, storms, sea level rises, heat, fire and drought.

The tool shows us our current exposure, and also provides insight on short (to 2030), medium (to 2050) and long (to 2100) term time horizons. It covers three separate outcomes (RCPs 2.6, 4.5 and 8.5) modelling good, intermediate and poor climate change scenarios. The tool is updated regularly to reflect the latest climate projections.

We've assessed the risks across critical sites

- 947 depots
- Our 4 manufacturing plants
- 44 of our main suppliers' factories
- 20 major distribution sites across the UK and Europe
- 11 critical infrastructure locations. Our major IT hubs and office locations
- 13 international port locations

Our analysis confirms that there are no significant physical risks

The latest assessment confirmed we have **no significant physical climate risk in the short or medium term** to our depot network, manufacturing and distribution sites or any major infrastructure components that are critical to our supply chain.

Some drought risks exist for European suppliers in the long term (by 2100) but only in the worst case climate scenario.

Strategic Report - Sustainability Matters

Our SECR and Scope 3 reporting

SECR - Emissions reporting

Total absolute carbon emissions reduced 3.3% against 2024

Emissions reporting methodology

Footprint calculations performed in accordance with the WRI GHG Protocol and market-based emissions are reported in accordance with the GHG Protocol Scope 2 Guidance - An amendment to the GHG Protocol. This report is produced in accordance with HMG Environmental Reporting Guidelines, including Streamlined Energy and Carbon Reporting (SECR). All footprint calculations are subject to internal quality checks at source data and final report stages. The intensity measure was chosen because it best shows changes in emissions relative to turnover, giving a clearer indication of carbon performance over time.

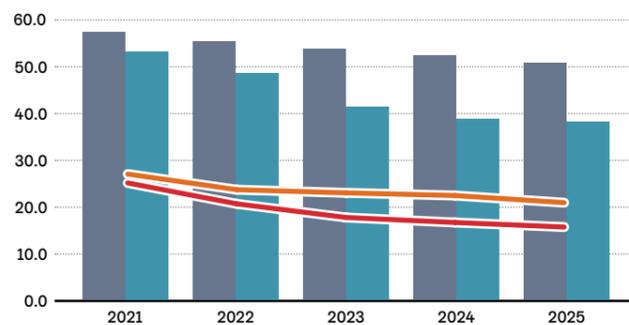
We have used the Operational Control boundary, which includes all UK and international operations. There are no process emissions within Howdens, as defined in the GHG Protocol, and fugitive emissions from air conditioning systems are omitted as they are immaterial.

	Total emissions (tonnes CO ₂ equivalent)	
	2025	2024
Scope 1 - Direct: Gas	12,913	11,489
Scope 1 - Direct: Owned Transport (LGV / Van / Car)	22,555	24,356
Scope 1 - Direct: Other fuels	1,222	1,225
Scope 1 - Direct: Biomass	-	408
Scope 1 - Direct: Total	36,690	37,478
Scope 2 - Indirect: Purchase of electricity, heat, steam or cooling: location-based	13,927	14,857
TOTAL Scope 1 and 2 Absolute Emissions: location-based	50,617	52,335
Scope 2 - Indirect: Electricity: market-based	1,343	1,205
TOTAL Scope 1 and 2: market-based	38,033	38,683
Biogenic emissions*	461	-
Turnover (£m)	2,418.0	2,322.1
Carbon Intensity ratio (tCO₂e per £m) Gross: location-based	20.9	22.5
Inflation adjusted intensity ratio (tCO ₂ e per £m) Gross: location-based	28.0	29.1
Additional Carbon Intensity ratio (tCO₂e per £m): market-based	15.7	16.7
Additional inflation adjusted intensity ratio (tCO ₂ e per £m): market-based	21.0	21.5
Energy consumption used to calculate above emissions (kWh)	295,556,579	287,276,782
Proportion of Scope 1 CO ₂ e emissions generated in the UK	98.6%	98.5%
Proportion of Scope 2 CO ₂ e emissions generated in the UK	98.5%	98.8%
Proportion of total energy consumed (kWh) in the UK	98.3%	98.2%

* As of 2025, in line with the GHG Protocol, CO₂ emissions of biogenic origin, including emissions from biomass combustion, are reported as a standalone disclosure and are excluded from Scope 1 and Scope 2 emissions totals.

SECR reporting

Our record over the past five years is shown on the chart below:



Energy efficiency initiatives

See pages 50 and 51 for examples of developments in 2024 in our manufacturing and transport operations, our most significant sources of Scope 1 and 2 emissions.

Use of renewable energy sources

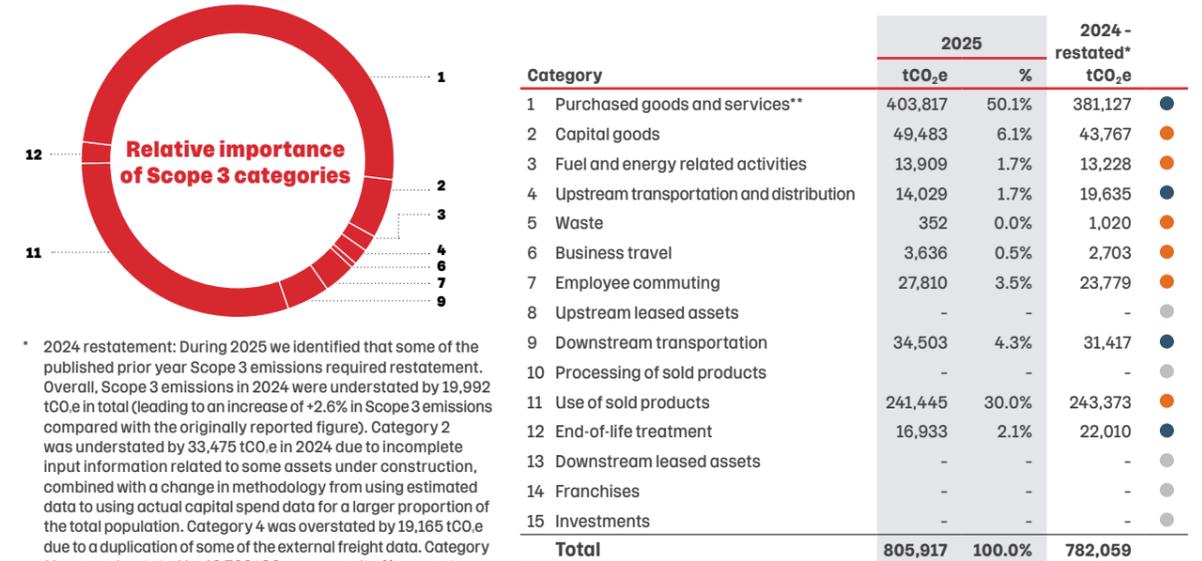
We discuss this on pages 50 and 51.

- Total Absolute Carbon emissions ('000s tCO₂e): location-based
- Total Carbon emissions ('000s tCO₂e): market-based
- Carbon Intensity ratio (tCO₂e per £m): location-based
- Additional Carbon Intensity ratio (tCO₂e per £m): market-based

Our SECR and Scope 3 reporting continued

Our UK Scope 3 emissions

As shown below and on page 49, 95% of our emissions are Scope 3, typically emissions where we have less direct control. As our ESG reporting journey matures we have assessed our prior year emissions with a focus on continuing to improve our data quality. In 2025 there have been significant improvements in our reporting procedures, including new resource and supporting technology improvements. Scope 3 has been calculated in accordance with the GHG Protocol and SBTi guidance, using primary data and actualised to give the most accurate and up-to-date picture.



* 2024 restatement: During 2025 we identified that some of the published prior year Scope 3 emissions required restatement. Overall, Scope 3 emissions in 2024 were understated by 19,992 tCO₂e in total (leading to an increase of +2.6% in Scope 3 emissions compared with the originally reported figure). Category 2 was understated by 33,475 tCO₂e in 2024 due to incomplete input information related to some assets under construction, combined with a change in methodology from using estimated data to using actual capital spend data for a larger proportion of the total population. Category 4 was overstated by 19,165 tCO₂e due to a duplication of some of the external freight data. Category 11 was understated by 13,766 tCO₂e as a result of incorrect energy consumption calculations used in deriving tCO₂e for some products. Category 12 was overstated by 8,084 tCO₂e due to inaccuracies in the timber quantity calculation and an update in the percentage allocation for timber disposal methods to align with the rates published by the Wood Recycling Association.

** Excludes indirect spend.

Key to Scope 3 data

Source of data

- Derived from data that is within our direct control or that we can more easily verify
- Derived from data that is not within our direct control or that is more difficult to verify
- Not applicable

Good progress against our 2030 SBTi targets

The first step towards our 2050 Net Zero ambition is our SBTi-approved target of a 42% reduction in Scope 1 and 2 emissions and a 25% reduction in Scope 3 emissions by 2030 (against a 2021 baseline). The graphs below show that we are making good progress towards our SBTi targets.

As noted above, we have restated some of our Scope 3 figures for 2024 and in line with SBTi target procedures, we will restate the baseline figures in 2027 to ensure that they are fully comparable.

