

Sustainability continued

Social: People

Material issue 6: **Colleague morale**

Our colleagues are central to our business; it is one of the 3Ps that underpin our strategy, and we work hard to attract, retain, develop, and welcome our colleagues. At the end of 2025, we employed 1,042 colleagues (31 December 2024: 927). Our colleague engagement score continues to be high at 4.8 out of 5.0 (2024: 4.7), and the average years of service of our colleagues is 5.4 years.

In 2025, we proudly:

- ▶ Continued to achieve high employee satisfaction ratings in our regular surveys
- ▶ Completed a review of employee benefits across the Group
- ▶ Drafted career paths ready for promotion in 2026 to support growing the skills of our employees and ensuring succession readiness
- ▶ Launched a Warehouse to Wheels apprenticeship programme to support colleagues who wish to become HGV drivers
- ▶ Updated the Colleague Guide to reflect our culture and high standards
- ▶ Commenced the development of our Employer Brand and Employee Value Proposition

Priorities in 2026

- ▶ Launch the Lords Academy – a development programme for managers
- ▶ Focus on wellbeing to support improved employee retention
- ▶ Refresh and update the HR strategy to support the delivery of the divisional strategies and reflect changes in the market and employment rights

Our culture continues to be one of our key differentiators. Following several acquisitions, we have worked hard to ensure we manage the development of our culture and that the impact of new colleagues improves and enhances, rather than weakens or dilutes, our culture. This is achieved by working closely with the acquired businesses to ensure they are inducted to Lords and can embrace our values while remaining authentically themselves. We are keen not to be seen as a corporate environment but appreciate and embed the need to be professional at all times.

FY25 has focused on colleague morale, mainly through development opportunities for growth and promotion:

- ▶ We have joined the 5% Club – committing to working towards having a minimum of 5% of our workforce on apprenticeships or formal training
- ▶ Our Learning@Lords learning management system launched – this now houses our safety and other mandatory training and enhances our ability to develop our own in-house bespoke training packages
- ▶ Succession planning now takes place routinely across the Group, enabling us to identify potential for the future and any potential gaps early

In addition to this, we have enhanced our colleagues' benefits by adding a healthcare cash plan in our largest, more established divisions which includes cash back for routine medical services, health advice and guidance and discounts at high-street stores. We will be seeking to roll this out to the Digital division in due course.

Our work experience programme was enjoyed by 21 students to date, of which two joined as employees. Together with our participation at careers fairs and arranging branch visits for students, we see this as a key route to raising awareness about the huge variety of opportunities there are to work in our industry and business.

Our cultural blueprint

Our vision

Empowering progress, building futures

Our vision is to be at the forefront of the building material supply industry, driving progress through a commitment to excellence in service, products and relationships

The roof is the overarching purpose

Our values: we are...

Family

We care for each other – even when it's not easy

Empowered

We are trusted and accountable for our actions

Continuously improving

We are committed to growing our business

The walls are our behaviours which demonstrate our values inside



Customer focused

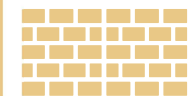
We treat every customer interaction with the same care and attention

Learning always

We know we can be better, so we have a growth mindset

Adaptable and flexible

We embrace change and the opportunities it brings



Our support systems

Investment

We invest in our people, plant and property

Wellbeing and safety

We know we are happier and more productive when we are safe and well

Doing the right thing

We are committed to being professional, respectful and honest

The foundations underpin all we do