Corporate Governance Statement

Vanda Murray OBE
Chair

Summary

- Resilient performance supported by decisive action to drive performance improvement in Landscaping Products
- Completed "deep dive" reviews of strategic progress within our Landscaping, Roofing and Building Products segments
- Simon Bourne appointed Chief Executive Officer to intensify the execution of our strategy, leveraging his knowledge and experience
- Implemented Board succession plan, with Paul Inman appointed to succeed Graham Prothero as Audit Committee Chair on retirement and Diana Houghton to become our Senior Independent Non-Executive Director

"Responsible governance is at the heart of our culture. The Board's decisions during the last year evidence its commitment to positioning the Group for growth and market outperformance through transformation and turnaround."

Accelerating strategic execution with purpose and clarity.

Dear shareholder

The Group performed resiliently during 2025, demonstrated by our return to revenue growth, despite the prolonged challenges facing some of the markets we operate in. The Board remains focused on ensuring that the Group is well positioned to take advantage of the strength in our diversified portfolio and our attractive end markets, which will drive our long-term growth and also provide us the opportunity to benefit from structural and regulatory tailwinds. Accelerating the execution of our 'Transform & Grow' strategy will drive our performance over the medium term and will be central to the Board's work over the coming year.

2025 saw the appointment of Simon Bourne as our Interim Chief Executive Officer, with Simon's appointment being made permanent early in 2026. Simon succeeds Matt Pullen, who stepped down from the Board in November 2025. Under Matt's leadership, we successfully launched our 'Transform & Grow' strategy, and Simon's knowledge and experience of the Group, and as an established Board member, mean he is well placed to ensure we execute the strategy with purpose and clarity and take full advantage of our growth opportunities.

Throughout the year, the Board challenged and supported the decisions that underpinned our performance improvement plan in our Landscaping Products business. These included the closure of our UK-based Natural Stone Products business and further reductions in the Landscaping Products business' cost base that not only ensure capacity and demand are more closely aligned but also represent a more fundamental reshaping of the business and its leadership that should drive customer engagement and future performance. We also looked in depth at the progress each of our businesses is making with its strategic plans, which underpin our performance in the medium term.

Financial discipline as we navigate continued market uncertainty enables the application of our capital allocation policy, including organic investment in the business that will drive future growth and profitability. The refinancing of our banking facilities last November and careful management of costs, net debt and cash flow are critical parts of this. The Board has monitored these carefully whilst balancing the need to support a sustainable dividend policy.

In spite of the challenging environment in which we are currently operating, we recognise that customers who value the strengths in our business are critical to our ambition and the Board governs through not only the lens of the rules and regulations we must adhere to but also through the lens of our strategic pillars, and the standards and principles that underpin these: business excellence, leadership in ESG, and making Marshalls a great place to work. More detail on the Group's progress in these areas is set out on pages 33 to 40.

In support of this, maintaining the expertise, skills and experience on our Board ensures we can challenge and support the business in a way that gives our shareholders, customers and colleagues confidence that the decisions we make create a foundation for future success. As part of our Board succession planning, we announced in August 2025 that Graham Prothero, Senior Independent Non-Executive Director and Audit Committee Chair, will retire from the Board at the end of our 2026 AGM. Graham's sector knowledge and experience have proved invaluable in helping navigate several challenges and changes to the governance landscape over his tenure. In appointing Paul Inman as Graham's successor, we are well placed to continue Graham's excellent work and have ensured there is an orderly handover, which is especially significant as we finalise our preparation for changes to the UK Corporate Governance Code (the UK Code) that apply from the beginning of the current financial year. Paul's extensive financial, operational and leadership experience, which is set out in more detail in his biography on page 63, evidence the range of skills that he brings to the Board table as we look to take advantage of the growth opportunities that will drive our future sustainable growth. Paul has completed a tailored induction (further details of which are set out on page 83) and is now well established as a member of our Board team. In addition, Diana Houghton has agreed to take on the vital role of Senior Independent Non-Executive Director, when Graham retires, ensuring I have the challenge and support necessary to effectively lead the Board. As part of our wider succession planning, Graham has begun the process of searching for my successor, well ahead of my anticipated retirement in 2027.

As the business transforms, we continue to engage beyond our formal duties and see this as a priority as it ensures our decisions are guided by a deeper understanding of the Group's day-to-day operations. These interactions, whether through "deep dives" into the strategic plans of our brand powerhouses and growth engines, site visits or additional interactions on a one-to-one basis or with small teams, demonstrate the Board's commitment. Diana Houghton, for example, has mentored a group of site-based female engineers, sharing her extensive experience and supporting their development. Improving diversity within operational roles is something we have acknowledged as a real challenge within our sector, and this supports our commitment to being an inclusive employer that identifies development opportunities for all our colleagues. All Board members continue to engage with our people through our Employee Voice Group (EVG), with Angela Bromfield continuing to lead in this regard. This underpins the Board's commitment to assessing and monitoring our culture through engagement, as we accelerate the execution of our strategic plans during 2026, and beyond.

Corporate Governance Statement continued

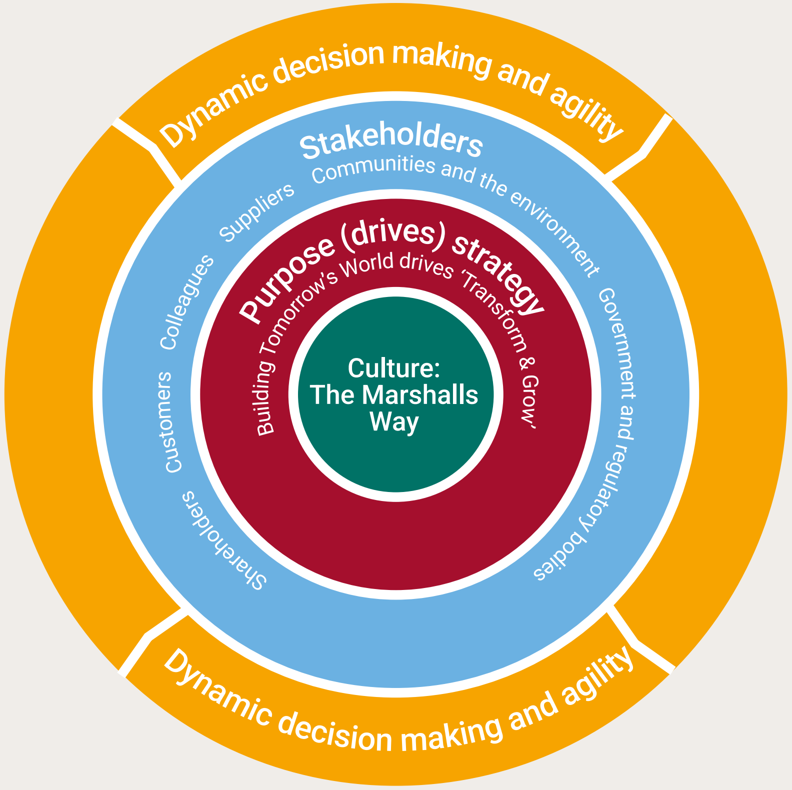
We recognise that our leadership as a Board sets the tone for the Group as a whole and gives our stakeholders confidence that we are equipped to make the decisions that will drive sustainable future growth. In addition to engaging Lintstock to facilitate an external performance review of the Board and its Committees (further details of which are set out on page 77) I engaged Russell Reynolds Associates to undertake a review of Board culture and dynamics, which has resulted in some developments in the Board's ways of working and in how we allocate time to monitoring and supporting the execution of our strategy. Further details of this review are set out on page 77. Maintaining the trust and cohesion that have defined the culture of the Board and ensure alignment on the Group's key priorities are central to our commitment to responsible governance.

The composition of the Board continues to comply with the Listing Rules that require UK listed companies to disclose on a "comply or explain" basis against set diversity targets. Details of the current composition of the Board by gender, ethnic diversity and length of service are on page 62.

The Board will continue to dynamically respond to opportunities and threats as we accelerate the execution of our strategy. Balanced decision making and open communication, reflective of our culture and purpose, are what "good governance" means to Marshalls. This is central to our application of the UK Code, including the changes that apply to the financial year ended 31 December 2025 and those that we will adopt during 2026.

This Corporate Governance Statement explains how Marshalls' governance framework supports the principles of integrity, strong ethical values and professionalism which are integral to our business.

The Board recognises that we are accountable to shareholders for good corporate governance. This report, together with the Reports of the Nomination, Audit, Remuneration and ESG Committees on pages 79 to 112, seeks to demonstrate our commitment to high standards of governance that are recognised and understood by all.



Governance at Marshalls

Our **culture** is at the heart of everything we do: The Marshalls Way. Our **purpose** drives our **strategy**. These operate as a virtuous circle with regular reflection by the Board and the business. The operation of our business and the decisions we make have regard to the interests of our **stakeholders**. This approach to governance enables **dynamic decision making and agility** but ensures we never lose sight of the elements within that drive sustainable long-term growth.

Our governance framework

Programme of activities

Board →
- Board meetings
- AGM
- Strategy execution
- Business and stakeholder engagement
- Designated NED for employee engagement
- Shareholder engagement on strategy, performance and governance
- Applying UK Code principles

Audit Committee Read more on **pages 84 to 89**
Nomination Committee Read more on **pages 79 to 83**
Remuneration Committee Read more on **pages 92 to 112**
ESG Committee Read more on **pages 90 and 91**
→
- Committee meetings
- AGM
- Chief Executive transition

Executive Committee →
- Monthly meetings
- Weekly update calls
- Strategy implementation and review

ESG Steering Committee
Group businesses
Employee Voice Group Read more on **page 33**
→
- Monthly business reviews
- Bi-monthly ESG Steering Committee meetings
- Regular EVG meetings

Corporate Governance Statement continued

Activities in 2025

Activity	Outcome	Link to strategy
Performance: Landscaping Products improvement plan	Following our comprehensive review of performance within Landscaping Products, encouraging progress has been made with the structural transformation that provides a foundation for its future profitability, and the Board continues to carefully track performance in the short term and will monitor execution of the medium to long-term growth plan within our 'Transform & Grow' strategy.	Customers who value our unique set of capabilities Business excellence Leading brands
Governance: financial discipline, robust Balance Sheet and liquidity	In a year of significant change and continued market challenges, the Board has overseen a return to revenue growth, with disciplined stewardship safeguarding liquidity, cash generation and capital discipline, underpinning the Group's resilience. Continued focus on cash flow resulted in strong cash conversion, controlled year-end leverage and helped us maintain our robust Balance Sheet. The Group also has significant liquidity to fund its strategic and operational growth plans through the recent successful £270m refinancing of its banking facilities.	Business excellence
Governance: leadership transition	The Board, with support from the Nomination Committee, Chief People Officer, Company Secretary and independent external search consultants, managed the appointment of Simon Bourne, initially as Interim and then permanent Chief Executive Officer after Matt Pullen stepped down in November 2025. Simon's appointment reflects his extensive business, leadership and Board experience and supports our focus on execution as the Group seeks to intensify its delivery of the 'Transform & Grow' strategy.	Great place to work Customers who value our unique set of capabilities Business excellence
Governance: succession of Audit Committee Chair and Senior Independent Non-Executive Director	We have managed the succession of Graham Prothero (who retires at the end of this year's AGM) as Audit Committee Chair and Senior Independent Non-Executive Director. Paul Inman joined the Board as a Non-Executive Director and Audit Committee Chair designate, and Diana Houghton will take on the important role of Senior Independent Non-Executive Director when Graham retires. The skills and experience that both Paul and Diana bring to their roles are invaluable to the Board.	Business excellence Great place to work Leadership in ESG
Strategy: brand powerhouses, growth engines, business excellence and great place to work	We have completed reviews of strategic progress by our brand powerhouses and growth engines (as described on pages 12 and 13), recognising the need to drive execution at pace, supporting our growth in the medium term. With our recently appointed Chief Information Officer, Marie Banks, we have considered progress with the development of our technology strategy, including a review of the Group's Enterprise Resource Planning (ERP) systems, and decided to pause the rollout of phase 2 of Microsoft Dynamics 365 so we can consider future technology needs across the entire Group.	Customers who value our unique set of capabilities Leading brands Business excellence
Governance: impact of changes to the UK Code	The Group continued its preparation for implementing changes to the UK Code, particularly those relating to internal controls. This included reviewing the design, operation and effectiveness of the Group's control frameworks and environment to ensure that they continue to be robust and the identification of material controls. Further details are set out in the Audit Committee Report on page 86.	Leadership in ESG Business excellence
Governance: ESG Committee	The ESG Committee is focused on providing oversight and supporting the delivery of the ESG strategy. During 2025, the Committee critically reviewed our updated ESG framework and its alignment with our purpose, Building Tomorrow's World, and our 'Transform & Grow' strategy. Further details are set out in the ESG Committee Report on pages 90 and 91.	Leadership in ESG Carbon leadership
Governance: capital allocation policy	Against continued market uncertainty, the business maintained strong cash generation and financial discipline and efficiently managed borrowings, finance costs and ultimately leverage, supporting the Board's decision to maintain dividend cover in line with our current capital allocation policy. The Board's approval of the refinancing of the Group's banking facilities during 2025 ensures we can continue to invest in organic growth opportunities that will help us achieve our strategic goals.	Business excellence
Governance: externally facilitated Board performance and culture reviews	With the support of Lintstock, we completed an externally facilitated Board and Committee performance review. Working in collaboration with the Chief Legal Officer and Company Secretary, Lintstock designed bespoke questionnaires that built on key objectives from the previous year's internal review. Further details are set out on page 77. Working with Russell Reynold Associates, we conducted a review of Board culture and dynamics with the findings reflected in future Board planning and directed at ensuring the Board operates as a high-performing team.	Leadership in ESG Great place to work

Corporate Governance Statement continued

Priorities in 2026

Activity	Outcome/activity	Link to strategy
Strategy: accelerated execution of 'Transform & Grow'	The Board will support and challenge the pace at which the business is executing its strategy, which will include greater assurance on what is being prioritised and how performance is being measured.	'Transform & Grow' Great place to work
Performance: Landscaping Products transformation	The Board will carefully monitor the turnaround and transformation in Landscaping Products, including the improvement in its profitability.	Customers who value our unique set of capabilities Leading brands
Performance: economic outlook and market dynamics	The Board will continue to carefully monitor market and sector dynamics ensuring the business is well placed to take advantage of the strength of our diversified product portfolio.	Customers who value our unique set of capabilities Business-wide excellence
Governance: Board succession	The Board will support Simon after his recent appointment as Chief Executive Officer and implement our Chair succession plan, reflecting on the skills, knowledge and experience we need to drive our strategic goals and maintain a Board culture that gives all our stakeholders confidence that we can make the decisions that will drive sustainable long-term growth, whilst navigating the risks the businesses faces.	Great place to work Leadership in ESG
Strategy: attracting and retaining talent	The Board will consider the Group's evolved people strategy that will underpin 'Transform & Grow'. Ahead of this, the Board will consider current leadership and talent development within the Group and challenge whether these will help us create the next generation of leaders within the Group. Making Marshalls a great place to work is vital in attracting, motivating, developing, progressing and retaining diverse talent and to fostering a performance driven culture.	Business excellence Great place to work
Governance: Directors' Remuneration Policy review in 2026	Following our extensive consultation with major shareholders, other key stakeholders and advisory bodies, we will finalise and table our proposed new Directors' Remuneration Policy for approval by our shareholders at our 2026 AGM.	Business excellence Great place to work Leadership in ESG
Governance: effectiveness of risk management and internal control framework	Following the extensive preparatory work undertaken by the Group ahead of the changes to the UK Code, the Audit Committee, on behalf of the Board, will continue to monitor the effectiveness of the Group's risk management and internal control frameworks, providing appropriate challenge where necessary. This will cover all material controls and will include consideration of the Group's work in applying Provision 29 of the UK Code and the assurances the Board will provide to shareholders.	Leadership in ESG Business excellence
Governance: ESG Committee	The ESG Committee will continue to oversee the ESG strategy, with a focus on how our ESG framework, Built for the Future, is resonating with our customers and whether they value the differentiation in our product offer.	Leadership in ESG Carbon leadership
Governance: internal Board performance review	With the support of the Company Secretary, we will conduct a Board performance review to reflect on performance and progress against the objectives identified in our externally facilitated review in 2025.	Leadership in ESG

Corporate Governance Statement continued

ESG priorities

Our ESG framework, Built for the Future, has been considered in line with our 'Transform & Grow' strategy and ensures a clear link to our strategic objectives. Carbon leadership within each of our divisions is one of the Group's core strategic pillars and is underpinned by our leadership in ESG governance and standards – something we have prioritised and championed for more than 20 years.

A report of the work of our ESG Committee is set out on pages 90 and 91 and a summary of how our ESG activities are governed is on page 90.

Operating responsibly and sustainably is a foundation of our business and pages 31 to 40 of the Strategic Report include further detail on how this is represented in our day-to-day business operations and the outcomes this drives. Stakeholder trust is built on the actions we take and our ESG commitments and credentials demonstrate this.

- **Environmental** – we take our environmental impact seriously. We have a clear science-based SBTi approved net-zero target across all emission scopes by 2050. This covers the whole of the Group. Carbon leadership is a core pillar of our 'Transform & Grow' strategy
- **Social** – we have a comprehensive human rights due diligence programme across our high-risk supply chains, including solar. Respect for the rights and wellbeing of employees, their families and the wider communities in which we operate will be central to the social value programme we are developing
- **Governance** – leadership in ESG governance and standards underpins our strategy. We aim to ensure that our processes and controls enable us to operate ethically and responsibly

▶ **For further details see our ESG Committee Report on pages 90 and 91 and the Sustainability section within our Strategic Report on pages 31 to 40**

ESG oversight

The Board

ESG Board Committee

Board-level oversight of ESG strategy and ESG risk management, including climate-related risks and opportunities

Executive Team

- The Chief Executive Officer is ultimately accountable for the delivery of the ESG strategy that underpins both our carbon leadership and our leadership in ESG governance and standards
- The Chief Legal Officer and Company Secretary has responsibility for day-to-day oversight of our ESG strategy including the ESG Steering Committee
- The Executive Team members are individually responsible for reviewing and confirming risks in their own areas, including climate-related risks

ESG Steering Committee

- Chaired by the Chief Legal Officer and Company Secretary and attended by Chief Executive Officer and CFO
- Responsible for ensuring the ESG strategy remains fit for purpose, plans are in place and progress is measured and reported
- Advises the Board on ESG-related risks and opportunities

Group risk management

- Responsible for implementing the Group risk management framework and Risk Register
- See risk management framework and governance on pages 52 to 54

ESG delivery team

- Responsible for driving progress along our plans, including science-based targets
- Updates the ESG Steering Committee and the ESG Committee on progress against targets

Operational teams

- Responsible for managing and resourcing approved activities that drive carbon and ESG leadership
- Advise on operational feasibility of projects
- Collaborate on ESG and sustainability projects

Supported by

- ESG metrics
- ESG Board updates
- Shareholder engagement
- ESG reporting

- Risk Register
- Climate-related risks and opportunities
- Climate Disclosures Working Group
- Sustainability Report

- Science-based targets
- Metrics and targets

Corporate Governance Statement continued

Safety and agility at the heart of how we work

Reviewing health and safety performance and practices remains core to the Board's agenda, being reviewed at every scheduled Board meeting. Our performance over the last year evidences the progress we have maintained. Our Chief Executive Officer is responsible at Board level for health and safety and his operational experience means he has a deep understanding of the risks we face and how to drive improvements in our health and safety culture. Ultimately, we want all colleagues to always look out for each other's safety, to celebrate good behaviours and performance, to share good practice and improvement ideas and to invest in systems, processes and equipment that ensure our colleagues get home safely and injury free after each working day. Further details are set out on page 35.

Flexibility and agility in working practices remain an important tool in attracting and retaining diverse talent, but this must be balanced with the developmental benefits, particularly for colleagues in new roles or just joining the business, of collaborating with their teams in person. The Board actively monitors the Group's culture, with the Employee Voice Group (EVG) being a key enabler for this, in addition to the colleague engagement surveys we commission and the other ways in which the Board engages with the business. At its core, Marshalls is a manufacturing business, and we must be mindful of this and recognise that many of our colleagues do not have the option of working flexibly. We use technology to improve agility and reduce costs and our carbon footprint, but not at the cost of driving our culture and ensuring colleagues feel Marshalls is a great place to work.

The Board and Committees continue to hold all scheduled meetings in person and have taken the opportunity, where our sites can accommodate, to combine Board meetings with site visits, which provide insight into our culture across the Group. The Board continues to leverage technology when we need to meet at short notice or if there is business need, for example to manage the transition between Chief Executive Officers last November.

The good practices we have adopted over the last few years make us more agile and ensure the Board is there when the business needs it most. This has been evident with the challenges the business has faced during the last year. This not only improves our control environment but facilitates the dynamic decision making that is central to the way the Board governs and to how the senior management team operates the business. The Board sets the culture for effective risk management and, together with the senior management team, ensures that we are having regard to our key stakeholders when making decisions.

Diversity

Although we have increased female representation across the Group, and have a very active and successful apprenticeship programme, making our business more representative of the communities in which we operate, and taking advantage of the opportunity greater diversity presents, remains an area of challenge and one where there is more work to do. The Nomination Committee Report on pages 79 to 83 sets out the measures we have in place, with our focus being on inclusivity across the Group. The evolution of our people strategy during 2026, whilst presenting an opportunity to shape our future ambition in this area, will need to balance our aspiration with the challenges of the sector we operate in, particularly when it comes to diversity in our operational teams.

At Board level, gender diversity was maintained during 2025. Including me, a female Chair, we have 50% female representation on our Board overall and one Director from an ethnic minority background.

Board performance review

As required by the UK Code, we conducted an externally facilitated Board and Committee performance review during 2025, led by our Chief Legal Officer and Company Secretary and facilitated by Lintstock. In addition, with the support of Russell Reynolds Associates, we carried out a review of Board culture and dynamics, recognising that the Board continuing to operate as a high-performing team is critical to our ability to take advantage of our near and long-term strategic opportunities. Further details of these reviews are set out on page 77.

Responsibility Statement

In the opinion of the Directors, these annual Financial Statements present a fair, balanced and understandable assessment of the Group's position and prospects and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The respective responsibilities of the Directors and the auditor in connection with the Financial Statements are explained in the Statement of Directors' Responsibilities and the Auditor's Report on pages 115 and 116 and 117 to 123.

The Strategic Report was approved by the Board and signed on behalf of the Board.

Vanda Murray OBE
Chair
16 March 2026

Corporate Governance Statement continued

Compliance Statement

This Corporate Governance Statement has been prepared in accordance with the principles of the UK Corporate Governance Code dated January 2024 (the UK Code) which applies to the financial year 2025. We have complied with the principles and provisions of the UK Code throughout 2025. The UK Corporate Governance Code is available at www.frc.org.uk.

Our governance sections over the following pages explain how the Group has applied the principles throughout the year and up to the date of this Annual Report.

1 Board leadership and Company purpose

▶ Read more on pages 72 and 73

- A very experienced female Chair who provides pragmatic leadership, and drives inclusive and robust debate and dynamic decision making, all with the purpose of driving the long-term sustainable success of the Group
- Experienced Board with a good balance of technical and industry knowledge and experience and a demonstrable ability to address both the critical issues facing the Group in the near term and its long-term sustainability
- 2025 focus on transformation and turnaround in Landscaping Products, Board succession and the appointment of a new CEO, monitoring execution of our strategy, core business performance and cost and cash management
- Our culture, The Marshalls Way, and purpose, “Building Tomorrow’s World”, guide our strategy and decision making and the way the business is operated and controlled

2 Division of responsibilities

▶ Read more on pages 74 and 75

- Open and transparent communication and information drive trust and support dynamic decision making
- Relationship between Board and senior management team underpinned by regular engagement. Chair and Chief Executive Officer supplement an already strong relationship as we intensify the execution of our strategy
- Robust challenge and support provided and well received by management, all evidenced in the reviews of the culture and performance of the Board conducted during the last year
- Clear, proportionate decision-making parameters balance Board control and operational flexibility, with clear and timely information supporting the effective and efficient functioning of the Board

3 Composition, succession and evaluation

▶ Read more on pages 76 and 77

- Balanced Board with breadth of experience, knowledge and skills, with focused effective succession planning sustaining this
- Majority of independent Directors and experienced Committee Chairs
- Succession plan with robust procedure for appointments supported by experienced external search consultants
- Externally facilitated performance review reflecting on Board performance during 2025 and including assessment of how the Board addressed objectives from the 2024 internal review. Recommendations reflected in Board planning for 2026
- Engagement with shareholders on performance and governance, which during 2025 centred on performance, Remuneration Policy and leadership change

4 Audit, risk and internal control

▶ Read more on page 78

- Clear oversight of external and internal audit functions and planning, including key areas of audit focus and ensuring internal audit planning addresses key risks and controls
- Effective oversight of internal control environment, and the programme of work to assess and test the design, completeness and effectiveness of the Group’s control framework, including how this satisfies the requirements of Provision 29 of the UK Code, which will apply to the 2026 reporting year
- Detailed consideration of our reporting under TCFD and prospective requirements under other emerging standards
- Ensuring effectiveness of the Group’s risk management framework and participating in the risk review process, including a NED only risk assessment
- Maintaining the improvement in the processes by which we ensure we act upon recommendations and monitor outcomes, allowing us to continuously improve
- Oversight of financial reporting, including judgements made in preparing this Annual Report and Accounts and notably those relating to management override of controls, our goodwill impairment review and disclosure of adjusting items

5 Remuneration

▶ Read more on page 78

- Overseeing the review of our Directors’ Remuneration Policy and comprehensive engagement with shareholders and other key stakeholders on proposed changes
- Reviewing incentive scheme targets, ensuring they support attraction and retention of talent, drive good behaviours and create alignment with stakeholder interests
- Appropriate and proportionate consideration of performance and reward outcomes

Corporate Governance Statement continued

Compliance Statement continued

Role of the Board

The Board currently comprises an independent Non-Executive Chair, four independent Non-Executive Directors and two Executive Directors. Their biographical details are on pages 62 and 63.

Our Schedule of Matters Reserved for the Board (summarised opposite) is reviewed annually and is available on our website. It ensures we retain an appropriate balance between Board oversight and the day-to-day running of the business.

Delegation to Board Committees

The Audit Committee Report on pages 84 to 89 provides details of the Board's application of UK Code principles in relation to financial reporting, audit, risk management and internal controls.

The Nomination Committee Report on pages 79 to 83 reports on how Board and senior management composition (including diversity), succession and development are managed to reflect UK Code principles.

The Remuneration Report on pages 92 to 112 explains how the Group's current Remuneration Policy has been implemented and the changes we are proposing to the Policy that we will be asking shareholders to approve at our 2026 AGM. It sets out Directors' remuneration outcomes for 2025 and also provides gender pay and balance information.

The ESG Committee Report on pages 90 and 91 explains how the Committee has provided oversight and support for the Group's ESG strategy and the ESG Steering Committee (which comprises certain members of the senior management and ESG delivery teams).

Ad hoc Board Committees are established for specific purposes: for example, during 2025, Board Committees were established to approve the preliminary and half year results and our trading update in July; and to approve the appointments of Simon Bourne as Interim Chief Executive Officer, Paul Inman as Non-Executive Director and Audit Committee Chair designate, and Diana Houghton as our Senior Independent Director with effect from the end of our 2026 AGM.

Delegation to the Executive Directors and management

The day-to-day management of the business and the execution of the Group's strategy are delegated to the Executive Directors.

The Group's reporting and governance structure (see page 65) and controls below Board level are designed so that decisions are made by the most appropriate people in an effective and efficient manner.

In deciding what is "appropriate" for these purposes, we consider the scale and complexity of our business and reflect how these have developed over time.

Business management teams report to the Executive Team, which comprises the senior management team, including the two Executive Directors. The Executive Directors, members of the Executive Team and business management teams give regular briefings to the Board in relation to strategic progress and specific business issues and developments.

Clear and measurable KPIs are in place to enable the Board to monitor progress. This structure, our controls and open and transparent information and communication enable the Board and its Committees to make informed decisions on key issues, whilst having regard to the interests of all our key stakeholders. These include the execution of our 'Transform & Grow' strategy, remuneration, financial reporting and capital structure, internal control and risk frameworks and risk appetite.

Corporate Governance Statement continued

Compliance Statement continued

1 Board leadership and Company purpose

Leadership and purpose

Intensifying the execution of our strategy, whilst facing into prolonged uncertainty in our end markets, requires strong leadership and engagement guided by our purpose of Building Tomorrow's World. The transformation and turnaround in Landscaping Products is progressing well and provides a foundation for an improvement in profitability but required the Board and the Executive Team to take decisive strategic action during the last year, guided by The Marshalls Way. These actions included ceasing our UK quarried natural stone operations and commencing a network optimisation programme which more closely aligns our manufacturing operations with customer demand. Whilst these actions are aimed at ensuring we are well positioned to capitalise on a market recovery in this segment, the Board was mindful of the impact on our colleagues and our culture, even though these actions represented the execution of our strategy. Our resilient performance during 2025 and the strength in our diversified product portfolio provide a platform for future growth.

Simon Bourne's appointment as Chief Executive Officer supports our desire to unlock, at pace, the future growth and shareholder value creation opportunities our strategy presents. Simon's knowledge and experience of the Group, our customers, our operations and importantly our people ensure he is well placed to deliver this value which will, in turn, be shared with our colleagues. Ensuring our Board culture facilitates both challenge and support to Simon and the Executive Team means we can leverage the Board's knowledge, skills and experience, which our succession planning seeks to maintain.

As we do each year, the Board, Executive and business management teams have undertaken a detailed review of our strategic progress under 'Transform & Grow' and remain confident that disciplined execution will improve performance in the current market and position us well as demand improves. The Executive Directors have engaged with colleagues across the Group in a series of roadshows to build alignment and momentum behind the objectives we have set ourselves and to help them understand the vital part they play in helping us achieve these.

The Board uses all channels available to it to ensure the Company's purpose, values and strategy are aligned with our culture. Our established EVG, which continues to evolve, is a conduit for this, and the Directors can choose any other engagement mechanism that fits a particular need. During 2025, Directors also engaged through site visits and by meeting members of our EVG, business management teams, and other aspiring leaders more informally. Directors also engage in one-to-one meetings with senior leaders in a mentoring capacity or where their specific knowledge and experience can support the development of those leaders or a particular project or strategic challenge they are addressing. Avis Darzins, for example, has engaged with our new Chief Information Officer, Marie Banks, on technology developments and our ERP strategy and Diana Houghton has mentored a group of site-based female engineers. All Directors share details of their engagement with the business at each Board meeting, which supports a deeper understanding of our people and operations. This engagement supplements updates received at Board and Committee meetings throughout the year. The Board's continuing engagement with the businesses has informed its decision making and enabled the Board to monitor the Group's culture.

We engaged extensively with shareholders throughout the year as we navigated significant change and business performance challenges driven by subdued end markets. We are confident that the progress we have made with our improvement plan for Landscaping Products and Simon's appointment as Chief Executive Officer will help to rebuild shareholder trust and enable us to drive the strategic progress that will build shareholder value in the medium term. In addition to our engagement at the time of our full year and half year results, we consulted with shareholders after our trading update in July and after Simon was appointed Interim Chief Executive Officer in November. We also consulted key shareholders on proposed changes to our Directors' Remuneration Policy that will be voted on at our 2026 AGM. We have shared shareholder feedback with the Board and, where relevant, our wider business management teams so they can reflect on this in the execution of their strategic plans and how they operate from day to day. This approach supports balanced and dynamic decision making at Board level, and by our senior leaders within the business.

Our Strategic Report on pages 1 to 61 explains how we seek to fulfil our purpose, how this is supported by our policies and procedures, and how we identify, monitor and manage our key risks.

Maintaining an open Board culture with trust and transparency between management and the Board will build confidence in how the business is operated and controlled and how performance is measured. The time invested by the Board, not only in preparation for and attendance at meetings and in engaging with the business, but also through participation in the externally facilitated performance review and the separate review of Board culture and dynamics, demonstrates the Board's commitment to operating as a high-performing team This commitment underpins our Board culture and decision making. It will support and challenge the execution of our strategy, holding management to account as we seek to maintain our resilience today and take advantage of the opportunities to grow sustainably, which are driven by our diversified product portfolio and our exposure to scale markets with long-term growth drivers. Dynamic decision making enabled us to recognise the need to refocus the business and intensify the execution of our strategy.

The reports of our Board Committees give further detail on how our policies and processes, and the principles of the UK Code, have been applied during the year in particular areas and how this relates to our culture and strategy.

Our ESG framework, Built for the Future, is driven by our commitment to operate the business sustainably. Our ESG Committee oversees, supports and challenges the work driving our carbon leadership strategic pillar, which is underpinned by our commitment to leadership in ESG. Our ESG Committee Report on pages 90 and 91 and pages 31 to 40 in the Strategic Report set out further details of our activities during the last year.

Corporate Governance Statement continued

Compliance Statement continued

Leadership and purpose continued

We continue to support investment in the business, with the focus on investment that delivers the most value. Whilst our commitment to continuous improvement remains, we ensured that capital expenditure plans during the last year were aligned with demand and the need to maintain cost discipline.

The Board receives regular updates from the Executive Directors on the agreed KPIs set out on pages 17 and 18 that enable it to assess performance against the targets the Group sets itself. As we intensify the execution of our 'Transform & Grow' strategy, the information the Board receives is being enhanced to ensure the Board can track progress with the live projects that support this and see how they are being prioritised. This directly addresses feedback received as part of the externally facilitated Board performance review and will allow the Board to assess whether the projects will deliver the performance and value expected.

Our EVG is firmly established as an effective and representative colleague engagement forum. Attendance by our designated Director for employee engagement, Angela Bromfield, and other members of the Board and senior management team at our Group-level EVG ensures the Board understands how the actions we take are impacting colleagues and our culture and, where appropriate, how effective they are. It also allows the Board to assess general engagement levels and the correlation with our people related risks, for example our ability to attract and retain talent. During 2025, the EVG focused on supporting colleagues through change and gaining a deeper understanding of 'Transform & Grow' and the role they play in communicating this across the Group. The EVG also supported the launch of our new colleague communication platform, Buzz, and with the behavioural change programmes our health and safety team is implementing across the Group. Membership of our Group-level EVG was refreshed in 2025, providing an opportunity to expand its reach and widen representation from across the Group. This ensures that the Board and management have a broad a picture of what is important to our people and how they are feeling and also gives our EVG members the opportunity to challenge our approach.

Further details of how we engage with employees are set out on page 29.

Good governance is supported at Marshalls by robust systems and processes and a good understanding of risk and risk appetite. The Group's internal control and risk management frameworks are reviewed annually and have been critically reviewed during the year. We review our Risk Register at least twice a year and our internal audit plan factors in the results of these reviews. The Board and the Audit Committee receive periodic reports from the internal auditor on a range of topics each year that are given careful consideration by the Audit Committee.

Further details of our approach to risk identification and management and internal controls are set out on pages 52 to 60 and 88 and 89 respectively.

The Board remains confident the Group's application of the UK Code principles during 2025 will drive its long-term sustainable success by providing a platform to implement the Group's 'Transform & Grow' strategy and fulfil its purpose of Building Tomorrow's World.

Conflicts and concerns

The Board maintains a conflicts register that identifies situations in which conflicts may arise, which is reviewed regularly. In situations where an actual conflict is identified, the affected Director may be excluded from participating in relevant Board meetings or voting on decisions. There is no shareholder with a holding of sufficient significance to exercise undue influence over the Board or compromise independent judgement.

Concerns about the running of the Company or proposed action would be recorded in the Board minutes. On resignation, if a Non-Executive Director did have any such concerns, the Chair would invite the Non-Executive Director to provide a written statement for circulation to the Board.

Whistleblowing

The Group's Serious Concerns Policy sets out the principles under which employees can raise concerns in confidence. This is supported by an independent whistleblowing telephone and online reporting service, through which concerns may be reported anonymously if preferred. The Audit Committee receives reports on matters raised under this policy and the outcome of investigations. Any concerns raised are investigated appropriately by individuals whose judgement is independent and who are not directly involved with the matters raised.

Corporate Governance Statement continued

Compliance Statement continued

2

Division of responsibilities

Roles and division of responsibilities

There is a clear division between Executive leadership and leadership of the Board expressed in the written Terms of Reference of the Chair and Chief Executive Officer.

Chair	The Chair leads the Board and is responsible for its overall effectiveness. She was independent on appointment in 2018 and brings her judgement, experience and skills to the role. Our externally facilitated Board performance review assessed the Board's performance during 2025, Board composition and succession, the Board's strategic oversight and the Board's strengths and development areas. The review concluded that, during 2025, the Board performed well in a challenging year and there was a high degree of alignment on the key issues facing the Group and the importance of driving performance and the execution of the Group's strategy. A separate review, commissioned by the Chair, focused specifically on assessing Board dynamics and culture and the importance of maintaining and developing these.
Chief Executive Officer	The Chief Executive Officer has responsibility for all operational matters which include the implementation of strategy and decisions approved by the Board.
Senior Independent Director	The Senior Independent Director provides a sounding board for the Chair and also acts as an intermediary for other Directors and shareholders.
NED independence	The Board has determined each of the Non-Executive Directors to be independent in accordance with Section 2, Provision 10 of the UK Code.
Evaluating performance	At least once a year the Chair meets the Non-Executive Directors without the Executive Directors being present. The Senior Independent Director meets the other Non-Executive Directors annually without the Chair to appraise the Chair's performance.
No overboarding	On appointment, the expected time commitment for Board members is made clear. The Chair and other Non-Executive Directors disclosed their other commitments prior to appointment and agreed to allocate sufficient time to the Company to discharge their duties effectively and ensure that these other commitments do not affect their contribution. The current commitments of the Chair and other Directors are shown on pages 62 and 63.

Board meetings and attendance*

Key = 👤 Present	Board	Audit Committee	Remuneration Committee	Nomination Committee	ESG Committee
Vanda Murray OBE (Non-Executive Chair)	👤👤👤👤👤👤👤	–	👤👤👤👤👤👤👤👤	👤👤👤👤	👤👤👤
Matt Pullen	👤👤👤👤👤	–	–	–	👤👤
Justin Lockwood	👤👤👤👤👤👤👤	–	–	–	👤👤👤
Simon Bourne	👤👤👤👤👤👤👤	–	–	–	👤👤👤
Graham Prothero (Non-Executive)	👤👤👤👤👤👤👤	👤👤👤👤	👤👤👤👤👤👤👤	👤👤👤👤	👤👤👤
Angela Bromfield (Non-Executive)	👤👤👤👤👤👤👤	👤👤👤👤	👤👤👤👤👤👤👤👤	👤👤👤👤	👤👤👤
Avis Darzins (Non-Executive)	👤👤👤👤👤👤👤	👤👤👤👤	👤👤👤👤👤👤👤👤	👤👤👤	👤👤
Diana Houghton (Non-Executive)	👤👤👤👤👤👤	👤👤👤👤	👤👤👤👤👤👤👤	👤👤	👤
Paul Inman (Non-Executive)	👤👤	👤	👤👤	–	👤

* The Board held seven scheduled meetings during the year. In addition to these scheduled meetings, the Board convened for shorter virtual meetings on three other occasions to address specific matters arising at those times.

The Chair, Chief Executive Officer and Chief Financial Officer are not members of the Audit Committee but normally attend Audit Committee meetings by invitation. The Non-Executive Directors also meet the external auditor in private.

The Chief Executive Officer and Chief Financial Officer attend Remuneration Committee meetings by invitation. The Chief Executive Officer also attends the Nomination Committee by invitation. The Company Secretary attends Board and Committee meetings as Secretary. Board members also participate in the Group's annual strategy review with the senior management team, which during 2025 was held in June. In addition, the Board participates in site visits, training sessions, the EVG and other business activities where they have relevant expertise and experience.

Matt Pullen stepped down as Chief Executive and from the Board on 27 November 2025. Matt was unable to attend the Board meeting and ESG Committee in May 2025 due to ill health.

Paul Inman joined the Board and all of its Committees on 15 September 2025. His attendance reflects this.

Diana Houghton was unable to attend the January Board and Committee meetings due to unforeseen events in her capacity as Group Head of Strategy and Communications at Smiths Group.

Corporate Governance Statement continued

Compliance Statement continued

Board meetings

There is an established format and programme for scheduled Board meetings, which were all held in person last year.

This programme is supported by a forward-looking planner that focuses on Board business for the year ahead and ensures an appropriate balance between the Board's consideration of strategy, performance and governance. The Chair, Chief Executive Officer and Company Secretary review this planner on a regular basis to ensure it reflects current business priorities alongside our strategic plan and any recommendations from internal and externally facilitated Board performance reviews. During 2025, this enabled dynamic consideration of performance in our Landscaping Products business, the acceleration of network optimisation under our 'Transform & Grow' strategy, our decision to exit our UK quarried natural stone operations and leadership change.

For 2026, our planner supports clear Board oversight of the accelerated execution of our strategic plans, including the performance driven by the implementation of our Landscaping Products improvement plan and consideration of our revised people strategy.

The Chief Executive Officer and the Chief Financial Officer report on strategic, financial, and commercial and operational performance respectively at each Board meeting. The Chief Executive Officer also updates the Board, at each meeting, on wider industry, sector and competitor considerations that are relevant to ensuring that decision making has regard to all stakeholder interests.

As Chief Executive Officer, Simon also reports to the Board on health and safety, including the progress of our health and safety strategy. Health and safety is prioritised, reported on and considered on a standalone basis at every scheduled Board meeting. The safe operation of our sites, our safety culture and any incidents or accidents at our sites are constantly monitored. Everything we do in respect of health and safety is guided by The Marshalls Way, i.e. "we do the right things, for the right reasons, in the right way".

In addition to the standing items on the Board's agenda, the principal areas of focus considered by the Board in 2025 were:

Strategy

- Execution of 'Transform & Grow' strategy, including updates from each of our brand powerhouse and growth engines
- Updates on implementation of strategic projects through our Strategic Project Management Office
- Standalone review of Landscaping Products improvement plan including network optimisation
- Exit from our UK quarried natural stone operations
- 2026 budget
- Technology including ERP roadmap and cyber maturity and resilience
- Group vision, purpose and brand architecture
- People and culture, including reward, succession and talent development
- Debt refinancing
- Logistics update
- Asset disposals: surplus real estate assets
- Capital structure and dividends
- Market, sector and competitor updates and outlook
- Broker and financial adviser updates
- Defence strategy and planning

Operations

- Health and safety
- Supply chain, procurement and logistics performance
- People: culture, engagement and morale

Governance and risk

- Interim and final results and dividends
- Leadership change
- Board composition and succession
- Externally facilitated Board, Committee, Chair and individual Director performance review
- EVG feedback and NED engagement
- Policy reviews in accordance with matters reserved for the Board
- Whistleblowing
- Stakeholder engagement
- AGM voting and guidance

Corporate Governance Statement continued

Compliance Statement continued

3

Composition, succession and evaluation

Our Nomination Committee leads our transparent and formal process for appointments to the Board, supported by our Chief People Officer and Company Secretary. Additional rigour is provided by specialist independent executive search firms we engage to ensure we are able to maintain and develop the skills, experience and knowledge required by the UK Code and which will support the execution of our strategy. Board succession planning is reviewed at least annually by the Nomination Committee, while senior management succession planning at Executive level is reviewed by the Board with the support of our Chief People Officer.

During 2025, the Board, guided by the Chief Executive Officer and our Chief People Officer, considered senior management succession, both in the context of the execution of our strategic plan and the level of business change this is driving, including the transformation in our Landscaping Products business. Talent management, including our talent quality, mobility and retention, is challenging when facing a prolonged period of market uncertainty and our focus has been on ensuring we have the right people to underpin our current resilience and who can drive sustainable growth in the future.

The Board also received an update on talent management and succession for our leadership tiers beyond the senior management team, including our business management and functional senior leaders. Our Risk Register acknowledges our capability, diversity, attraction and retention challenges, together with the current mitigating factors. The Board recognises that the development of "home grown" talent and future leaders is fundamental to the execution of our strategy and the sustainable growth of the Group.

Our Board remains diverse with a good balance and depth of skills, experience and knowledge. Our externally facilitated Board performance review concluded that our Committees continue to be well led by suitably experienced Chairs with recent and relevant expertise. Paul Inman's appointment as Graham Prothero's successor as Audit Committee Chair, and Diana Houghton succeeding Graham as Senior Independent Non-Executive Director, when Graham retires after the AGM this year, mean that we will be able to maintain this leadership strength. The Committees are also well supported by our Chief Financial Officer, Chief People Officer and Chief Legal Officer and Company Secretary. During the year, Simon Bourne succeeded Matt Pullen as Chief Executive Officer, building on his Board role as Chief Commercial Officer. Simon's appointment reflects his extensive business and leadership experience with the Group, and supports the Board's focus on execution as the Group intensifies delivery of the 'Transform & Grow' strategy. The Board does not intend to appoint a separate Chief Commercial Officer. Commercial leadership is now embedded within the Executive team and divisional leadership structure, with the Chief Executive Officer retaining overall accountability for the Group's commercial agenda.

The Board is currently 50% female, with a female Chair and one Director from an ethnic minority background. Board composition is reviewed annually, and we assess whether the current skills, experience and knowledge are aligned with the Group's strategy and expected future leadership needs. Further details of the Board and its skills and experience are set out on pages 62 and 63.

Our succession plan is designed to ensure that Board members' terms expire or they retire over clearly defined periods, normally not exceeding nine years. All Directors stand for election or re-election (as appropriate) at every Annual General Meeting, and all current Directors, with the exception of Graham Prothero, who will be retiring from the Board following the conclusion of the 2026 AGM, will stand for election or re-election at the 2026 Annual General Meeting. The Directors' biographical details on pages 62 and 63 show their roles, dates of appointment and lengths of service on the Board.

During 2025, we conducted an externally facilitated Board performance review led by the Chief Legal Officer and Company Secretary. See page 77 for further details.

Directors have access to the advice and services of the Chief Legal Officer and Company Secretary who is responsible for ensuring that Board procedures are complied with and, through the Chair, advises the Board on governance matters. The appointment or removal of the Company Secretary is a matter for the whole Board.

Corporate Governance Statement continued

Compliance Statement continued

How Board priorities were addressed during the year

Our 2025 externally facilitated Board performance review was led by the Chief Legal Officer and Company Secretary, with the support of Lintstock Limited, and a summary of this is set out below. We made progress against the priorities identified in the 2024 internal performance review, against a backdrop of further significant business change during 2025. This required careful prioritisation and demonstrated the Board's commitment to operating dynamically to reflect the needs of the Group at any given time and we continue to believe this is critical to the effectiveness of our Board.

The engagement by the whole Board with the business and our people is a key strength that supports the Board's decision making.

Executing brilliantly

- The transformation and turnaround of our Landscaping Products business has been an area of focus for the Board and, in addition to being considered at every Board meeting, the processes the business adopted to manage execution of this important strategic goal were the subject of an internal audit review
- The Board has monitored strategic progress within each of our brand powerhouses and growth engines, having the opportunity to challenge priorities in each business area
- Recognising the importance of accelerating the execution of our 'Transform & Grow' strategy in driving shareholder value and confidence, the Board acted decisively to appoint Simon Bourne, initially as Interim and then as permanent Chief Executive Officer, having received support from independent executive search consultancy Teneo

Building trust

- The Chair commissioned Russell Reynolds Associates to undertake a review of Board culture and dynamics to ensure the Board continues to operate as a high-performing team. The recommendations of this review have been built into the Board and Committees' ways of working and forward agendas
- The Chair and the Chief Executive Officer are building on their existing relationship, supporting Simon's transition into his new role and the development in his relationships with the rest of the Board

Communicating effectively

- Managing change during the last year has meant that, in addition to scheduled Board meetings, the Board has committed significant additional unscheduled time to challenge and support key decisions, particularly in relation to the transformation and turnaround of Landscaping Products. Effective communication with the Board throughout the year has underpinned the Board's ability to operate dynamically in these situations
- We have communicated in a structured and compassionate way with colleagues throughout the implementation of the various change programmes throughout the year and upheld the commitment to commission another colleague engagement survey halfway through the year. The results of this evidenced how being a great place to work underpins the delivery of our strategy and that there remains much work to do, as evidenced by the people risks identified in our principal risks and uncertainties on page 60. There is clear accountability for addressing the key priorities identified in our engagement survey
- The Executive Directors hosted a series of colleague roadshows across our network to explain our strategic plans with colleagues, creating a shared understanding of these and the roles they each play in helping the Group achieve its objectives. As part of these roadshows, the change programmes initiated across the business were addressed, with emphasis placed on how remaining resilient now will support our future growth

People

- We have successfully managed the succession of Graham Prothero when he retires at the 2026 AGM. Planning for the Chair's succession is progressing well and is being led by Graham Prothero until his retirement, when Diana Houghton (who is currently working closely with Graham) will take over in her new role as Senior Independent Non-Executive Director. Simon Bourne was appointed initially as Interim and then permanent Chief Executive Officer
- Our current Chief People Officer, Louise Furness, who retires in April this year, will be succeeded by Jo Hodge. Working alongside the Board, Jo will carry on the crucial work of Louise in evolving and implementing the Group's people strategy, as we recognise that our employee value proposition is critical to attracting, developing, retaining and engaging talented colleagues who drive our performance and share in our success

2025 Board performance review

In accordance with the UK Code, we review Board performance each year to assess and develop Board effectiveness and to identify Board priorities for the following year. As we last commissioned an externally facilitated review in 2022, we commissioned Lintstock Limited to support us in reviewing Board, Committee and individual Director performance during 2025.

Lintstock is an advisory firm that specialises in Board performance reviews and has no other connection with Marshalls or any of our Directors. Having undertaken Marshalls' last externally facilitated review in 2022, Lintstock was well placed to track progress in key areas over recent years.

The scope and objectives of the performance review were agreed following a briefing meeting with Lintstock and Lintstock collaborated with the Company Secretary to design bespoke questionnaires tailored to the Group's needs, building on the key areas explored during the internal reviews in 2023 and 2024.

As well as covering core aspects of governance such as information, composition and dynamics, the review considered people, strategy and risk areas relevant to the performance of Marshalls. The review had a particular focus on the following areas:

- Maintaining robust oversight during a period of leadership transition
- Overseeing and supporting the success of the 'Transform & Grow' strategy
- The Board's understanding of drivers of performance
- Monitoring ESG strategies and targets
- Evolving the Group's culture to support the execution of strategic priorities

Board members completed surveys assessing the performance of the Board and each of its Committees. Each Director also completed a self-assessment questionnaire addressing their own performance. Lintstock analysed the findings from the surveys and delivered a focused report documenting the findings, including a number of recommendations to increase effectiveness.

Lintstock's findings were shared with the Board and then discussed at the January 2026 Board meeting. The Chair, Chief Executive Officer and Chief Legal Officer and Company Secretary will ensure the actions and recommendations are reflected in the Board's agenda and priorities for the year ahead and that our progress is monitored and reflected on as part of the 2026 performance review.

Corporate Governance Statement continued

Compliance Statement continued

4
Audit, risk and internal control

The Board has established written policies and procedures for external and internal audit functions designed to ensure that they remain independent and effective and these are regularly reviewed. Annual questionnaire-based evaluations are conducted of both our internal and external audit partners with the Board and members of the senior management team participating. The Board scrutinises financial and narrative statements in accordance with best practice, supported by the advice of our auditor.

The Board has a well-established procedure to identify, monitor and manage risk, and has (with the support of the Audit Committee) conducted reviews of the Group's risk management and internal control systems and the effectiveness of all material controls, including financial, operational and compliance controls and the mitigation of material risks. These reviews considered the Group's preparation in implementing changes to the UK Code that will apply to the current financial year, further details of which are set out on pages 88 and 89. We are confident our preparation will support the assurances the Board will be required to provide in relation to our risk management and internal control frameworks, and the Board acknowledges that such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives.

The Strategic Report comments in detail (pages 52 to 60) on the principal risks facing the Group, in particular those that would threaten our business model, future performance, solvency or liquidity, and, where possible, how these are mitigated. The Board conducts a rigorous assessment of these risks, particularly operational risks that might affect the Group's viability in the short term and emerging risks that might impact the medium to longer term.

The Group's Risk Register is reviewed by the Board and Audit Committee every six months and our risk disclosures in this report are also reviewed as part of the approval of this report. In addition, the Chair and Non-Executive Directors conducted a standalone risk review in January 2026, the outcome of which has been incorporated into the Risk Register. Our internal and external auditors are also invited to all risk review meetings and participated in our most recent meeting in November 2025.

The Board's risk and viability review incorporates stress testing, by envisaging scenarios that might arise during the financial year and/or the planning cycle, and considering, with financial impact modelling where appropriate, the likely effect on the business and its prospects. Additionally, the outcomes of our risk reviews drive our internal audit planning, ensuring our resources are being directed at the most appropriate areas.

Our approach underpins our commitment to transparency in managing risk and internal controls and lends additional efficacy to our procedures.

The Audit Committee Report on pages 84 to 89 describes the Group's internal control system, how the Board assures itself of the independence and effectiveness of internal and external audit functions and how they are managed and monitored.

▶ **Read the Audit Committee Report on pages 84 to 89**

5
Remuneration

Our current Directors' Remuneration Policy was last approved by shareholders in 2023, and a revised Policy, which is set out in the Remuneration Committee Report on pages 92 to 112, will be submitted to shareholders for approval at this year's AGM. The revised Policy addresses the relevant requirements of the UK Code and was prepared in consultation with Company shareholders and external voting agencies.

The Remuneration Committee Report describes how the current Remuneration Policy has been implemented during 2025 and the outcomes achieved. It also describes how the Remuneration Committee has fulfilled its responsibilities during the year.

The Remuneration Committee continues to effectively discharge the duties delegated to it by the Board under the leadership of the Committee Chair, ensuring outcomes reflect performance and taking a holistic view of remuneration across the Group, having consulted employees appropriately, the importance of which is recognised by the Board.

▶ **Read the Remuneration Committee Report on pages 92 to 112**

Vanda Murray OBE
Chair
16 March 2026