

How we generate sustainable value for all stakeholders

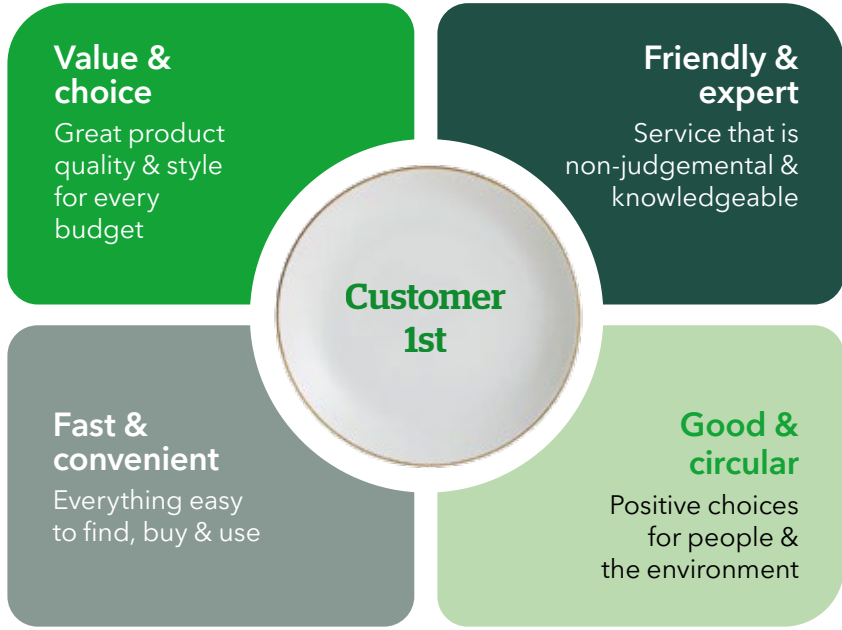
Our long-term thinking

We remain ambitious about being a good company that focuses on growing sustainably. This means adopting a culture of making decisions for the long term to create enduring financial and social value for our stakeholders, while reducing our environmental impacts.



Our customer proposition

We will deliver our purpose by being *Customer 1st*; striving to improve our offer for savvy home-lover customers.



Read more in our CEO's review on page 13.

Stakeholder value creation

Customers

Improving our in-store and digital services and experiences to raise the bar on our customer offer and deliver value and joy.

2.8%¹

growth in active customer numbers

Colleagues

Ongoing investment in social and financial wellbeing, communication, diversity, equality and opportunities to learn in an ambitious and inclusive organisation.

82%

participation in our latest colleague engagement survey

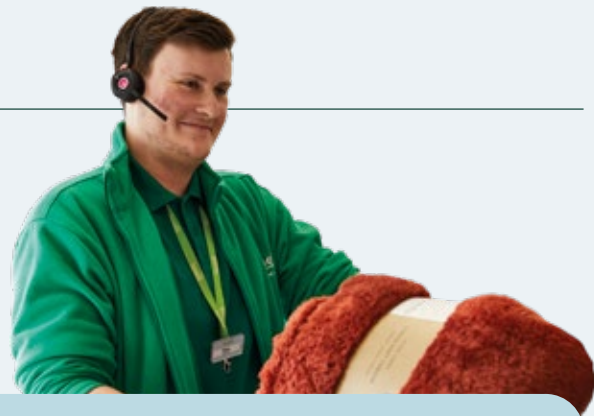
Communities

Creating mutual benefits by expanding our community communications, social media interactions and meaningful local fundraising initiatives.

61%

own brand products available for take-back service

¹ Growth in unique active customers who have transacted at least once in the 12 months to June 2023. Management estimates using Barclays data.



Our competitive advantages

We have an advantaged business model which helps set us apart from others in a competitive and fragmented UK homewares market.

Well-known brand with broad appeal

Our brand is ambitious and inclusive, appealing to a broad range of home-lover customers across different regions, ages and incomes.

Product mastery credentials

We design and develop the majority of our products in-house, allowing us to offer relevant and curated ranges and to adapt quickly to the changing needs of our customers.

Strong colleague culture

Our friendly and knowledgeable colleagues are the heart of our business, driven by our purpose and shared values to create an environment for all to thrive.

Cost-effective total retail system

Our total retail system offers customers the combination of enjoying friendly service in stores with the convenience of our digital channels. Our low-cost (mainly leased) store portfolio is complemented by a maturing digital channel, allowing us to benefit from a cost-effective total retail system.

Financial strength

We have a highly cash-generative model and our deep-rooted founder mentality keeps us focused on operational grip to deliver sustainable profitable growth.

Runway for growth

We have a relatively small share of large, fragmented markets and are confident of the very significant opportunities for us to gain further share to support our growth ambitions.



Doing the right thing

We aim to think and operate in a responsible, sustainable and ethical way - taking decisions while evaluating the risks and opportunities that our actions might have on our colleagues, the planet, and other stakeholders; and doing the right thing to support the relationships that we need for long-term growth.

Read more in our sustainability section on page 26 and online in our Sustainability Report 2023.



Read more about stakeholder engagement on page 30.

Suppliers

Strengthening engagement to promote long-term relationships, based on integrity and transparency, that are focused on social, environmental and product quality standards.

99%
invoices paid on time

Planet

Target-setting and actions to reduce carbon emissions across our operations and supply chain, with increasing focus on the use of more sustainable materials.

32%
reduction in Scope 1 carbon intensity since FY19

Shareholders

Timely and transparent financial and ESG communication to optimise capital allocation decisions while remaining focused on financial discipline and performance.

£163m
total dividends paid in the year