Travis Perkins plc

Annual Report
and Accounts
24

INTRODUCTION

Welcome to the 2024 Annual Report for Travis Perkins plc, the UK's largest distributor of building materials

The breadth, reach and scale of the business means it's in a unique position to supply the entire UK construction industry and provide customers with the materials and tools they need for their building projects, when and where they need it.

The Group has a strong heritage and employs over 17,000 colleagues across five leading businesses which are all number #1 or #2 in their markets.

What's inside...

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For more and the latest information please visit the Group's website at:
www.travisperkinsplc.co.uk

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2024 FINANCIAL HIGHLIGHTS

A challenging trading year with good progress in Toolstation and a strong focus on cash generation

Revenue
£4,607m
2023: £4,837m

Adjusted operating profit
£152m
2023: £198m

Net debt/adjusted EBITDA
2.5x
2023: 2.6x

Return on capital employed
5.4%
2023: 6.9%

Dividend per share
14.5p
2023: 18.0p

Loss after tax
£77m
2023: profit after tax of £38m

Graduated apprentices
427
2023: 414

Carbon emissions (kt of CO_2e)
6,530
2023: 7,012

2024 OPERATIONAL HIGHLIGHTS

A challenging trading year

- Group revenue down (4.7)% driven by price deflation, continued decline in market volumes and underperformance in the Merchanting segment.
- Significantly improved cost discipline but lower trading volumes and price deflation resulted in full year adjusted operating profit of £152m (2023: £198m).
- Operating profit of £2m (2023: £161m) reflects trading performance and adjusting items of £139m (of which around £20m are cash items) related to impairments in Staircraft and certain Merchanting branches and restructuring actions.

Good progress in Toolstation

- Toolstation UK adjusted operating profit up 48% driven by robust sales growth, improved gross margins and supply chain and overhead efficiencies.
- Toolstation France closed and Toolstation Benelux on accelerated path to profitability.

Strong focus on cash generation and strengthening the balance sheet

- Net debt before leases reduced by £123m driven by £64m benefit from improved stock management and disciplined approach to capital expenditure.
- £125m raised from investment grade US private placement notes in March 2025.

OVERVIEW

Focused on providing customers with everything they need for their building projects, when and where they need it

Well positioned

The breadth, reach and scale of the Group puts it in a unique position to supply the entire UK construction industry and be customers' first choice for building materials and tools.

Strategic opportunities

The Group's market-leading businesses serve customer needs from well-located branches, where operations are underpinned by safety and sustainability and where customers are offered excellent service with a wide range, high availability, delivery options, finance solutions and value-added services.

OUR STRATEGY FRAMEWORK

MEETING CUSTOMER NEEDS

- Five leading businesses serving specific construction markets
- Local empowerment to serve small tradesmen and the general builder
- Specialist propositions for larger contractors
- Technical capability
- Value-added services

LEVERAGING SCALE

- Nationwide network
- Purchasing power
- Range and availability
- Digital capability
- Main contractor and developer relationships
- Value creation from property portfolio
- Long-term consolidation options

An efficient and sustainable operating model

- Leading the market in a responsible manner
- The best people in the industry
- Technical, sustainable solutions fit for purpose
- Focused capital deployment

The Group's values:

- We care
- We give our best to be the best
- We're better together

Doing the right thing

- Safety and wellbeing
- Colleague voice
- Diversity, equity and inclusion
- Reward
- Charity and community
- Legal compliance

AT A GLANCE

Travis Perkins plc is the largest distributor of building materials in the UK

Travis Perkins plc is a trade-focused group, serving generalist and specialist trades with products and services that are designed to help customers grow their businesses in new and established markets.

The Group's goal is to deliver exceptional customer service from advantaged businesses operating from well-positioned networks on a national scale.

The Group offers a range of high-quality products and gives customers the choice of a range of channels, fulfilment options and ways to pay.

Merchanting

Travis Perkins

The UK's market-leading general builders merchant, offering a destination for heavyside products complemented by lightside convenience. Serving general trades and specialist contractors with the building materials they need when and where they need them from 577 national locations. Contains a comprehensive tool hire offer, innovative Managed Services solutions and a kitchen design and supply offer, branded as Benchmarx.

CCF

CCF distributes insulation and interior building products from 37 branches to contractors throughout Great Britain. #2 in its market, CCF supports the construction and renovation of both domestic and commercial buildings with service and specialist knowledge.

BSS

Market-leading supplier of commercial and industrial heating and cooling solutions, supplying specialist contractors with a wide variety of products from 69 branches and two distribution centres. BSS offers customers a tailored tool hire service and includes TF Solutions, a specialist provider of air-conditioning products and heat pumps.

Keyline CIVILS SPECIALIST

A civils specialist, Keyline is #1 in its market and supports housebuilders, groundworkers and infrastructure contractors to build and redevelop facilities which are vital to the nation. Delivering heavy products from 41 branches in a safe and accurate manner, Keyline works as a partner to its specialist customers and is developing new areas of expertise in roads and highways.

Toolstation

TOOLSTATION

Toolstation is #2 in its market in the UK and offers customers an innovative lightside proposition from 587 branches across the UK and 110 in Benelux. With a wide range of products available in branch and for next-day delivery, offering long opening hours, a strong digital offering and a committed customer service ethos, Toolstation is changing the purchasing experience of trade and DIY customers.

Branches

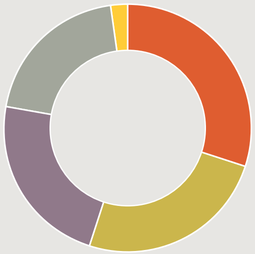
c.1,400

Employees

c.17,000

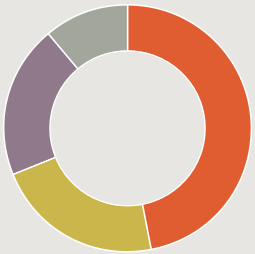
Serving the construction industry

200+ years



Geographic split

South-East	30%
Midlands	25%
North and Scotland	23%
Wales and South-West	20%
Europe	2%



Product mix

Heavyside	47%
Lightside	22%
Plumbing & Heating	20%
Timber	11%

Payment mix

Cash	28%
Credit	72%

Channel

Collect	40%
Deliver	60%

Our market footprint, the quality of our people and the strength of our relationships, puts us in a strong position to be our trade customers' first choice.

Geoff Drabble
Chair

CHAIR'S STATEMENT

Leveraging excellence to benefit customers

By rediscovering our competitive strengths, I am confident that we will improve profitability and provide attractive returns for shareholders in the medium term.

Geoff Drabble
Chair

It was a real privilege to be appointed to the Board of Travis Perkins plc last year, as I see this as a business with many inherent strengths and great potential. However, it is also a business that has been through a period of significant change.

The immediate task is to align all parts of the business to a clear and achievable strategy that prioritises customer service. The key to this will be our people, and I would like to take this opportunity to thank them for their continued contribution during what has clearly been an unsettling period.

Our objective is to leverage excellence in all parts of the business and work towards a vision where we create flexible, responsive and entrepreneurial local businesses supported by world class central functions that differentiate us from our competitors, and where we provide value added services to our customers.

There have been some short-term tactical missteps in the past, but the fundamental building blocks that attracted me to the business remain in place. We have great brands, capable people, a unique portfolio of businesses and the best locations in the industry.

I was sorry to see Pete Redfern's brief but promising tenure as CEO being brought to a premature conclusion due to ill health, and he left with our best wishes for the future. On a personal level, and on behalf of the Board, I recognise the contribution he made to re-energise the business.

Work by the Nominations Committee to search for a successor CEO is underway. In the meantime I am fully committed to working closely with the executive and leadership teams to ensure the stability and continuity of the business, and that we remain focused on progressing the actions that are in flight to improve performance and enhance profitability.

Uncertainty remains regarding the strength and timing of a recovery in UK construction activity. Irrespective of this, we have the opportunity and ability to make improvements in a number of areas that are within our control. We have a strong balance sheet that will provide security for the changes that we need to make; changes that will make our businesses more responsive and bring them closer to our customers. This, combined with the breadth, reach and scale of our Group, puts us in a strong position to be our trade customers' first choice.

I am really excited at the prospect of working with the Board and the leaders in this business to achieve this, and by rediscovering our competitive strengths, I am confident that we will create a pathway to improving profitability and providing attractive returns for shareholders in the medium and long-term.

Finally, on behalf of the Board, I would like to say a big thank you to our Non-executive Director, Jez Maiden, for his service as Interim Chair in 2024. During a year of several Board leadership changes, Jez provided business continuity and great support during the recruitment process. Special thanks also go to our customers and suppliers, and I look forward to strengthening our trading relationships with them as we move the business forward.

Geoff Drabble
Chair
31 March 2025

MARKET OVERVIEW

The market for building materials in the UK coming through distribution channels is £65bn*

* Source - BUILDERS MERCHANTS MARKET REPORT UK 2024-2028, September 2024.

Private domestic and new build

Growth drivers:
- Government housing targets
- A shortage of housing in the UK
- Growth in the population
- Continued desirability of house ownership
- Upcoming building regulation change

19% Market mix

15% Group revenue mix

Commercial and industrial

Growth drivers:
- Refurbishment of existing commercial buildings as tenants move to smaller, Grade A office spaces
- Greater demand for energy efficient buildings
- Cladding remediation on commercial buildings
- Increase in large projects such as gigafactories and data centres

26% Market mix

24% Group revenue mix

Private domestic repair, maintenance and improvement (“RMI”)

Growth drivers:
- The age and quality of UK housing stock
- Government schemes to boost energy efficiency
- Energy efficiency retrofit trends

17% Market mix

35% Group revenue mix

Public sector

Growth drivers:
- Government policy
- Building and refurbishment of the public sector estate
- Retrofit opportunities for energy efficiency
- Demand for social housing

38% Market mix

26% Group revenue mix

The market mix and market size figures are based on 2024 data. The Group mix is based on internal estimates.

BUSINESS MODEL

People are at the heart of the business model

The Group's businesses bring together customers, suppliers and colleagues into mutually-beneficial relationships which can last many years. The Group invests time and resources with all of its stakeholders and is mindful of the impact it has on the environment.

Inputs

Competitively-advantaged resources and relationships.

Customers

- Strong customer relationships
- Local empowerment to serve small trade and the general builder
- Specialist propositions for larger contractors
- Technical capability and value-added services

Resources

- A 200-year heritage and businesses that are #1 or #2 in their market
- A national branch and supply chain network
- Digital platforms to improve the customer experience
- 17,000 colleagues with technical knowhow and industry experience

Suppliers

- Partnership relationships with suppliers, which work for the success of all

Processes

Converting the inputs, demands and requirements of stakeholders to generate valued outputs.

The Group

- Collaborate, specify and quote
- Negotiate, convert and sell
- Range and source
- Procure
- Fulfil, collect and deliver
- Provide and manage credit

Outputs

Value for all.

Stakeholders

- Fulfilled customers
- Satisfied shareholders
- Engaged colleagues
- Valued suppliers

Underpinned by

Responsible and sustainable approach (See page 26) **Sound corporate governance** (See page 71) **Robust risk management** (See page 59)

OUR STRATEGY

The strategy of the Group is to grow the share of its market-leading businesses by offering customers attractive propositions and excellent service

Proposition

	BSS, CCF, Keyline	Travis Perkins	Toolstation
Customers	Large	Large to small	Small
Price	Variable and framework	Variable	Fixed
Range	Variable	Part-mandated	Mandated
Delivered	88%	58%	10%

Priorities and initiatives

	BSS, CCF, Keyline	Travis Perkins	Toolstation
Strategic priorities	• Being the distributor of choice • TF Solutions growth • Leading on infrastructure	• Hire • Managed service • Benchmarx • General builder proposition	• Network roll-out • Ongoing digital development
Strategic initiatives	• Technical development • Data-led sales approach	• Operational efficiency • Network investment	• Customer, colleague and supplier propositions


Croeso
Welcome
Managed Services


THE NORFOLK BUILDERS

KEY PERFORMANCE INDICATORS (KPIs)

Operational

Adjusted operating profit

2024	£152m
2023	£198m
2022	£295m
2021	£353m
2020	£128m

Definition (note 2b)
Profit before tax, financing charges and income, amortisation of acquired intangibles and adjusting items.

Reason
Adjusted operating profit excludes adjusting items and the amortisation of intangible assets arising on the acquisition of a business, so management can monitor the Group's underlying performance.

Sales growth

2024	(4.7)%
2023	(3.2)%
2022	8.9%
2021	24.0%
2020	(10.8)%

Definition (note 1b)
Total revenue growth.

Reason
Sales growth helps management monitor the performance trend of the business and gives a good indication of its overall health compared to its competitors. Total sales growth is not distorted by actions such as the consolidation of branches.

Financial

Leverage ratio

2024	2.5x
2023	2.6x
2022	1.8x
2021	1.2x
2020	2.0x

Definition (note 25)
The ratio of net debt to earnings before tax, interest, depreciation, amortisation and adjusting items ("Adjusted EBITDA").

Reason
The leverage ratio is an indicator by management and lenders of the Group's ability to support its debt. The Group has a target of 1.5x–2.0x.

Free cash flow

2024	£109m
2023	£62m
2022	£95m
2021	£65m
2020	£241m

Definition (note 24)
Net cash flow before dividends, freehold property purchases and disposals, pension deficit repair contributions, adjusting and discontinued cash flows and the issuance and repayment of debt.

Reason
The Group needs to generate strong free cash flows to enable it to invest, expand its operations and pay dividends to shareholders. Freehold investments are financed by property disposals and enable the Group to access the best property locations.

Return on capital employed

2024	5.4%
2023	6.9%
2022	10.8%
2021	14.1%
2020	5.3%

Definition (note 26)
Adjusted operating profit divided by the combined value of balance sheet debt and equity excluding pension assets.

Reason
This ratio allows management to measure how effectively capital is used in the business to generate returns for shareholders.

Non-financial

Accident frequency rate

2024	3.6
2023	3.9
2022	4.7
2021	5.6
2020	5.4

Definition

The number of lost-time incidents ("LTIs") per million hours worked.

Reason

Keeping people safe is the Group's first priority. This ratio allows management to measure progress in ensuring a safe workforce.

Carbon emissions

2024	6,530
2023	7,012
2022	8,294
2021	9,111
2020	8,546

Definition

Total Scope 1, 2 and 3 carbon emissions (kilotonnes of CO_2e).

Reason

The Group has a responsibility to take action to prevent the worst impacts of climate change. This measure allows management to measure progress in the decarbonisation of the business. This includes Scope 3 in addition to Scope 1 and 2, as Scope 3 represents over 99% of the Group's carbon footprint and the Group has set a target of reducing Scope 3 emissions by 63% by 2035 from a 2020 baseline.

Carbon emissions and accident frequency rate are two key sustainability metrics

See page 26 for more information

BUSINESS PERFORMANCE AND PRIORITIES

2024 performance

£m (unless otherwise stated)	Note	2024	2023 (re-presented[1])	Change
Revenue	1	**4,607**	4,837	(4.7)%
Adjusted operating profit excluding property profits[1]	2a	**141**	183	(23.0)%
Adjusted operating profit[1]	2a	**152**	198	(23.2)%
Adjusted earnings per share[1]	20b	**36.6p**	54.4p	(32.7)%
Return on capital employed[1]	26	**5.4%**	6.9%	(1.5)ppt
Net debt / adjusted EBITDA[1]	25	**2.5x**	2.6x	0.1x
Ordinary dividend per share	21	**14.5p**	18.0p	(19.4)%
Operating profit		**2**	161	(98.8)%
Profit / (loss) after tax		**(77)**	38	(302.6)%
Basic earnings / (loss) per share	20a	**(36.6)p**	18.1p	(302.2)%

1 For continuing businesses only. The Toolstation France business is treated as a discontinued operation.

2024 was a challenging year for the Group with revenue of £4,607m down (4.7)% year-on-year, driven by the Merchanting segment through a combination of price deflation, reduced demand across the UK construction market and increased competitive intensity. Toolstation continued to make good progress with robust revenue growth in both the UK and Benelux reflecting ongoing maturity benefits.

Adjusted operating profit excluding property profits of £141m was £(42)m, or (23)%, lower than prior year. Around £(39)m of the profit decline resulted from lower sales volumes whilst approximately £(56)m was attributable to lower gross margins, driven by price deflation and increased competitive intensity.

Against this backdrop management took actions to reduce total overheads by £53m compared to prior year. Restructuring actions taken at the end of 2023 reduced overheads by £35m with a further £36m of savings on discretionary spend and £9m savings from the strategic review actions taken in Toolstation Benelux. Offset against this was around £(27)m of overhead inflation, primarily on payroll and property costs.

Building on the Group's inherent strengths

The Group has strong fundamentals built up over decades as the largest UK building materials distributor, namely:

- A comprehensive UK network backed by freehold ownership of key trading sites.
- Experienced and high-quality teams across the business.
- Long-established customer and supplier relationships
- A unique portfolio of brands.
- Significant earnings growth potential from Toolstation as the business matures.

Attractive long-term structural drivers

The Group operates in a market with attractive long-term structural drivers – in particular a shortage of UK housing, an ageing UK housing stock and a need to decarbonise the UK's built environment. These structural drivers have taken greater prominence in the key priorities and policy setting of the new Labour Government, which has set ambitious housebuilding targets and see construction-led activity as a major pillar to kickstarting economic growth.

However, the Group has become distracted in a challenging market

The Group's key end markets have seen a progressive deterioration in demand over the past three years driven by high inflation, rising interest rates and weak consumer confidence. During this period, the Group's approach to capital allocation and overhead management has diluted returns, exacerbated profit decline and resulted in leverage increasing beyond the Group's target range. During this period, the business has seen significant personnel change at all levels of the business, particularly in some key customer-facing roles.

Building an entrepreneurial, customer-centric business

Over recent years, the Group has become too centralised which has increased costs and complexity. Work is now underway to transform the operating model to create a business based around empowered local branches, backed by high quality support functions providing insight and driving the benefits of national scale. This cultural shift will bring the business closer to its customers and enhance service levels.

Balance sheet

The Group has made good progress on actions to strengthen the balance sheet during the year, with overall net debt reducing by £77m and net debt before leases reducing by £123m. Accordingly, despite the further reduction in adjusted operating profit, net debt / adjusted EBITDA has also reduced to 2.5x. Management remain focused on returning leverage to the Group's target range of 1.5 - 2.0x as soon as is practically possible.

Dividend

The Board is recommending a final dividend of 9.0 pence per share (2023: 5.5 pence per share) to give a full-year dividend of 14.5 pence per share (2023: 18.0 pence per share), in line with the Group's policy to pay a dividend of 30-40% of adjusted earnings. The dividend will be paid on 29 May 2025 to shareholders on the register as at close of business on 22 April 2025.

Current trading and outlook

The Group has experienced a mixed start to 2025. Trading conditions have continued to be challenging in our Merchanting businesses with pricing now stabilised but volumes in modest decline. By contrast, Toolstation has started the year more positively and continues to deliver good growth.

It is encouraging to see a more robust demand backdrop for some elements of the construction market. However, the pace and rate of an overall recovery in construction activity levels remains uncertain and will likely need further cuts to interest rates and an uplift to consumer confidence levels to stimulate a meaningful increase in demand.

In recognition of this backdrop and the operational turnaround challenges the Group currently faces, the Board expect FY25 adjusted operating profit, excluding property profits, to be broadly in line with FY24.

The Board remains confident in the inherent strengths of the Group and its market-leading position in the building materials sector. By investing in its core competitive advantages with a clear focus on its customers' needs, the Group will start to deliver an improved financial performance and create attractive returns for shareholders over the medium-term.

Technical guidance

The Group's technical guidance for 2025 is as follows:

- Expected ETR of around 30% on UK generated profits.
- Base capital expenditure of around £80m.
- Property profits of around £3m.

Implementation of new Oracle finance system

On 1 July 2024, the Group implemented a new Oracle Financial ERP system which represented a significant step forward for the Group in modernising its core technology platform. Oracle has strengthened financial controls, enabled new standardised processes and enhanced stock visibility and reporting, all of which will deliver long-term benefits for the Group.

With this being the first major systems upgrade for several decades, the Group has inevitably experienced some challenges with the adoption of new processes. This has translated into some limited customer facing challenges in branch and disruption associated with some supplier payments and collection of customer debt, which in turn has had an impact on trading operations. It has also resulted in a working capital outflow during the year, estimated to be around £50m.

The Group is confident that as these processes become familiar and are readily adopted that this disruption will ease and the working capital position will normalise throughout 2025.

Adjusting items

£m	2024	2023 (re-presented[1])
Branch impairment	63	–
Staircraft impairment	33	–
Supply chain consolidation	26	6
Group restructuring	11	11
Benchmarx closures	6	10
Total	**139**	27

1 For continuing businesses only. The Toolstation France business is treated as a discontinued operation.

The 2024 branch-level impairment review identified 209 branches where the carrying value of the branch's assets was below the value of the discounted future cash flows generated from those assets. The total impairment recognised in relation to these branches is £63m. In the majority of cases the branches are expected to deliver a positive contribution in 2025 with the vast majority delivering a positive contribution in the future, based on cautious financial planning assumptions. Management's view is that this reflects the under-utilisation of these assets during the period under review as a result of cyclically depressed market volumes and that these branches will remain an important part of the Group's future network strategy. An impairment of £33m has been recognised following the annual impairment review of the Staircraft business as a result of challenging trading conditions in its markets.

The supply chain consolidation charge relates to the closure of a number of distribution centres in Toolstation, Benchmarx and the Group timber supply chain. The costs relate primarily to stock write-downs, dilapidations and other property-related costs. Restructuring charges relate to actions taken to reduce central and regional headcount.

The Benchmarx closures charge reflects the costs, primarily redundancy, of closing 39 standalone branches in February 2024. The prior year charge reflected fixed asset impairments associated with those sites.

Property

The Group generated property profits of £11m in the year, with £62m of cash proceeds.

BUSINESS PERFORMANCE AND PRIORITIES CONTINUED

Merchanting

2025 priorities

- Focused leadership in all businesses
- Reinvestment in branch resources
- Remove barriers to delivering excellent customer service
- Support functions focused on providing insight and driving the benefits of national scale

Revenue

£3,786m

2023: £4,036m

Adjusted operating profit

£149m

2023: £212m

	2024	2023	Change
Revenue	£3,786m	£4,036m	(6.2)%
Adjusted operating profit	£149m	£212m	(29.7)%
Adjusted operating margin	3.9%	5.3%	(140)bps
ROCE	7%	9%	(2)ppt
Branch network	724	769	(45)

The Group's Merchanting businesses saw revenue fall by (6.2)% in the year as a result of price deflation and declining volumes, arising from the depressed levels of UK construction activity and an intensely competitive backdrop. Adjusted operating profit reduced by (29.7)% to £149m, reflecting the high operational gearing of these businesses. Operating profit declined to £20m from £199m due to these factors and adjusting items of £133m relating to impairments in Staircraft and certain Merchanting branches and restructuring actions.

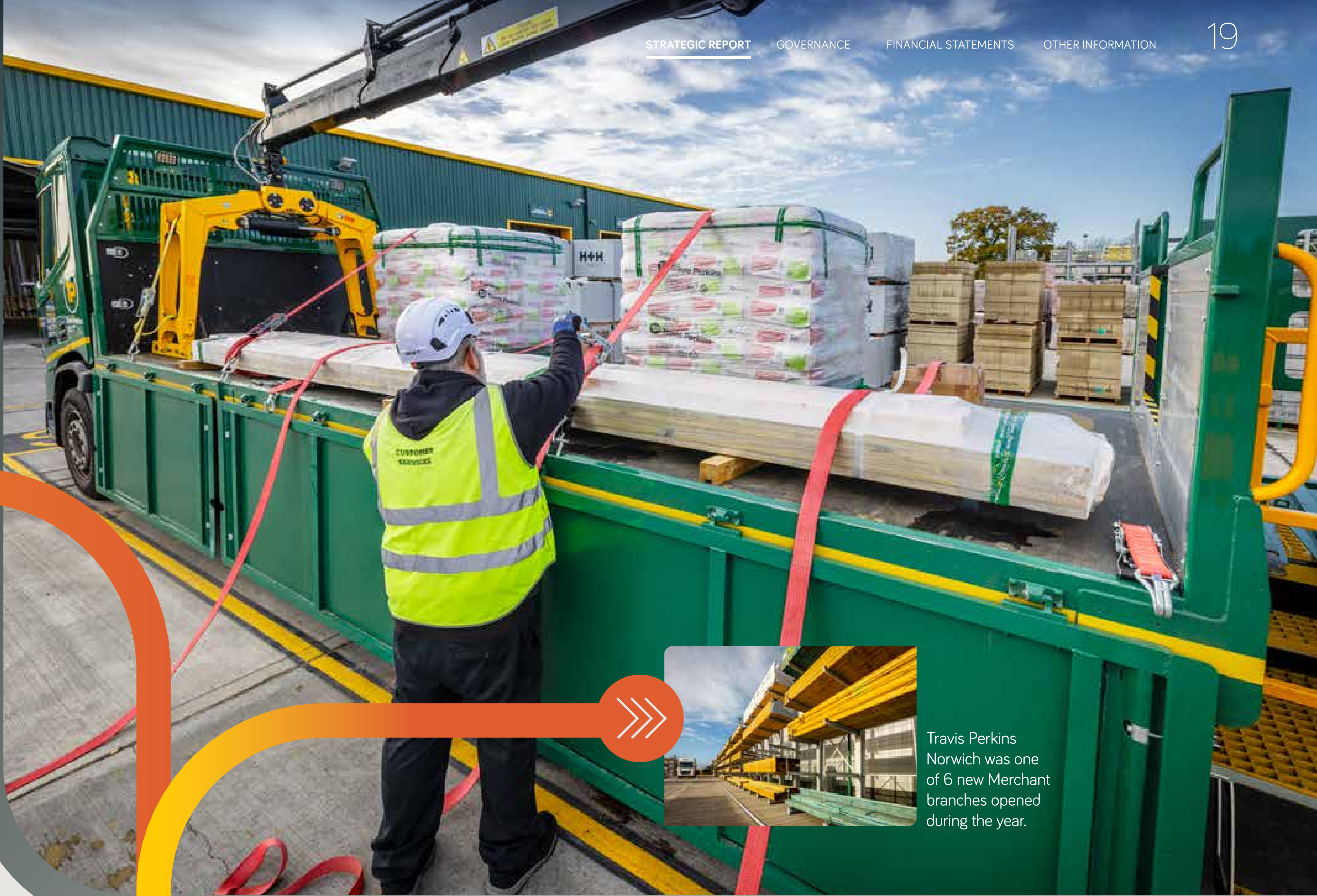
Price deflation, a significant factor in H1 due to the rollover of prior year timber price reductions in particular, eased in H2. However, volumes worsened as the year progressed, in part driven by project postponements caused by general election uncertainty and the delayed government budget.

The private domestic RMI market, the Merchanting segment's largest end market which is primarily serviced by the Group's General Merchant business, remained depressed throughout the year. The private domestic new-build market, primarily serviced by Keyline and CCF working with national and regional housebuilders, also saw another notable drop in activity.

The Merchanting segment's other end markets – commercial, industrial and public sector – saw mixed levels of demand with uncertainty surrounding government departmental budgets persisting until after the late October budget announcement. This created hesitancy to invest and impacted demand in the second half of the year, particularly in BSS which serves these markets.

Six new Merchant branches were opened during the year as the Group continues to selectively add new branches to its network. Five of the sites were new General Merchant branches, serving major conurbations including Leeds, Edinburgh, Derby and Coventry, with a new CCF branch also opened in Norwich.

51 Merchant branches were closed during the year with the majority being 42 Benchmarx standalone branches. The Benchmarx decision continues the Group's strategy of offering an integrated proposition within destination General Merchant branches. The remaining nine branches closed comprised eight General Merchant branches and Keyline Kirby with these sites deemed to be poorly located or requiring significant investment and where trade could be transferred to an alternative nearby branch.



Travis Perkins Norwich was one of 6 new Merchant branches opened during the year.

BUSINESS PERFORMANCE AND PRIORITIES CONTINUED

Toolstation

Revenue

£821m

2023: 801m

Branch network

697

2023: 689

2025 priorities

- Continued Toolstation UK gross margin progress with focus on increasing own brand penetration
- Further Toolstation UK supply chain efficiencies
- Continued expansion of Toolstation UK with c.20 new branches
- Drive Toolstation Benelux strategic plan actions to narrow losses further

	2024	2023 (re-presented[1])	Change
Revenue	**£821m**	£801m	2.5%
Life-for-like growth	**1.9%**	3.4%	
Adjusted operating profit - UK	**£34m**	£23m	47.8%
Adjusted operating profit - Europe	**£(13)m**	£(20m)	35.0%
Adjusted operating profit - Total	**£21m**	£3m	600.0%
Adjusted operating margin	**2.6%**	0.4%	220bps
ROCE	**4%**	1%	3ppt
Store network (UK)	**587**	570	17
Store network (Europe)	**110**	119	(9)

1 For continuing businesses only. The Toolstation France business is treated as a discontinued operation and excluded from the re-presented 2023 figures.

UK

Toolstation UK continued to make good progress during the year with revenue increasing by 2%, reflecting continued maturity benefits and a modest pricing uplift. A net 17 stores were added during the year with 19 new stores, three relocations and two closures. A similar number of store additions is expected for 2025.

Adjusted operating profit increased by £11m (47.8%) year-on-year driven by a combination of sales growth, gross margin benefits from improved purchasing and product mix and supply chain efficiencies.

Benelux

Like-for-like sales in Benelux increased by 11% as the business continues to mature. However, due to rapid growth over recent years, the business has not been effective in converting strong sales growth into improved profitability and hence management conducted a full strategic review of the business during the first half of the year.

The review concluded that the business had good long-term prospects but needed to take near-term actions to accelerate the path to profitability. These actions included the closure of 11 underperforming branches, a 15% reduction in central headcount, improving procurement capability and optimising supply chain capacity. As a result of these actions, adjusted operating losses reduced to £(13)m and are expected to narrow significantly again in 2025.

France

Following a strategic review early in the year, management concluded that Toolstation France did not have a credible pathway to becoming a profitable standalone business. The capital requirements to reach the necessary scale in the French market, given the operation's relative immaturity, and the differing customer behaviours to Benelux and the UK, led management to pursue divestment options with established domestic partners in the French market. When it became clear that there was no overall buyer, management took the difficult decision to close the French business. That process is now complete with 8 stores having been sold to Quincaillerie Angles as a going concern and the 43 remaining stores, alongside supply chain and head office functions, closed by the end of 2024.

TS
LOW PRICES ON
TRADE QUALITY PRODUCTS
TS
OPEN TO ALL
7 DAYS A WEEK
TOOLSTATION
ENTRANCE
ASK IN
STORE
ABOUT
HIRE

FINANCIAL REVIEW

Revenue analysis

The Merchanting businesses saw a continuation of challenging trading conditions across the year, with the rollover of commodity price deflation – notably timber – leading to pricing being down (3.6)% in the first half. In the second half, pricing pressures eased as commodity prices stabilised. However, volumes deteriorated as uncertainty created by the general election and subsequently delayed inaugural government budget led to project postponements. The Merchanting businesses also faced increased competitive intensity in the second half of the year.

Toolstation continued to gain market share across the year in both the UK and Benelux with volume growth, despite a declining market, and robust pricing. Maturity benefits from the investment in the store network and customer proposition continue to come through.

Volume, price and mix analysis

	Merchanting	Toolstation	**Group**
Price and mix	(2.3)%	1.4%	**(1.7)%**
Like-for-like volume	(4.5)%	0.5%	**(3.6)%**
Like-for-like revenue growth	**(6.8)%**	**1.9%**	**(5.3)%**
Network changes	(0.6)%	0.3%	**(0.5)%**
Trading days	1.2%	0.3%	**1.1%**
Total revenue growth	**(6.2)%**	**2.5%**	**(4.7)%**

Quarterly revenue analysis

		Total revenue*		Like-for-like revenue	
		2024	2023	2024	2023
Merchanting	Q1	(6.0)%	(3.2)%	(4.2)%	(4.2)%
	Q2	(5.7)%	(5.6)%	(7.9)%	(5.2)%
	H1	**(5.8)%**	**(4.5)%**	**(6.1)%**	**(4.8)%**
	Q3	(7.1)%	(3.4)%	(8.2)%	(2.9)%
	Q4	(5.8)%	(5.1)%	(6.8)%	(5.2)%
	H2	**(6.5)%**	**(4.2)%**	**(7.6)%**	**(4.1)%**
	FY	**(6.2)%**	**(4.4)%**	**(6.8)%**	**(4.4)%**
Toolstation	Q1	0.9%	7.6%	(1.2)%	3.5%
	Q2	3.6%	9.0%	2.4%	6.4%
	H1	**2.3%**	**8.3%**	**0.6%**	**5.0%**
	Q3	3.0%	7.2%	2.2%	4.1%
	Q4	2.2%	0.8%	4.3%	(0.3)%
	H2	**2.6%**	**3.8%**	**3.3%**	**1.8%**
	FY	**2.5%**	**6.0%**	**1.9%**	**3.4%**
Total Group	Q1	(4.9)%	(1.7)%	(3.5)%	(3.3)%
	Q2	(4.2)%	(3.5)%	(6.2)%	(3.5)%
	H1	**(4.5)%**	**(2.6)%**	**(4.9)%**	**(3.4)%**
	Q3	(5.5)%	(1.9)%	(6.6)%	(2.0)%
	Q4	(4.3)%	(4.1)%	(4.8)%	(4.4)%
	H2	**(5.0)%**	**(3.0)%**	**(5.8)%**	**(3.1)%**
	FY	**(4.7)%**	**(2.8)%**	**(5.3)%**	**(3.2)%**

* Trading day adjusted

Operating profit

£m	2024	2023 (re-presented[1])	Change
Merchanting	149	212	(29.7)%
Toolstation	21	3	600.0%
Unallocated costs	(29)	(32)	9.4%
Adjusted operating profit excluding property profits	**141**	**183**	**(23.0)%**
Property profits	**11**	**15**	(26.7)%
Adjusted operating profit	**152**	**198**	**(23.2)%**
Amortisation of acquired intangible assets	(11)	(10)	
Adjusting items	(139)	(27)	
Operating profit	**2**	**161**	

Finance charge

Net finance charges were in line with prior year at £41m (see note 6 for details).

Taxation

The tax charge before adjusting items was £34m (2023: £44m) giving an adjusted effective tax rate (adjusted 'ETR') of 30.4% (standard rate: 25.0%, 2023 actual: 31.5%). The adjusted ETR rate is substantially higher than the standard rate due to the effect of expenses not deductible for tax purposes and unutilised overseas losses.

The statutory tax charge for 2024 was £2m (2023: £32m) giving an effective tax rate of (5.7)% (2023: 26.3%). This is lower than the adjusted ETR as a result of the tax effect of the impairment of goodwill.

Earnings per share

The Group reported a total loss after tax of £(77)m (2023: profit of £38m) resulting in basic loss per share of (36.6) pence (2023: earnings per share of 18.1 pence). Diluted loss per share was (36.6) pence (2023: earnings per share of 17.8 pence).

Adjusted profit after tax was £77m (2023: £115m) resulting in adjusted earnings per share of 36.6 pence (2023: 54.4 pence).

Cash flow and balance sheet

Free cash flow

£m	2024	2023 (re-presented[1])	Change
Adjusted operating profit excluding property profits	141	183	(42)
Depreciation of PPE and other non-cash movements	96	99	(3)
Change in working capital	6	(23)	29
Net interest paid (excluding lease interest)	(20)	(25)	5
Interest on lease liabilities	(30)	(26)	(4)
Tax paid	(21)	(41)	20
Adjusted operating cash flow	**172**	**167**	**5**
Capital investments			
Capex excluding freehold transactions	(64)	(107)	43
Proceeds from disposals excluding freehold transactions	1	2	(1)
Free cash flow	109	62	47

The Group made strong progress on cash generation with free cash flow £47m higher than the prior year despite a reduction of £(42)m in adjusted operating profit excluding property profits. Key to this improvement was a disciplined approach to capital expenditure and a comprehensive review of stock management practices which resulted in a £64m reduction in stock holding. This was offset by a £(58)m working capital outflow related to debtors and creditors, the majority of which resulted from the temporary impact of process changes following the Oracle finance system implementation.

Capital investment

£m	2024	2023 (re-presented[1])
Strategic	21	49
Maintenance	39	52
IT	4	6
Base capital expenditure	**64**	**107**
Freehold property	12	33
Gross capital expenditure	**76**	**140**
Disposals	(63)	(68)
Net capital expenditure	**13**	**72**

Base capital expenditure was reduced by £43m during the year as a result of a more disciplined approach, predominantly on strategic investment. As part of the Group's prioritisation of reducing leverage, freehold development and acquisitions were £51m lower than the proceeds of freehold disposals, which were primarily sale and leaseback transactions.

Uses of free cash flow

£m	2024	2023	Change
Free cash flow	**109**	**62**	**47**
Investments in freehold property	(12)	(33)	21
Disposal proceeds from freehold transactions	62	67	(5)
Dividends paid	(23)	(82)	59
Cash payments on adjusting items	(20)	(11)	(9)
Drawdown of borrowings	–	100	(100)
Repayment of bonds	–	(180)	180
Other	(16)	(15)	(1)
Change in cash and cash equivalents	**100**	**(92)**	

Note: Cashflows related to Toolstation France are classified above as "Other".

Cash and cash equivalents increased by £100m driven by strong free cash flow, a planned reduction in freehold property investment and adherence to the Group's policy on dividend distribution.

In the prior year, the balance of the 2023 bond (£180m) was repaid and largely replaced with £100m of US private placement notes.

1 For continuing businesses only. The Toolstation France business is treated as a discontinued operation and excluded from the re-presented 2023 figures.

FINANCIAL REVIEW CONTINUED

Net debt and funding

£m	31 Dec 2024	31 Dec 2023	Change	Covenant
Net debt	£845m	£922m	£77m	
Net debt/adjusted EBITDA	2.5x	2.6x	0.1x	<4.0x
Net debt before leases	£191m	£314m	£123m	
Net debt before leases/ adjusted EBITDA	**0.6x**	**0.9x**	**0.3x**	

Note: All covenant metrics measured post IFRS16. In accordance with the Group's debt covenant definitions, the comparative year has not been re-presented to exclude the result of the Toolstation France business.

Net debt before leases reduced by £123m driven primarily by improvements in stock management, a disciplined approach to capital expenditure and a reduction in the dividend. Additionally, a legacy pension SPV has been unwound, reducing net debt by £25m, as part of a clear roadmap to transferring the fully funded closed defined benefit schemes to insurers.

Overall net debt reduced by £77m as lease liabilities increased by £46m, a result of recent sale-and-leaseback transactions and also the move to transfer the Group's forklift truck fleet to be fully electric, with all new forklifts being leased.

Funding

As at 31 December 2024, the Group's committed funding of £800m comprised:

- £250m guaranteed notes due February 2026, listed on the London Stock Exchange.
- £75m bilateral bank loan due August 2027.
- A revolving credit facility of £375m maturing in November 2028.
- £100m of US private placement notes, maturing in equal tranches in August 2029, August 2030 and August 2031.

As at 31 December 2024, the Group had undrawn committed facilities of £390m (2023: £390m) and deposited cash of £200m (2023: £102m), giving overall liquidity headroom of £590m (2023: £492m).

As part of the refinancing of the £250m February 2026 sterling bond, on 13 March 2025 the Group issued £125m of US private placement notes to a group of six investors with maturities between 2028 and 2035 at investment grade yields.

Financial risk management

The overall aim of the Group's financial risk management policies is to minimise potential adverse effects on financial performance and net assets. The Group manages the principal financial and treasury risks within a framework of policies and operating parameters reviewed and approved annually by the Board of Directors. The Group does not enter into speculative transactions.

The Group has a revolving credit facility with a syndicate of eight banks with a total value of £375m (2023: £375m). The facility has a 2028 maturity date with an option to extend the maturity date to 2030.

The Group has £425m of committed funding from the issuance of bonds and loans: £250m guaranteed notes due February 2026, listed on the London Stock Exchange; £75m bilateral bank loan due August 2027; £100m of US private placement notes, maturing in equal tranches in August 2029, August 2030 and August 2031.

In March 2025 the Group issued £125m of senior unsecured notes to a syndicate of six investors. The proceeds of the issuance will be used to refinance a portion of the Group's £250m public bond maturing in February 2026.

The Group's policy is to enter into derivative contracts only with members of its bank facility syndicate, provided such counterparties meet the minimum rating set out in the Board-approved derivative policy. At the year-end the Group had a £75m interest rate swap outstanding and its borrowings were fixed on 100% of the Group's cleared gross debt (before cash and cash equivalents).

The Group settles its currency denominated purchases using a combination of currency purchased at spot rates and currency bought in advance on forward contracts. It purchases forward contracts for approximately 90% of its committed requirements six months forward based on the firm placement of forward stock purchases. At 31 December 2024 the nominal value of currency forward contracts was US$24m (2023: US$22m and €6m).

The Group is a substantial provider of credit to a large portfolio of small and medium-size businesses throughout the UK together with some of the country's largest construction companies. It manages its exposure to credit risk through a strong credit control function that works closely with the business and its customers to ensure the Group offers credit sufficient for the needs of those customers without exposing the Group to excessive risk. The bad debt charge in 2024 was approximately 0.4% (2023: 0.3%) of credit sales.

In summary, the key aspects of the Group's financial risk management strategy are to:

- Run the business to investment-grade credit parameters.
- Reduce reliance on the bank market for funding by having a diverse mix of funding sources with a spread of maturities.
- Seek to maintain a strong balance sheet.
- Place a high priority on effective cash and working capital management.
- Maintain liquidity headroom of over £200m and build and maintain good relationships with the Group's banking syndicate.
- Manage counterparty risk by raising funds from a syndicate of lenders, the members of which maintain investment grade credit ratings.
- Operate banking covenants attached to the Group's revolving credit facilities and term loan within comfortable margins.
- Maintain the ratio of reported net debt to adjusted EBITDA in the range of 1.5x to 2.0x. It was 2.5x (2023 (restated): 2.6x) at the year-end.
- Have a conservative hedging policy that reduces the Group's exposure to currency fluctuations.

The financial ratios are calculated under IFRS as adopted by the EU as it was immediately before the adoption of IFRS 16 – Leases, except for the August 2022 loan agreement which has economically equivalent tests that incorporate the impact of IFRS 16 – Leases. Tax strategy and tax risk management

The Group's objectives in managing and controlling its tax affairs and related tax risks are as follows:

- Ensuring compliance with all applicable rules, legislation and regulations under which it operates.
- Maintaining an open and cooperative relationship with the UK tax authorities and with the tax authorities that the Group's overseas businesses operate under, to reduce the Group's risk profile.
- Paying the correct amount of tax as it falls due.

Tax policies and risks are assessed as part of the formal governance process and are reviewed by the Chief Financial Officer and reported to the Audit Committee on a regular basis. Significant tax risks, implications arising from these risks and potential mitigating actions are considered by the Board when strategic decisions are taken. In particular the tax risks of proposed transactions or new areas of business are fully considered before proceeding. The Group employs professional tax specialists in the UK to manage tax risks and takes appropriate tax advice from professional firms where it is considered to be necessary for both its UK and overseas operations. The Group's tax strategy is published on its website.

Total tax contribution

The table below provides a reconciliation of the income taxes paid by the Group in the financial year compared to the tax charge shown in the Group's Financial Statements. Details of the total tax contribution made by the Group in 2024 and tax collected on behalf of tax authorities is also detailed below.

Reconciliation of tax paid to tax charge:

	£m
Total tax charge per accounts	2.2
Deferred tax credit*	33.3
True up of prior periods tax liability	(0.6)
Tax deductions in reserves	–
Current tax payable on 2024 profits	**34.9**
Tax paid in 2024 to be refunded in 2025	(3.0)
Tax refunds received in 2024 relating to years prior to 2024	(11.0)
Total net current taxes paid in 2024	**20.9**
Other taxes paid in 2024:	
Business rates	38.9
National Insurance contributions	48.9
Other taxes and duties	16.2
Total tax contribution for 2024	**124.9**
Tax collected in 2024:	
PAYE	77.2
Employee's NI	31.6
VAT	192.1
Total tax collected and paid for 2024	**425.8**

* Certain profits and costs recognised in the Financial Statements do not result in a cash tax effect until a future date. When this happens an accounting entry, called deferred tax, is made to recognise the expected future tax cost or benefit.

Viability assessment

In accordance with Provision 31 of the UK Corporate Governance Code, published by the Financial Reporting Council in 2018, the Board of Directors has undertaken an assessment of the viability of the Group.

As part of its deliberations the Board undertook a robust review of the Emerging and Principal Risks and Uncertainties facing the Group, how they are managed and the actions that could be taken to mitigate their effect or avoid them altogether. The resulting disclosures, which include those risks that could threaten the Group's business model, performance, solvency and liquidity are shown on pages 59 to 69 of the Annual Report. The Board believes the Group is well-placed to manage those risks successfully.

The Board has decided that it is appropriate to assess the performance of the Group over a three-year period from 28 February 2025, the month-end date closest to the approval of the 2024 annual results.

Three years has been chosen because this is the period that it is reasonably possible to forecast forward with a degree of accuracy. This is because the Group is subject to the vagaries of the economic cycle and property market which cannot reasonably be forecast with certainty further than three years forward. Whilst the Board has no reason to believe the Group will not remain viable over a longer period, the inherent uncertainty involved means three years is the appropriate period over which to give users of the Annual Report a reasonable degree of confidence.

The Corporate Plan, which is prepared annually on a rolling basis, considers the Group's future profitability, cash flows, liquidity headroom, availability of funds and covenant compliance. For the purposes of the viability review, the Board has performed a robust sensitivity analysis to stress test the downside scenario principally based upon the 2008/2009 financial crisis and the mitigating actions that would be taken to protect the Group's viability. These actions include reducing costs, capital spend, revenue investment and payments to shareholders, as well as restricting credit to customers. In undertaking this analysis, the Board considered the impact on the wider economy and property market from the current interest rate environment and cost-price inflation in building materials and energy prices, as well as general price levels. Given the Group's trading experience in the Covid-19 pandemic and the nature of the near-term risks to the economy, the use of the 2008–2009 financial crisis as a model for a prolonged downturn in the housing market remains appropriate.

Based upon the assessment undertaken, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment.

SUSTAINABILITY REPORT

Building for Better

As the UK's largest distributor of building materials, Travis Perkins plc is committed to driving meaningful Environmental, Social and Governance ("ESG") change in the construction industry. This commitment to customers, colleagues and communities covers every aspect of the business. Besides a focus on improving the performance of its own business, the Group works proactively with suppliers and customers and recognises the important role it plays as a convener and influencer in the development of more sustainable communities.

Building on the progress made since the Group launched its first Building for Better framework and targets in 2020, this latest status report provides an update on performance in the focus areas where the Group carries the most risk or opportunity, as shown in the framework.

BUILDING FOR BETTER

SUSTAINABILITY PRIORITY

Decarbonising the industry

Modernising construction
Provide sustainable products and services to support Modern Methods of Construction, retrofit, energy efficiency, decarbonisation, climate resilience, biodiversity, nature, water and waste.

Sourcing responsibly
Ensure safe and quality products from ethical, traceable and resilient supply chains. Support the golden thread of data.

Operating sustainably
Lead by example within the Group's operations. Deliver net-zero carbon and reduce operational waste.

Developing the next generation
Upskill the Group's colleagues and the wider industry in green and future skills to help facilitate sector improvements.

DOING THE RIGHT THING

Safety & Wellbeing | Diversity, Equity & Inclusion | Colleague Voice | Reward
Charity & Community | Modern Slavery & Human Rights | Legal Compliance

Collaborative partnership

In 2024 the Group further developed the sustainable products, data and services it offers, in response to increasing requests from customers for support on decarbonisation and other sustainability issues. The Group is an active member of a number of industry working groups to better understand industry challenges, share best practices and influence and develop shared approaches where this brings efficiencies:

1. National Retrofit Hub
2. Future Homes Hub
3. Builders Merchant Federation
4. Logistics UK

This external participation reflects the Group's biggest sustainability risks or opportunities and allows the Group to evolve its approach as needed, remaining relevant for customers and other stakeholders.

2024 performance summary

Despite a tough economic climate, sustainability requirements from the Group's largest customers continue to increase. The focus in 2024 has been on prioritised in-year initiatives as well as the development of the product ranges and data needed to drive sustainable and commercial success in the medium to long term. The Group's position in the supply chain between thousands of customers and suppliers means it is able to collaborate with the supply chain to co-create solutions and influence the changes the industry needs.

The Group has three sustainability targets relating to carbon and skills and in-year objectives for all other focus areas. The two carbon targets are SBTi-approved as in line with a 1.5° warming pathway (see page 44), and the skills target is to achieve 10,000 graduated apprentices by 2030 through the Group's LEAP apprenticeship provider.

These targets will be reviewed in 2025, taking into account delays in government policy, funding and infrastructure improvements, all of which are critical to the Group's ability to meet these targets.

The Group made progress towards its carbon reduction targets in 2024 with specific actions including the completion of the electric forklift roll-out, Hydrotreated Vegetable Oil ("HVO") use for 210 HGVs and LED installations, as well as data improvements for Scope 3. However, it is recognised that absolute carbon reductions are in part due to market volume declines. In addition, the previously reported relative carbon performance per £m revenue has been impacted by inflation. As such, a new relative performance measure has been introduced from 2024; carbon per tonne of product sold. This indicates a potential future risk of deterioration in the Group's Scope 3 carbon performance once sales volumes pick up. Work is underway to influence Scope 3 improvements in the value chain. Absolute performance from 2023 to 2024 is -13% for Scope 1&2 and -7% for Scope 3. Performance relative to tonnes of product sold from 2023 to 2024 is -10% for Scope 1&2 and -3% for Scope 3. It is important to consider carbon intensity in a period of sales decline to gain a more balanced view of performance. Further carbon performance data can be seen on pages 57-58.

A total of 427 colleagues and industry partners graduated in apprenticeships facilitated by LEAP, the Group's Early Careers and Apprenticeship Provider in 2024. This contributes to the Group's upskilling target.

Work in all other focus areas has moved forward and progress is reported on the following pages.

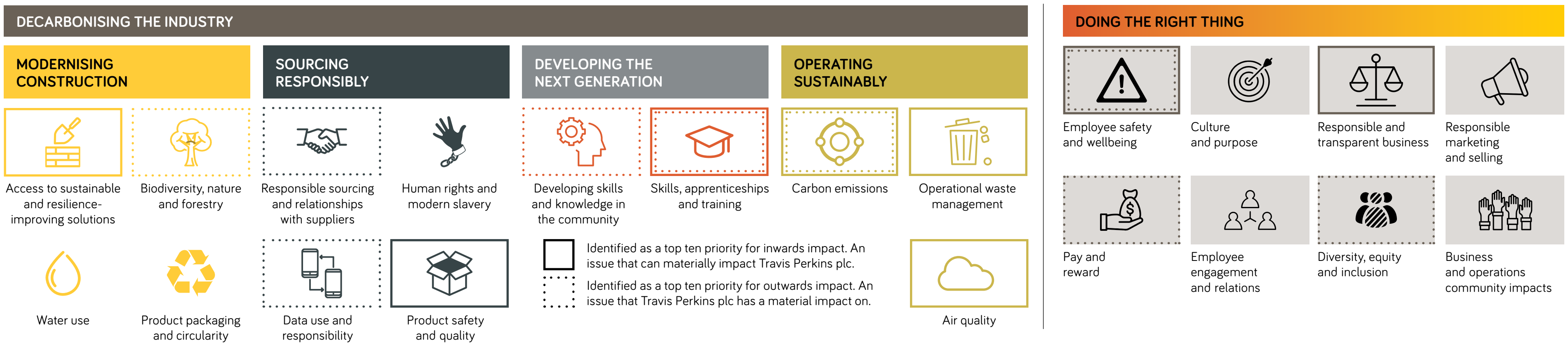
Double materiality and stakeholder engagement

The Group continued to engage with its stakeholders on ESG during 2024. These interactions demonstrated that the material focus areas for the Group remain unchanged from those that were determined in the 2022 in-depth ESG double materiality assessment. Ongoing engagement with all stakeholder groups ensures that the Group's strategic choices and reporting remain focused on the most important issues. The Double Materiality Map below illustrates key priorities for the Group and these will be reassessed in 2025.

The Group actively engages with stakeholders to share progress, inform plans, listen to feedback and seek views. The key stakeholder groups, their ESG concerns and the Group's engagements with them in 2024 are detailed in the Section 172 statement on pages 78-80.

The Double Materiality Map illustrates the Group's key priorities based on double materiality, taking into account impacts on the Group and the Group's impacts on the environment, society and the market.

The Group will continue to review the material focus areas to ensure that the most important topics for the business and for its stakeholders are in scope.



Delivering social value

The Group delivers value to its communities in many ways. Below are some of the highlights from 2024.

SKILLS DEVELOPMENT

Graduated apprentices

427

378 for Group colleagues, 49 for the industry

Enrolled apprentices

1,019

841 for Group colleagues, 178 for the industry

Female apprentices

29%

Apprentices under 25 years old

34%

Apprentices from ethnic minorities

8%

Hours of ESG training completed in-house or through the Supply Chain Sustainability School

85,394

OPERATIONAL IMPACT

Transport carbon reduction

11.5%

Revenue from products with Environmental Product Declarations or Life Cycle Analyses

14%

Spend on goods-for-resale with SMEs

26%

Employed colleagues (FTE)

17,464

Investment in colleague total reward packages

£599m

Total tax contribution

£426m

£125m taxes borne, £301m taxes collected

COMMUNITY INVESTMENT

Amount raised for charity

£1m

Number of social value projects supported

295

Total social value project value

£2.1m

Governance of sustainability

The Board has overall responsibility for sustainability. The Group Sustainability Director supports the Group in developing, governing and delivering against its sustainability strategy. Each of the material focus areas has a Group lead supported by nominated leads and leadership sponsors in each business. Progress is reported to the Group Leadership Team and the Board to monitor and improve performance. The Stay Safe Committee of the Board oversees performance in health and safety. Policies and objectives are in place for each material focus area. The Group's ESG policies can be found on the Group's website.

Climate-related financial risks and opportunities

Since 2010, the Group has submitted an annual climate disclosure to the Carbon Disclosure Project ("CDP") This includes a financial assessment of climate-related risks and opportunities. The Group has prepared its fourth full disclosure against the Task Force for Climate-related Financial Disclosure ("TCFD") recommendations on pages 43-58. During 2024 the Group further enhanced its climate risk and opportunity assessment through desktop analysis of the published TCFD reports of large suppliers and customers.

Corporate Sustainability Reporting Directive ("CSRD") compliance

Toolstation Europe will report in line with CSRD at such time as it becomes applicable to their business.

Alignment to UN Sustainable Development Goals

Through the Building for Better ESG agenda, the Group directly supports delivery of a number of the 17 UN Sustainable Development Goals ("SDGs"). The most relevant six goals are detailed in the table on page 29. With the Group's sustainability priority being to decarbonise the industry, Goal 13 on Climate Action is taken into account across all ESG focus areas and influences decision-making.

Sustainability priority: Decarbonising the industry

Material focus areas	Commitment	2024 planned actions	Progress	2025 planned actions	Supporting the Group's strategy	SDGs
MODERNISING CONSTRUCTION						
Sustainable products and services to support Modern Methods of Construction, retrofit, energy efficiency, decarbonisation, climate resilience, biodiversity, nature, water and waste.	**63% reduction in Scope 3 carbon by 2035**	Develop a definition of sustainable products based on robust criteria and launch within at least one Group business. Increase the percentage of sales backed by Environmental Product Declarations from 10.7% (2023).	Good	Launch data set to help customers to identify products with sustainable attributes across at least two of the Group's businesses. Continue to increase the coverage and quality of product-level carbon data across the Group and support customers with carbon-reporting tools.	By providing sustainable products and value-add services to customers, the Group can earn a greater share of spend and become a key partner.	13 CLIMATE ACTION; 11 SUSTAINABLE CITIES AND COMMUNITIES; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
SOURCING RESPONSIBLY						
Safe and quality products from ethical, traceable and resilient supply chains, supporting the golden thread of data.		Develop the Group's due diligence approach, with a target of the supplier assessment programme covering 90% of Group spend on products-for-resale by the end of 2024.	Good	Expand the share of Group spend which is covered by supplier assessments across both GNFR and GFR suppliers.	Customer relationships are underpinned by trust in the Group to source responsibly and meet changing data transparency requirements.	13 CLIMATE ACTION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
OPERATING SUSTAINABLY						
Net-zero carbon and reduced operational waste. Leading by example in the Group's operations.	**Net-zero for Scope 1 and 2 carbon by 2035, with at least 80% reduction**	Continue with carbon training to enable colleagues to drive energy and fuel reduction and better support customers by sharing best practice.	Good	Take stock of the Group's estate and assets, considering the availability of current and emerging low-carbon technologies, to inform the continued development of the Group's Fleet and Estate decarbonisation roadmaps for the years ahead.	All of the Group's stakeholders expect credible action on operational carbon and waste. Performance can influence the outcome of customer tenders.	13 CLIMATE ACTION; 8 DECENT WORK AND ECONOMIC GROWTH
DEVELOPING THE NEXT GENERATION						
Upskilling colleagues and the wider industry in green and future skills to help facilitate sector improvements.	**10,000 graduated apprentices by 2030**	Introduce a flexible apprenticeship which will include placements with other businesses in the sector. Launch a suite of micro-qualifications: short, focused learning programmes for job-related skills and knowledge.	Good	Develop the Group's Learning and Development (L&D) offering in line with the new Government's "Growth and Skills" levy funds to support a wider range of training and development programmes, extending beyond traditional apprenticeships.	To best support customers in a changing market, green and future skills are critical. As a trusted and leading partner to the construction industry, customers value the Group's expertise and advice.	13 CLIMATE ACTION; 4 QUALITY EDUCATION
DOING THE RIGHT THING						
Safety and wellbeing: Getting everyone home safe and well, every single day.		Continue to embed the growing culture of "Calling it out", taking time to "Stop, Step Back, Think. Then Act" by ensuring daily team briefings take place at all locations.	Good	Introduce a new second line of defence safety assurance programme, and continue focus on out-of-branch safety, including safe deliveries.	Doing the Right Thing deepens relationships with customers as expectations around responsible business increase.	13 CLIMATE ACTION
Diversity, equity and inclusion: Creating an environment where everyone can be themselves.		Target an engagement survey score for the statement "I feel a sense of belonging at this Company" above the provider's global average by the end of 2025.	Some	The Group is targeting an engagement survey score for the statement "I feel a sense of belonging at this company" in excess of the provider's global average by the end of 2025.		
Colleague voice: Listening to colleagues to make better decisions and increase engagement.		Develop action plans to address the priorities and issues that have the biggest impact on engagement and therefore on overall business performance.	Some	Conduct analysis of the engagement survey, ensuring clear actions are identified, set and taken at a Group, Business and local level; leveraging engagement as a performance lever.		
Charity and community: Taking pride in helping others and making positive change happen.		Grow colleague volunteer hours and build charity and community partnerships that deliver on the Group's impact goals and use these partnerships deliver social value.	Some	Continue to use charity and community partnership and activity to create meaningful social change both nationally and locally; working with established and new partners.		
Reward: Improving the financial health of colleagues.		Continue to explore ways to support colleague long-term financial resilience and wider wellbeing.	Some	Focus on incentive structures to drive engagement and performance. Provide further support to those approaching retirement to reflect the challenges of an ageing population.		
Modern slavery and human rights: Eliminating modern slavery from the Group and its supply chains.		Extend in-person ID checks, currently conducted on higher-risk labour agency workers, to other third parties.	Some	Development and delivery of additional controls for labour agency workers employed at Group sites, including controls to address the risk of modern slavery.		
Legal compliance: Complying with all relevant laws.		Develop the internal Doing the Right Thing portal to increase understanding of legal compliance policies and guidance.	Some	Development and delivery of further bespoke training to cover a number of key compliance areas, to complement existing training modules.		

SUSTAINABILITY REPORT CONTINUED

Modernising construction

Providing sustainable products and services to support retrofit, Modern Methods of Construction, energy efficiency, decarbonisation, climate resilience, biodiversity, nature, water and waste.

Why it is important

The built environment is responsible for 25% of emissions in the UK along with a wide number of other sustainability challenges. Customer needs are changing and the Group needs to adapt to remain relevant, seize the opportunity and provide different products, data and services. With 99% of the Group's carbon footprint in the supply chain, due to manufactured carbon and in-use product emissions, innovation is essential. Enabling sustainable construction and retrofit supports the needs of customers and the wider community, enabling healthier, more cost efficient and more sustainable buildings.

Progress in 2024

In 2024, the Group further developed its product, data and service proposition for customers, working alongside suppliers and other partners. The Group's product offering has been enhanced with new product ranges, particularly across renewables and low-carbon heat, enabling the supply of a full retrofit basket of goods. This product expansion aligns with growing customer interest and demand for sustainability, led by either EPC requirements or their own sustainability goals, and the Group is strategically positioning itself to meet their evolving expectations. Progress was made against the Group's two stated objectives: the introduction of definitions for sustainable attributes of products and increased coverage of sales by Environmental Product Declarations ("EPDs").

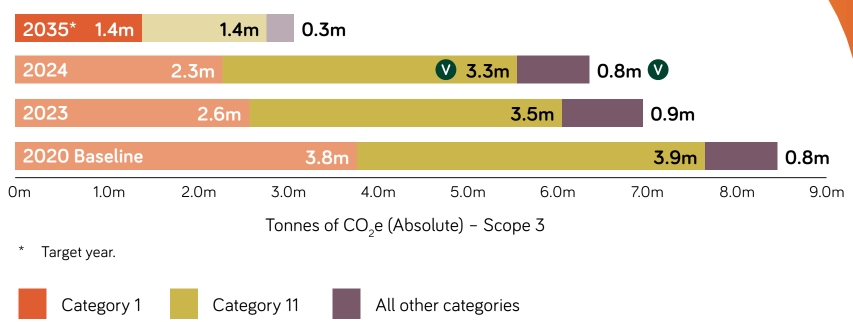
The Group made further progress towards its science-based Scope 3 carbon target of 63% reduction by 2035 from a 2020 baseline, with a further 7% absolute reduction in 2024. However, tonnes of Scope 3 carbon per tonne of product sold only decreased by 3% during 2024 highlighting reduced sales as the primary driver of the decline, rather than product decarbonisation.

Reduction can only meaningfully follow engagement (supplier target setting) and data accuracy (product-level carbon data) and these two points have improved over the last few years, setting the Group up for future reduction opportunities. More detailed carbon data is shared on pages 57-58.

Working with suppliers, customers and the wider industry to enable change

99% of the Group's emissions are in its supply chain and this is due primarily to the embodied carbon from manufacturing the products sold and the operational carbon of some of those products in use, such as gas boilers. The Group's Scope 3 hot spots typically mirror those of its customers; supporting customers to improve also drives performance against the Group's own carbon targets. Recognising that Scope 3 emissions are not in the direct control of the Group, engagement with suppliers, customers and the wider industry is critical to influence and drive change.

Tonnes of CO_2e (Absolute) – Scope 3



* Target year.

V indicates that the data point has been assured. Please see page 35 for more information.

Carbon reduction (Absolute Scope 3, 2020 to 2024)

-23%

Carbon reduction (Absolute Scope 3, 2023 to 2024)

-7%

Suppliers

The Group continues to work with manufacturers to encourage them to calculate and reduce their own emissions, develop new materials and products and provide product-level sustainability data, typically Environmental Product Declarations ("EPDs").

- 61% of the Group's spend is now with suppliers who have calculated their carbon and set reduction targets (57% in 2023).
- 14% of sales value was covered by high-quality emission factors (EPDs or LCAs) applied at a product level (11% at end of 2023). All other sales were covered by good-quality emissions factors at a product level (an additional 32%) or at product sub-category level (remaining 54%). Work continues to increase the use of product-level emissions factors.
- The Group's renewables range has been expanded, with customers now offered a much wider range of renewables and a complete basket of retrofit products, across both systems and fabric.

Customers

The Group works with customers to help them to deliver net zero new builds and to retrofit the UK's existing built estate, providing the products, data and services they need. The demand for sustainable products and solutions represents a growth opportunity for the Group and, with the breadth of products available across each of the businesses, the collective product offering affords opportunities for customers which few in the industry could match.

- A product-carbon reporting tool was developed for CCF customers, now rolling out with CCF and more widely across the Group.
- CCF launched an own-branded low-carbon steel framing alternative, Tradeline Lite.
- A dedicated renewables category team was established in order to meet growing demand.
- The first customer homes have been built using the WholeHouse® digital platform developed by the Group (see case study on the right).

Wider industry

The Group engages with its supply chain, industry bodies and government to enable the changes needed both for itself and its customers.

- The Group continued its partnership with the National Retrofit Hub, co-chairing the Supply Chain, Products and Solutions working group and helping to shape retrofit delivery for the UK.
- The Group is represented in sustainability working groups with the Builders Merchant Federation, Future Homes Hub, Supply Chain Sustainability School and Sustainability in the Built Environment Working Group in order to learn from others, share best practices and remove duplication and complexity on shared challenges.
- The Group sponsored a decarbonisation launch event at the decarbonisation hub Ty Gwyrddfai owned by one of its large social housing customers, Adra, in Penygroes. This provided an opportunity to showcase innovative products to a wide range of social housing and local authority customers across North Wales.

Helping customers through enriched data and information

In response to a growing demand for information on sustainable alternatives in product ranges, the Group has been developing new data points for products to highlight sustainable attributes with a clear set of definitions and rules. This is important to ensure that both customers and the wider market can trust the claims being made and to avoid the risk of greenwashing. This new data set is planned to launch in the first half of 2025 in one of the Group's businesses, expanding to the rest of the Group thereafter. This will enable the Group to answer customer queries confidently and customers to trust the claims being made on products sold to them.

What's next

- ***Launch data set to help customers to identify products with sustainable attributes across at least one of the Group's businesses.***
- ***Continue to increase the coverage and quality of product-level carbon data across the Group and support customers with carbon-reporting tools.***

The design coordination and information available ahead of construction has been a real advantage, from the Pre-Manufactured Utility Cupboard, allowing the air source heat pump to be installed more efficiently and effectively on-site, all the way down to every door being the same size to simplify both site practices and the wider supply chain.

Ray Jordan
Construction Director, Bowbridge Homes Ltd

WholeHouse.

First homes built using Travis Perkins WholeHouse

In 2024, the first home designed and built using the Group's ground-breaking WholeHouse digital platform was completed in Leicestershire. The platform was used by Bowbridge Homes Ltd to develop a pair of semi-detached properties on its site near Melton Mowbray.

This significant milestone follows the launch of WholeHouse in 2023; a platform designed to revolutionise the way SME house builders plan, design and construct new homes. The platform is specifically designed for housebuilders building up to 250 units a year.

It means SME housebuilders can plan and design a bespoke digital model of a house before physically constructing it. It ensures detailed and accurate design, plans and material pricing of developments from the first day. From start to finish, the process can be completed in under an hour, saving weeks off the planning process and construction phase to the benefit of both builders and homeowners.

Using the WholeHouse platform, Bowbridge Homes were able to develop two of the existing properties on the site, enabling them to increase their thermal performance and try new renewable heating packages without having to spend months changing designs and checking compliance with the latest regulations.

The homes are the first of many to be developed using WholeHouse, with further site starts expected to begin later this year.

For more information visit: **www.wholehouse.uk**

SUSTAINABILITY REPORT CONTINUED

Sourcing responsibly

Ensuring safe and quality products from ethical, traceable and sustainable supply chains.

Why it is important

The Group sources hundreds of thousands of product lines from thousands of suppliers and has a responsibility to understand and manage products and supply chains well. The way in which products and services are sourced has a material impact on environmental and social sustainability. By requiring and supporting suppliers to improve and report on their product quality, product data and operations, the Group can protect itself and its customers, who increasingly request evidence of this. Improved data, provision of product information and traceability of products will bring more accountability and effective decision-making to the construction sector.

Progress in 2024

The primary objective for 2024 was continued development of the Group's due diligence approach, targeting 90% of Group spend on goods-for-resale to be within the supplier assessment programme. At the end of 2024, 90% of Group spend on goods-for-resale was within the programme, an increase from 85% at the end of 2023.

Due diligence on product suppliers

The Online Risk Assessment ("ORA") has been issued to the next phase of Group suppliers, taking a risk-based approach. ORAs were submitted by 392 suppliers of products for resale in 2024 with 1,403 suppliers now engaged in the ORA programme.

Own-brand product manufacturing sites are subject to in-person ethical and technical audits, with all ethical audits completed by a third-party auditor. In 2024, 199 factory audit gradings were completed. Where issues were identified, time-bound corrective action plans were used to support suppliers to resolve these. Suppliers resolved 3,556 non-conformances through engagement with the supplier assessment programme.

A short version of the assessment has been implemented within the Group's new finance system for onboarding lower spend suppliers and has been completed by 204 suppliers during 2024.

Assessment of Goods-Not-For-Resale ("GNFR") suppliers

The Group's GNFR ORA, alongside an internal assessment, was extended to additional suppliers on a risk-basis across all businesses and Group functions, covering 54% of the Group spend on GNFR by the end of 2024.

Maintaining safe and sustainable timber supply chains

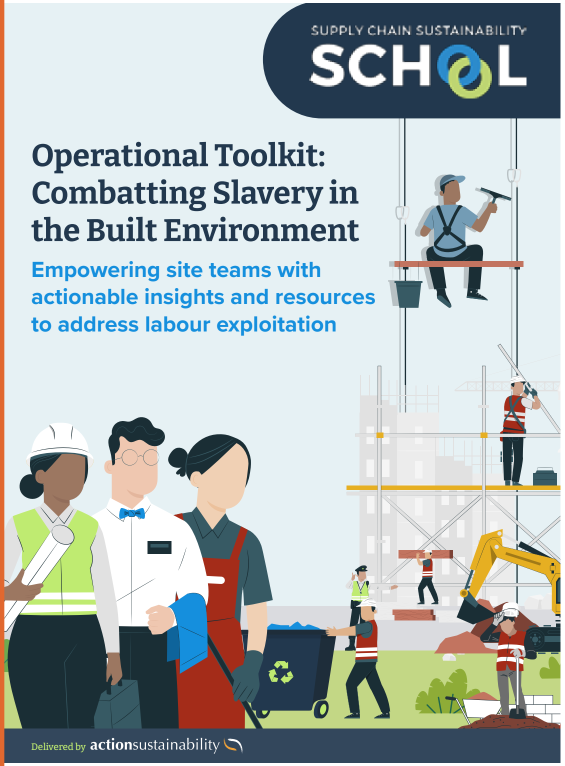
90.1% of timber purchased by the Group in 2024 was certified. The business continues to operate a robust timber chain of custody system in order to pass the "chain of custody" safely onto customers.

Certified timber purchased in 2024

90.1%

What's next

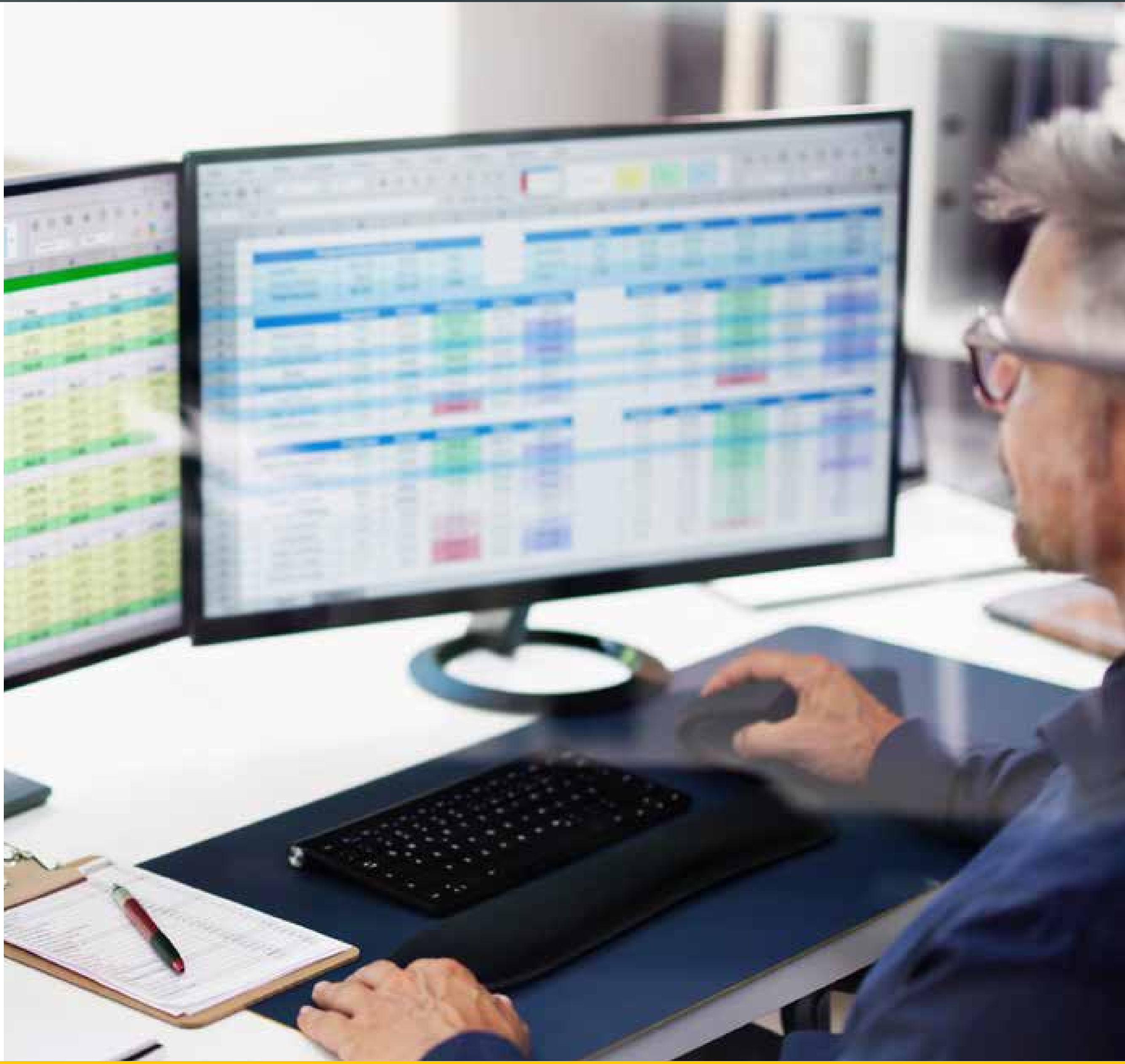
Expand the share of Group spend which is covered by supplier assessments across both GNFR and GFR suppliers.



Collaboration across the industry

The Group Head of Responsible Sourcing, working within the Supply Chain Sustainability School's Modern Slavery Working Group, contributed to the development and launch of a new modern slavery guidance document, "Operational Toolkit: Combatting Slavery in the Built Environment".

This toolkit aims to empower individuals involved in site set up and management to effectively combat slavery and labour exploitation. It brings together insights and recommendations to help address these issues, including free resources such as posters, toolbox talks, and videos from leading modern slavery expert organisations to make it easier for businesses to find the support they need.



Working to raise standards in construction product information

CCF successfully passed the Code for Construction Product Information ("CCPI") assessment for Merchants and Distributors. This achievement underscores CCF's commitment to providing accurate and reliable product information to its customers.

The CCPI is a stamp of approval to verify that suppliers' information on their products and systems is clear, accurate, up-to-date, accessible and unambiguous. For distributors it's a verification that their processes and training means that they accurately relay suppliers product information to their customers.

SUSTAINABILITY REPORT CONTINUED

Operating sustainably

Securing long-term success and efficiencies for the Group by adapting operations to deliver net zero carbon, reduce operational waste and prevent pollution.

Why it is important

The Group takes responsibility for direct environmental impacts from its estate of over 1,400 sites and fleet of 2,500 vehicles, because it's the right thing to do and to drive operational efficiencies and meet growing expectations of customers and investors. The Group has committed to reducing Scope 1 and 2 carbon – relating to the Group's fleet and estate – by 80% by 2035 and offset any remaining emissions. Whilst 99% of the Group's footprint is in the supply chain, to have integrity in asking suppliers and customers to decarbonise the Group must address its own direct emissions. Besides carbon, the Group generates waste in its operations, primarily relating to packaging or obsolete products, and takes its role in preventing, reusing, recycling and recovering waste seriously in order to minimise the use of natural resources and protect the natural environment.

Progress in 2024

In 2024, the Group committed to continue carbon training for colleagues and to better support customers by sharing best practices. Sustainability training, including carbon training, was delivered to over 8,500 colleagues either through online training modules or bespoke training sessions. Representation from the Group continued in a number of industry forums (see page 80) to share best practices and support customers. Additional action was taken to decarbonise the Group's estate and fleet.

Decarbonising the estate

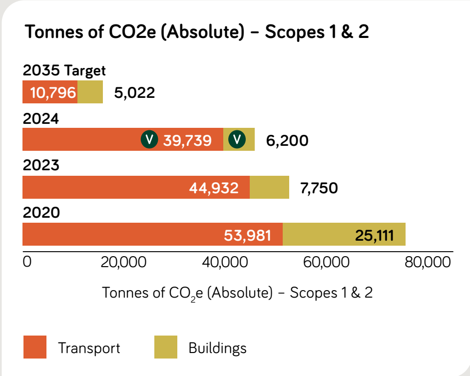
The Group's estate consists of a number of distribution centres and over 1,400 branches. In 2024 the Group continued to use a renewable energy tariff, saving 13,657 tCO_2e emissions. Work continued on the rollout of the Group's LED lighting project, upgrading lighting in 38 locations, replacing obsolete fluorescent lighting with modern, efficient, LED lighting and PIR sensors. Investment in this project, whilst not delivering additional carbon savings while the Group is on a renewable tariff, lowers the Group's energy demand and delivers operational cost benefits. The Group has also taken action to decarbonise eight new branch openings, installing air source heat pumps, solar panels and electric vehicle charging stations. See the Swindon West case study for an example of this in practice.

Decarbonising the fleet

In 2024 the Group completed one of the UK's largest forklift electrification programmes. This multi-million pound investment enabled the transition of diesel powered forklift trucks to a fully electric alternative. The programme resulted in a root and branches review of mobile handling equipment needs, and saw the introduction of around 900 electric forklift trucks and associated charging infrastructure. The Group is already seeing improvement in operational efficiency and it is estimated that this programme will reduce Scope 1 emissions by around 5,000 tonnes CO_2e per annum. The Group also continued to use HVO instead of diesel in 210 of its HGVs during the year.

Progress against carbon targets

During 2024, Scope 1&2 carbon reduced by 13%, taking performance from the 2020 baseline year to 2024 to -42%. The absolute reduction is partly influenced by volume-driven activity decline in a tough economic climate. Carbon performance per tonne of product sold is shared on page 58.



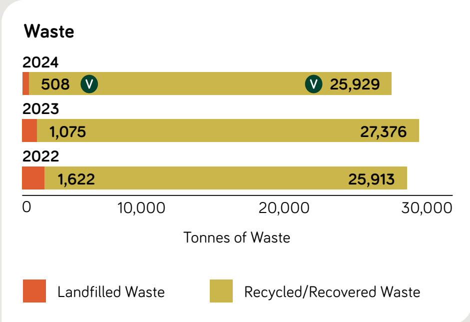
V indicates that the data point has been assured. Please see page 35 for more information.

Carbon reduction (absolute scope 1 & 2, 2020 to 2024)

-42%

Reducing operational waste

The Group aims to reduce operational waste and contribute to a more circular economy. In doing so, the Group has continued its reverse logistics programme, backhauling timber pallets (6,360 tonnes), plastic packaging (239 tonnes), paper and cardboard (3,128 tonnes) to its distribution centres, to be sorted and sent for recycling. During the year the Group also reviewed its waste management framework contract, appointing Veolia as its trusted waste management partner.



Percentage of waste diverted from landfill in 2024

98%

Environmental management

The Group has a robust Environmental Management System ("EMS") in place to help manage the potential environmental impacts from its day-to-day activities. The EMS is central to the Group's ambition to operate sustainably and is certified to ISO 14001:2015 the environmental management standard.

In 2024 the Group recorded 20 environmental incidents with nine classed as reportable by its internal procedures. Of the nine reportable incidents, six were the result of third parties. The majority of incidents related to small-scale spillages such as the release of hydraulic oils.

Assurance

Specific data points in the Sustainability section, marked with the logo V, have been assured against LRQA verification procedures which are based on AA1000AS (2008) and ISAE 3000. A copy of their verification statement is available on our corporate website.

What's next

Take stock of the Group's estate and assets, considering the availability of current and emerging low-carbon technologies, to inform the continued development of the Group's Fleet and Estate decarbonisation roadmaps for the years ahead.

Travis Perkins Flagship branch Swindon Westmead gains BREEAM* "Excellent" rating

This rating indicates that a new-build scheme has incorporated innovative strategies and techniques to reduce its environmental impact and is committed to long-term sustainability. Achieving an Excellent rating places the project in the top 10% of new non-domestic buildings.

The new-build development presented an opportunity to showcase enhanced new building design, ensuring the Group's operations remain fit for the future. The 2.1 acre all-electric site supports the Group's commitment to decarbonising its estate and includes a modern, energy-efficient design that incorporates insulated wall and roof panels, a 68,000 kWh solar panel array, charging points for electric vehicles, large underground attenuation tanks to support sustainable urban drainage ("SUDs") and landscaping and tree planting that, together with the installation of bat and swift boxes, supports biodiversity.

The new, sustainable building allows the branch to operate from a larger floorspace and yard and continue to provide customers with Travis Perkin's great range of products and services.

Scan this QR code to see inside our new Swindon site.

Doing the Right Thing

Protecting against modern slavery and complying with all relevant laws.

Why it is important

Maintaining the Group's Code of Conduct and legal compliance framework helps to ensure stakeholders can rely on the Group to continue to do the right thing and protects the Group from fines and business interruption. Whether managing key compliance topics such as anti-bribery and corruption, anti-money laundering, data protection or anti-competition, or reducing the Group's risks relating to modern slavery or human rights infringement, the Group underpins its work on the strategic sustainability focus areas with a responsible approach to business.

Progress in 2024 – modern slavery

Construction remains one of the industries most exposed to modern slavery and the Group works to ensure the fair treatment of all workers in its own businesses and supply chains.

The key objective for 2024 was to further develop in-person ID checks, currently conducted on higher-risk labour agency workers, to include other third parties working at the Group's sites, based on risk. Following review of labour agency use, the Group undertook work to identify opportunities to improve its modern slavery controls.

The current economic climate increases the risk of forced labour, especially in our supply chain. We are committed to robust due diligence and ethical sourcing to combat this.

John Bullivant
Group Head of Responsible Sourcing

Progress in 2024 – legal compliance

There was further development of the "Doing the Right Thing" and "Toolstation Together" internal webpages to enhance access to legal compliance policies and accompanying guidance. A risk-based approach was adopted to support the advanced understanding of certain audiences in key compliance areas of competition law and anti-bribery and corruption through the recompletion of advanced legal compliance modules. The foundational compliance modules listed below were completed in 2024 to improve understanding on key legal topics.

- Code of Conduct and whistleblowing line
- Anti-bribery and corruption
- Anti-money laundering
- Competition law
- Corporate criminal offences
- Market abuse and insider trading
- Sales of restricted products

What's next – modern slavery

Development and delivery of additional controls for labour agency workers employed at our Group's sites including controls to address the risk of modern slavery.

What's next – legal compliance

Development and delivery of further bespoke training to cover a number of key compliance areas, to complement existing training modules.

People

We continue to be immensely proud of our apprentices and 2024 has been another great year with our achievement rates improving by nearly 10%. In my role I am lucky enough to meet hundreds of colleagues who have gained a formal qualification alongside performing a busy job and their stories of perseverance and listening to them talk about the skills they have gained and their career progression is inspiring.

It is clear though that still more needs to be done if we are to address the skills crisis across construction and give colleagues the skills they need to operate in a fast-evolving industry. We are therefore looking forward to maximising the opportunities that will come from the government's overhaul of the apprentice system and the introduction of the new Skills and Growth levy.

Andy Rayner
Director of Learning and Development

Developing the next generation

Upskilling colleagues and the wider industry in green and future skills to help facilitate sector improvements.

Why it is important

The sector is changing with new products and construction methods, increased digitalisation and new sustainability requirements. It needs to attract more people to be successful. The Group is committed to the development and deployment of talent and the next generation workforce. Development and apprenticeship programmes upskill colleagues in their current roles and introduce new colleagues to the business and the wider construction sector.

Progress in 2024

The Group's focus has remained on the development of the next generation workforce, driving apprenticeships to attract new and diverse talent and upskilling existing colleagues.

Over 2,000 apprentices have graduated through training programmes run by Group, marking a significant milestone on the journey towards the Group's target of 10,000 development graduates by 2030.

The key objective for 2024 was to introduce a "flexi-job" apprenticeship which includes placements with other businesses in the sector and also to launch a suite of micro qualifications – short, focused learning programmes that provide specific, job-related skills and knowledge. Development programmes launched during the year are as follows:

- Customer Sales Excellence: Upskilling customer-facing colleagues and equipping them with better sales and service skills.
- Multi-Skilled Merchanting: Training colleagues to excel in all areas of a Travis Perkins branch including the branch counter, yard, Hire, Managed Services and Benchmarx.
- Fast Track Hire Management: Equipping colleagues with the skills and knowledge to manage a Hire business.

External recognition

The Group was ranked 38th in the Apprenticeships Top 100 Employers 2024 and 48th in the Rate My Apprenticeships Best 100 Employers in 2024.

Attracting new talent into the sector

The Group and its apprenticeship division, LEAP, worked closely with the Builders Merchants Federation (BMF) in 2024 alongside a wide number of industry peers to create the Building Materials Careers Campaign, "Materially Different". The campaign showcases the breadth of opportunities in the sector, enabling new entrants to find employers, job and apprenticeship opportunities.

100% of the Group's apprentices rated their experience as "excellent" for learning new skills or developing existing skills.

RateMyApprenticeship Data, 2024.

What's next

Develop the Group's Learning and Development offering in-line with the new Government's "Growth and Skills" levy to support a range of training and development programmes that extend beyond traditional apprenticeships.

Diversity, equity and inclusion

Creating an environment where everyone can be themselves.

Why it is important

With a changing industry and a fight for talent, focus on Diversity, Equity and Inclusion ("DE&I") helps create diverse teams where everyone has the skills, confidence and ambition to be their best and which have the diversity of thought needed for the Group and the industry to innovate and change.

Progress in 2024

The key objective was to improve the Group's engagement survey score for the statement "I feel a sense of belonging at this company" to above the provider's global average. The score was negatively impacted in 2024 by tough trading conditions and difficult decisions made by the Group. Further attention will be given to this during 2025.

New Inclusive Leadership programme

The Group continued to build the skills, knowledge and behaviours of its leaders, helping them to create the conditions for a diverse and inclusive workplace.

The Group worked in partnership with Green Park, a pioneer in building diverse senior leadership teams and more equitable workplace cultures, to develop its Inclusive Leadership programme, which was delivered in 2024 to more than 80 leaders.

Diversity statistics

Gender diversity 2024 – by role type	Female	%	Male	%	Total
Director	2	25%	6	75%	8
Senior Manager	62	26%	176	74%	238
Colleague	4,254	25%	12,964	75%	17,218
Total	4,318	25%	13,146	75%	17,464

Gender diversity 2024 – by business segment	Female	%	Male	%	Total
Group and shared service	476	50%	475	50%	951
Toolstation	2,254	35%	4,180	65%	6,434
Merchanting	1,588	16%	8,491	84%	10,079
Total	4,318	25%	13,146	75%	17,464

Actively supporting the Construction Industry Coalition ("CIC")

The Group is strategic partner to the CIC and in 2024 has shared information on initiatives taken to drive improved DE&I. Angela Rushforth, Managing Director of Toolstation and Chair of the CIC, spoke at the Coalition in Conversation conference in October 2024, setting out the objective of the coalition: "There are good people in the industry but there are so many more good people the industry could have. We want to be game changers and build a truly inclusive industry."

What's next

The Group is targeting an engagement survey score for the statement "I feel a sense of belonging at this company" in excess of the provider's global average in 2025.

For further diversity statistics please see page 186 ESG/SASB table at the back of the report.

Hannah Stronach
Branch Operations Manager

From Branch Apprentice to Operations Manager

Hannah Stronach started her career at Travis Perkins Elgin three years ago, joining the business as a Branch Apprentice studying Level 2 Trade Supplier. Nearing the end of the programme, Hannah was promoted to Branch Operations Manager thanks to her skills and newly acquired expertise. After completing the programme, Hannah went straight on to the Level 3 Team Leader Apprenticeship where she says "Part of my new role in the branch was to make changes to the way the transport department was running and organised. Learning new management, organisation, and communication skills helped me massively to complete these changes and have the confidence to communicate the changes to the team."

When asked about her favourite thing about being on an apprenticeship, Hannah explained that it is "being pushed out of my comfort zone to learn new things and having difficult conversations with staff and customers if needed. It pushes you to not just do your 9-5 job but to take the leap and find out about what is available to you and how you could progress through the business if you are interested."

Hannah is among numerous colleagues benefiting from the Group's award-winning apprenticeship programme, an important focus as the Group develops the next generation of talent.

SUSTAINABILITY REPORT CONTINUED

Safety and wellbeing

Getting everyone home safe and well, every single day.

Why it is important

Keeping people safe and well is the Group's top priority.

Progress in 2024

The Group's key objective for 2024 was to continue to create a culture of Calling it Out, taking time to Stop, Step Back, Think. Then Act by ensuring daily team briefings take place at all locations.

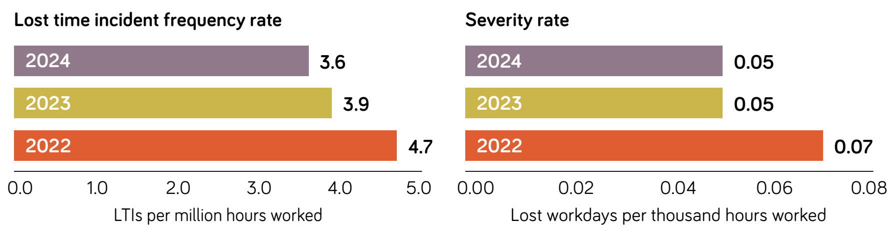
The Group's top leaders visited branches more often, checking in with branch teams to better understand safety performance and trigger additional support where needed.

Supporting the business to operate safely through business change

The Group's organisational structure changed in a number of ways during the year which required sharpened focus, new ways of working and increased communication and activity to keep up safety standards. The Group's Lost Time Incident ("LTI") Frequency Rate improved slightly, while the Severity Rate remained flat compared to the prior year.

Enhanced site reviews to drive safety culture change

The site review programme has been overhauled to better articulate the Group's safety expectations, implement key safety culture change programmes and identify best practice and will make it easier for teams to see where improvement opportunities lie and provide more robust assurance. The updated programme will take effect from January 2025.



The figures reported do not include Toolstation Europe and agency colleagues

New charity partner to support wellbeing

Travis Perkins plc has partnered with The Lighthouse Charity to help its 17,000 colleagues better look after their own mental health and to help them signpost support for customers and others who work in the construction industry.

Lighthouse is dedicated to supporting construction workers and their families through tough times such as illness, injury, financial hardship, providing emotional support, financial aid, and even retraining programmes to help people get back on their feet. Colleagues tell us that it is important to them that charity partnerships benefit those who work within the Group and help strengthen relationships with customers and suppliers.

What's next

- ***Introduce a new second line of defence safety assurance programme that assesses both achievement of minimum standards, cultural position and best practice.***
- ***Continued focus on out-of-branch safety including safe deliveries.***

Stay Safe.

Senior leaders engaging more on safety

Senior leadership engagement is critical in driving a positive safety culture, so in 2024 the Group's top 100 leaders spent more time visiting branches and holding safety conversations, helping to demonstrate where safety sits on the Group's priority list.

When I visit stores I get the team to educate me about the safety challenges they experience. I find it interesting to see first-hand how some of the decisions my commercial team make can impact stores, as well as how we can help them. The insight enables me to feed into the Senior Leadership Team's strategic discussions in a different way. In fact, I've been so inspired that I've asked all of my direct reports to spend a day a month in Stores doing likewise.

Rupert Nichols
Customer, Commercial and Supply Chain Director

Colleague voice

Listening to colleagues to improve engagement.

Why it is important

Listening to colleagues can improve engagement and create a more positive and productive work environment.

Progress in 2024

Key actions undertaken during the year are detailed below:

Three senior leader events were held in 2024 to enable discussion on business and functional plans and their alignment to the Group's strategy and to help the businesses and functions to better support each other.

- Colleague engagement and development continued through At My Best conversations, to align colleague objectives to the Group's priorities.
- Improved accountability and ownership through local line manager action plans.
- Continued embedding of the Group's values.
- Business-level colleague forums and listening groups.

Engagement survey

- The Group's annual engagement survey was carried out in Q4 2024 with participation of 80%.
- The engagement score fell from 73% to 69% due to poorly implemented restructuring and the uncertainty created by leadership change.
- The successes identified in the survey were local line manager feedback, the safety culture and the ability for colleagues to be themselves.
- The survey identified the need to give colleagues more clarity following significant change.

What's next

Conduct further analysis of the engagement survey, ensuring clear actions are taken.

Reward

Improving the financial health of colleagues.

Why it is important

Improving the financial, physical and emotional health and wellbeing of colleagues contributes towards stable communities and enriches the lives of colleagues and those around them.

Progress in 2024

The objective for 2024 was to continue to help colleagues build their financial resilience.

Building better financial resilience

We offer fair pay and a comprehensive package of benefits and pensions. Depending on performance, there is also the opportunity for colleagues to earn a bonus and share in the Company's success through share plans and savings programmes.

The Group's colleagues have continued to use Wagestream, a financial management and wellbeing app that allows them to access a portion of earned salary each month before pay day and allows them to set up a savings fund directly from their pay. Colleagues have built short-term savings of almost £2.2m since the benefit was launched in 2022.

The Group launched a new benefit to encourage colleagues to save regularly, partnering with Commsave, one of the largest credit unions in the UK. Commsave is a not-for-profit financial co-operative which provides easy access to savings and loans direct from pay.

There are now 2,700 colleagues across Wagestream and Commsave who are saving regularly via payroll each month. As well as providing a critical financial safety net in times of need, a savings habit builds financial resilience, reduces financial stress and contributes positively to overall wellbeing.

What's next

We will be focusing on incentive structures to drive engagement and performance. Further support will also be provided to those approaching retirement to reflect the challenges of an ageing population.

SUSTAINABILITY REPORT CONTINUED

Charity and community

Taking pride in helping others and making positive changes happen.

Why it is important

Travis Perkins plc is at the heart of its communities. As a local employer that supports building projects across the UK, the Group contributes to local and national economies. Colleagues take great pride in being part of a business that supports its customers and where they can deliver a wide range of community projects that create positive change.

Progress in 2024

The focus in 2024 was to grow volunteering efforts and to continue to build charity and community partnerships that help to deliver on the Group's strategy and provide social value for the Group's customers and communities.

Volunteering

The Group continued its partnership with Volunteer it Yourself ("VIY"); a social enterprise that provides young people with trade skills whilst renovating community spaces. In addition to part-funding projects that included the renovation of a Scout hut and a boxing club for people with special educational needs and disabilities, colleagues supported projects with volunteering, providing skills workshops, mentoring and general support with gardening, decorating and other renovations works.

Charity partnerships

In 2024 the Travis Perkins business announced a new charity partnership with Alzheimer's Society and Alzheimer Scotland. Over a three-year period, the business has committed to raising funds, awareness and understanding to support those living with Alzheimers.

The Group introduced its first Group-wide charity partner, The Lighthouse Charity, to support mental health for colleagues and the wider industry (for more information see page 40).

Colleagues across the Group also continued to drive meaningful change by supporting many other charities and community causes in creative ways.

Fundraising in 2024

Charity and Social Enterprise partners	2024 contributions
Alzheimer's Society	£183k
Centrepoint	£11k
Construction Youth Trust	£10k
Cynthia Spencer	£9k
The Lighthouse Charity	£17k
Macmillan Cancer Support	£633k
Mind	£35k
Prostate Cancer UK	£24k
Scottish Action for Mental Health	£2k
Variety	£26k
Volunteer It Yourself	£60k

What's next

Continue to use charity and community partnership and activity as a way to create meaningful social change both nationally and locally, working with established and new partners and with a particular focus on improving wellbeing for colleagues and customers.

Without the support of companies like Travis Perkins, working with Variety, the children's charity, our young people would miss out on so much "out-of-the-classroom" learning. A Sunshine Coach enables us to plan for a more hands-on, practical curriculum to improve learning opportunities.

Sheralee Webb, Executive Head Teacher, Northgate School Academy Trust

The Travis Perkins plc property team has been a supporter of children's charity Variety since 2018 and in 2024 the team donated a Variety "Sunshine Coach" to Northgate School and Arts College in Northampton.

This school caters for students with special educational needs and is particularly focused on preparation for adulthood. The new Sunshine Coach will be used to regularly take pupils to and from their work experience and on educational trips.

TCFD disclosure

Compliance statement

The following disclosure is consistent with the recommendations and recommended disclosures of the Taskforce for Climate-related Financial Disclosures ("TCFD") as stated in the listing rule LR 9.8.6(8)R. Similar content can be found in the Travis Perkins Group Carbon Disclosure Project ("CDP") Climate disclosure which is available for public review. The disclosure covers the whole business and its supply chain and all climate-related risk and opportunity types, over three time periods, all of which is detailed in the pages that follow. This is the fourth year of disclosure under TCFD for the Group.

Further improvements have been made and more are planned to enhance the disclosure, including more in-depth analysis by material type to have greater insight to physical climate risks and opportunities in the supply chain and to further assess transitional risks and opportunities. This will be shared in the 2025 Annual Report and TCFD Report. During 2024 a desktop review of material risks and opportunities for three more material types and also for two customer types was completed to enhance the Group's understanding of supply chain risk.

TCFD disclosure requirement		Location in Annual Report	Page(s)
Governance			
Disclose the organisation's governance around climate risks and opportunities	Describe the Board's oversight of climate-related risks and opportunities	TCFD report – Board oversight and engagement	45
		Principal risks report – Climate change and carbon reduction	65
	Describe management's role in assessing and managing climate-related risks and opportunities	TCFD report – Board oversight and engagement	45
Strategy			
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	TCFD report – Principal risks and opportunities	46
		Principal risks report – Climate change and carbon reduction	65
	Describe the impact of climate-related risks and opportunities on the organisations businesses, strategy and financial planning	TCFD report – Principal risks and opportunities	46
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	TCFD report – Scenario results	50
Risk management			
Disclose how the organisation identifies, assesses and manages climate-related risks	Describe the organisation's processes for identifying and assessing climate-related risks	TCFD report – Risk and opportunity management	48-56
	Describe the organisation's processes for managing climate-related risks	TCFD report – Risk and opportunity management	48-56
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	TCFD report – Risk and opportunity management	48-56
		Principal Risks report – Climate change and carbon reduction	65
Metrics and targets			
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	TCFD report – Metrics and targets	57-58
		Sustainability report – Operating sustainably	34-35
		Sustainability report – Modernising construction	30-31
		Remuneration report	90-117
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	TCFD report – Metrics and targets	57-58
		Sustainability report – Operating sustainably	34-35
		Sustainability report – Modernising construction	30-31
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	TCFD report – Metrics and targets	57-58
		Sustainability report – Operating sustainably	34-35
		Sustainability report - Modernising construction	30-31

SUSTAINABILITY REPORT CONTINUED

Governance

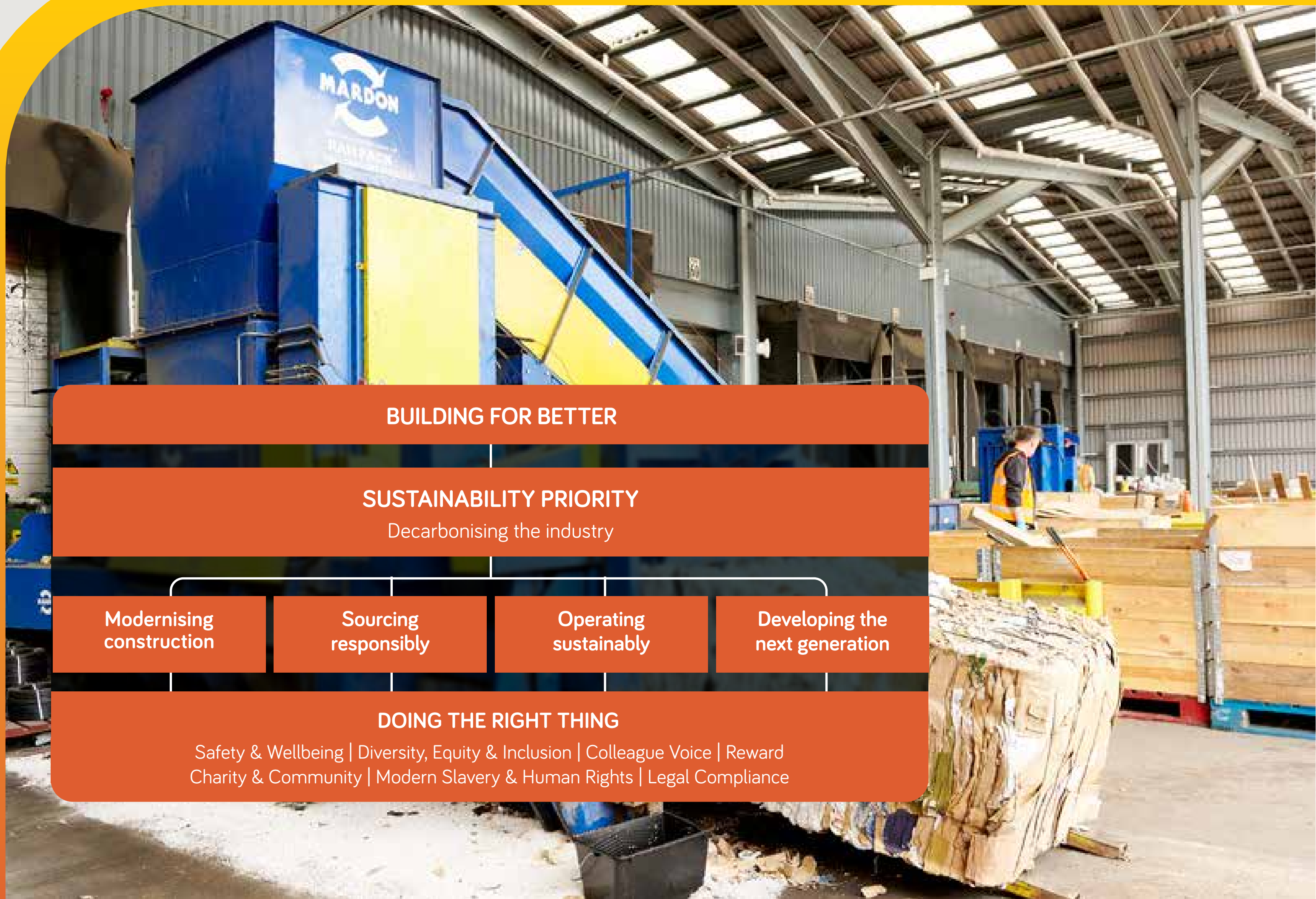
Scope and sphere of influence.

The Group's addressable market for construction materials is £65bn. The Group has a 7% share of this addressable market, serving generalist and specialist customers that range from the smallest jobbing builder to the largest national contractor or housebuilder. The Group operates over 1,400 distribution sites and has a turnover of £4.6bn and a fleet of over 2,500 heavy and light goods vehicles.

Committed to decarbonisation

Decarbonisation of the Group's businesses and supply chain remains the Group's sustainability priority. For further information see page 26. The Group has commitments to reduce carbon in line with a 1.5°C pathway across the value chain. To monitor delivery of this commitment, the Group has two key long-term targets which have been verified by the Science-Based Target initiative ("SBTi"). For more information on the Group's carbon agenda see pages 30 and 34. Pages 57-58 provide details of the metrics and measures used by the Group to assess progress.

The Group's targets are SBTi approved as being in line with a 1.5°C pathway. By 2035 the Group targets reduction of Scope 1 and 2 greenhouse gas emissions ("GHG") by 80% and Scope 3 emissions by 63% from a 2020 baseline.



Governance continued

Collaborating to support change

The Group is engaging with the sector to support the decarbonisation agenda. Sitting in the middle of the supply chain, the Group recognises the importance of collaboration, joining together with the industry to share best practices, collaborate and co-create solutions.

During 2024 the Group continued its partnership with the National Retrofit Hub ("NRH") and the Group Sustainability Director is co-Chair of NRH Working Group 2: Supply Chain, Products and Solutions, to help in showcasing solutions and encourage retrofit activity and the uptake of more sustainable and innovative products. The Group also has representation on sustainability working groups at the Builders Merchant Federation and the Supply Chain Sustainability School, to ensure that the voice of the merchant is well represented and solutions are created together. As 80% of the properties that will exist in 2050 exist today, action is needed to address the current housing and commercial stock and reduce in-use carbon, in particular moving away from gas boilers. For more information on stakeholder engagement see pages 78-80.

The scenario analysis conducted by the Group in the previous three years has identified that an early adoption pathway carries the lowest risk for the Group. Consequently the Group will continue to advocate for progressive action on climate change in line with these scenarios, but recognises that a slow pace of change to government policy and funding and other constraints in the macro environment pose a risk to the UK remaining on an early-action pathway.

Accountabilities

Climate change is a boardroom topic with the CEO setting the agenda. Carbon strategy is directed by the CFO with delivery steered by the Group's Sustainability Director, Head of Environment and the Fleet, Property and Commercial teams along with nominated leads in each of the Group's businesses. The Managing Director for CCF Ltd is the Group Leadership Team sponsor for Modernising Construction, including Scope 3 carbon reduction.

Board oversight and engagement

The management reporting cycle on the Group's climate goals and targets is at least quarterly, with five sessions with the Group Leadership Team or plc Board during 2024. The Group has developed carbon roadmaps (Scope 1 and 2: Buildings and Fleet, and Scope 3: Product Decarbonisation) against which progress is monitored by the Group Leadership Team (GLT) and the Board. Moreover, the GLT and Board consider the principal climate risks and opportunities identified via the Company's risk identification activities. The Company's risk identification activities consider risks emerging from three future scenarios and over the short, medium and long term. The Board has recognised the strategic importance of managing climate-related risks and opportunities due to the Group's ongoing materiality analysis.

For more information on how the Board is apprised of climate-related risks and opportunities, see the climate change principal risk on page 65.

The GLT and Board consider climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organisation's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions and divestitures.

For example in 2024 the GLT and Board approved the costs to renew the Group's renewable electricity tariff and install further LEDs by the end of 2025 and continued investment in HVO for over 200 heavy goods vehicles ("HGVs").

Alignment of incentives to carbon commitments

The 2024 bonus targets for the GLT included deliverables in line with the Group's sustainability ambitions such as further carbon reductions and the development of more detailed carbon roadmaps. (see page 105).

In addition, the restricted stock scheme included an ESG-related performance underpin (see page 95).

SUSTAINABILITY REPORT CONTINUED

Sustainability strategy

Principal risks and opportunities

Risks and opportunities are identified via an assessment approach which aligns not only with the Group principal risk process and rating tables but also uses the risk drivers and types published by CDP. Internal stakeholders are invited to advise on the relevant risk and opportunity types, level of impact and speed of risk materialisation. External stakeholders have shared their insights on what is material to them through the Group's materiality assessment (last completed in 2022) and ongoing stakeholder engagement. The impacts from risks and opportunities have been considered in relation to products and services, supply chain and/or value chain, investment in research and development, operations (including type of operations and location of facilities), acquisitions or divestments and access to capital. The risk and opportunity identification process is iterative and informed by scenario analysis which the Group is developing but recognises is not yet complete. For more details on the principal risk process see pages 59-61.

Across all three assessed time periods, geographies, scenarios and risk types the Group does not consider its direct operations to be very highly exposed to physical impacts from climate change. The Group is predominantly a UK-based distributor of products, with limited non-UK activity and limited manufacturing activity. Accordingly, the majority of the climate-related financial risks and opportunities relate to what is purchased and sold, rather than how it moves through the Group's businesses. The table to the right summarises the Group's principal risks and opportunities.

L Low
M Medium
H High
P Proactive
R Reactive
I Inactive

Top climate-related financial impacts

RISK – TECHNOLOGY: TRANSITIONING TO LOWER EMISSIONS TECHNOLOGY

Description:	Risk for the Group*	Scenario in which this impacts:	Time period in which this impacts	Parts of the value chain most impacted:
Decarbonisation of the HGV fleet *(c.1600 HGVs to transition away from diesel)*	H	P R		In-house: Travis Perkins Group

RISK – PHYSICAL: RISING SEA LEVELS AND EXTREME WEATHER EVENTS

Description:	Risk for the Group*	Scenario in which this impacts:	Time period in which this impacts	Parts of the value chain most impacted:
Decreased asset values *(assumes some branches affected)*	L M	P R I		In-house: Travis Perkins Group

RISK – REGULATION: MANDATES ON AND REGULATION OF EXISTING PRODUCTS AND SERVICES

Description:	Risk for the Group*	Scenario in which this impacts:	Time period in which this impacts	Parts of the value chain most impacted:
Product carbon pricing *(assumes a small portion of carbon-related cost price increases are not passed through)*	L	P R		Downstream and Upstream: Customers and Manufacturers

RISK – MARKET: CHANGING CUSTOMER BEHAVIOUR

Description:	Risk for the Group*	Scenario in which this impacts:	Time period in which this impacts	Parts of the value chain most impacted:
Obsolescence of product *(assumes some product lines are no longer of interest to customers aligning with net zero)*	L	P R		Upstream: Manufacturers (particularly manufacturers of gas boilers or high-carbon building fabric materials)

OPPORTUNITY – PRODUCTS AND SERVICES: DEVELOPMENT AND/OR EXPANSION OF LOW EMISSION GOODS AND SERVICES

Description:	Risk for the Group*	Scenario in which this impacts:	Time period in which this impacts	Parts of the value chain most impacted:
Rising demand for new product mix and new technologies *(to meet changing building regulations and low-emission targets)*	H	P R		In-house: Travis Perkins Group Upstream: Manufacturers

OPPORTUNITY – RESOURCE EFFICIENCY: USE OF MORE EFFICIENT MODES OF TRANSPORT

Description:	Risk for the Group*	Scenario in which this impacts:	Time period in which this impacts	Parts of the value chain most impacted:
Increased revenue opportunity *(assumes large customers move business towards merchants with decarbonised transport options)*	L	P R		In-house: Travis Perkins Group

OPPORTUNITY – PRODUCTS AND SERVICES: DEVELOPMENT AND/OR EXPANSION OF LOW EMISSION GOODS AND SERVICES

Description:	Risk for the Group*	Scenario in which this impacts:	Time period in which this impacts	Parts of the value chain most impacted:
Rising demand for new product mix and new technologies *(to adapt to climate change (i.e. strengthening flood resilience), and to react to climate events (i.e. extreme weather)*	L	P R		In-house: Travis Perkins Group

* Risk ratings are in line with those in the Principal Risks Section on pages 59-69.

Timelines

The timelines considered and why they were selected is detailed in the table below.

Time Horizon	Description	Why chosen
Short	1-5 Years (2022-2027)	This time horizon was chosen to ensure impacts being felt now and their potential escalation are understood
Medium	5-15 Years (2028-2037)	This time horizon was chosen to reflect that scenarios show limited divergence prior to this point
Long	15-30 Years (2038-2052)	The physical impacts from climate change will magnify over a longer time period than usual business planning

Despite tough economic conditions, we're making progress in reducing product carbon by engaging with industry partners, fostering innovation, and driving sustainable practices.

Heinrich Richter
Head of Commercial - Sustainable Products and Services

Strategic response to risks and opportunities

The material considerations in achieving the Group's strategic commitment to the transition to a low-carbon economy include:

- Accelerated trends in product replacement and the associated changes to the Group's business model, including the move away from fossil-fuel boilers.
- The need to adapt the Group's branches and fleet to be low carbon or no carbon.
- Changes to customer projects and locations that may impact the Group's estate.
- Strong customer and supplier partnerships remain key in achieving a successful transition.

Carbon transition plan

The Group has shared the roadmaps to 2035 for Scopes 1, 2 and 3 on its corporate website and these now all include interim targets. Key activities include:

(1) Reducing the embodied and in-use carbon of products sold

(Scope 3 represents 99% of the Group's footprint with Category 1 (Purchased Goods and Services) and Category 11 (Use of Sold Products e.g. gas boilers) representing 87% of this).

- Working with the whole value chain to phase out the majority of fossil-fuel boilers from sales by 2035. This primarily relates to commercial gas boilers sold by the BSS business.
- Reducing the embodied carbon in the goods the Group sells. This will be achieved through influencing supplier action and supporting their uptake of new technologies such as carbon capture and storage and introducing alternative materials or products where carbon reduction is not viable.

(2) Decarbonisation of the Fleet and Estate

(Scopes 1 and 2 represent 1% of the Group's footprint)

- Phasing in the use of HVO fuel for diesel engines as a transition fuel. Over 200 HGVs used HVO instead of diesel in 2024.
- Introducing electric or alternate technology HGVs from around 2027. The first electric HGV was deployed in 2021 as a pilot to inform the Group's roadmap and the Travis Perkins Managed Services fleet now has seven electric vans.
- Taking action to improve the energy efficiency of both freehold and leasehold buildings.
- 100% renewable energy tariff for all UK sites. This tariff was introduced in October 2021.
- Continuing to move from gas boilers to air-source heat pumps and other low-carbon technologies to heat the Group's branches and offices.

(3) Climate adaptation plan

The Group has reviewed the physical impact risk across different warming scenarios for both its own estate, UK infrastructure and its supply chains. This information is used to inform:

- Commercial strategy for the medium to long term to ensure both continuity of supply and a just transition.
- Group property decisions and planning for new site locations and existing site adaptation.
- Group insurance planning to best manage future risks and business continuity. Physical climate risk impacts are rated as low to medium. Early conversations are underway on this and plans will evolve more in the coming year.
- Climate risk is now also influencing sales opportunities for the Group with opportunities to supply the climate adaptation products needed by customers.

SUSTAINABILITY REPORT CONTINUED

Risk and opportunity management

As climate governance is integrated into business decision-making, principal risks and uncertainties are recorded and reported with other business risks and uncertainties on page 65. The identification of risks and opportunities around climate change uses the same complementary likelihood and impact criteria as other Group risks and the assessment covers direct and indirect physical and transitional impacts. In addition, risks and opportunities over the Group's three chosen scenarios (Proactive, Reactive and Inactive), as well as over three timelines (five years, 15 years and 30 years) are taken into account by referencing the results of the scenario analysis. A detailed risk assessment process is conducted annually to identify any emerging risks and ensure the assessment of impact from all risks and the selection of management approach is appropriate. A risk report is presented to and discussed annually with the GLT and Board. The Group's principal risk list, which includes climate change risk, is also reviewed by the Board and the Group's financial auditors. Details of the most material climate risks and opportunities have been published annually for the last 15 years in the CDP climate disclosure.

The uncertainties around impacts are considered via scenario analysis which is detailed on the next page.

Sizing and scaling of risks and opportunities is performed in conjunction with internal and external stakeholders and uses the outputs from the Group's scenario analyses, materiality assessments and the professional judgement of the internal sustainability team together with external advisers. Decisions to mitigate, transfer, accept, or control the risks are made by the risk owners (nominated GLT members) with confidence to make decisions provided by a clear carbon strategy, target and roadmaps.

In 2024 the Group followed up the scenario analysis undertaken in the previous three years with a desktop review of material risks and opportunities published by a sample of large materials suppliers and customer types. All other results published in this disclosure are from the 2023 scenario analysis.

Scenarios and modelling process†

The scenarios modelled outline possible physical and transitional impacts to 2050 and beyond. The transitional scenarios used are from the Network for Greening the Financial System ("NGFS") and are the same scenarios used by the Bank of England in its Climate Biennial Exploratory Scenario publication which explores the financial risks from climate change. The Group selected the scenarios below to illustrate the best and worst outcomes and the sensitivities involved when identifying future impacts from changes to the climate and society's response to that change. Note that no additional scenario analysis was conducted in 2024. The results were instead enhanced through a desktop review of risks and opportunities identified by selected supply chain partners.

	Proactive	Reactive	Inactive
	Early action	Late action	No additional action
Transitional	Action taken early and effectively. Global net zero CO_2 emissions are achieved by 2050. Transition risks are low.	Action is delayed until 2031 and is more sudden and disorderly. Higher transition risk and short-term macroeconomic disruption.	No further action is taken on climate change and even current obligations are not met. Hence GHG emissions grow unchecked. Transition risks are low.
	<2 degrees mean global warming	**Between 2-3 degrees mean global warming**	**>3 degrees mean global warming**
Physical	Using RCP 2.6.	Using RCP 4.5.	Using RCP 8.5.
	Global CO_2 emissions peak by 2020 and decline to around zero by 2080. Concentrations in the atmosphere peak at around 440 ppm in mid-century and then start slowly declining.	Emissions peak around mid century at around 50% higher than 2000 levels and then decline rapidly over 30 years and then stabilise at half of 2000 levels. CO_2 concentration continues on trend to about 520 ppm in 2070 and continues to increase but more slowly.	Concentrations of CO_2 in the atmosphere accelerate and reach 950 ppm by 2100 and continue increasing for another 100 years.
Scenario assumptions which apply to all three scenarios	• The retention of current market share in all categories where the Group is active • The use of a blended construction and manufacturing GVA to project revenue. This assumes the sector moves from unsustainable manufacturing processes to new, as yet unknown, processes and materials • A 0.5m rise in sea levels is effectively mitigated by sea defence adaptations • Cost price inflation caused by supply chain mitigation of physical and transitional risks can be substantially passed on to customers • The 166 UK sites, in 166 different towns and cities, assessed for physical climate risk are representative of the Group's UK sites and infrastructure and inferences about the portfolio risk can be made from the sample • The expected number of days of business interruption from physical climate change impact are modelled with the Gumbel distribution to best represent extreme events		
Scenario assumptions which apply to specific scenarios	• Full international implementation of country-level commitments on climate change action	• Price parity for non-fossil fuel delivery will not be achieved before 2040	• Current commitments by countries and businesses to GHG reductions are not met

† Climate scenarios make projections on hypothetical futures and as such come with a degree of uncertainty. While some of the information obtained from existing climate models have a high degree of accuracy, there is still a level of uncertainty. As a result, scenario analysis should only be used as a guide for climate-related risks and opportunities.

Risk and opportunity management continued

Scenario risk lenses

The climate change impact under each of the three scenarios was considered across a number of risks and opportunities for the Group, including the following examples.

The **transition risk and opportunity assessment** considered:

Policy and legal risks
- Carbon pricing
- Enhanced emissions-reporting obligations
- Mandates on and regulation of existing products and services
- Exposure to litigation

Market risks
- Increased cost of raw materials
- Changing customer behaviour

Reputation risks
- Stigmatisation of the sector
- Shifts in consumer preferences
- Increased stakeholder concern or negative stakeholder feedback

Technology
- Costs of lower emissions technology
- Unsuccessful investment in new technologies
- Substitution of existing products and services with lower emission options

The **physical risk and opportunity assessment** considered:
- Rising mean temperatures
- Changing precipitation patterns
- Sea level rise
- Extreme weather
- Wildfire

This was taken into account for the Group's UK estate as well as UK-wide infrastructure (roads, ports, railways, utility supply, IT infrastructure), selected supply chain locations and comprehensive timber supply chain locations. Impacts on the UK workforce due to physical climate risk were also reviewed.

In future reporting periods the Group will conduct deep dive assessments on other material types in its supply chains.

Scenario results

Resilience over the 3 scenarios

Scenario	Proactive	Reactive	Inactive
FUTURE COSTS (resilience)	**LOWEST** The proactive scenario aligns with the Group's own SBTi approved targets and roadmaps. Transitional costs (fleet and estate) have been considered in line with this roadmap. Product-related carbon costs are assumed to be substantially passed through to the market. Costs from physical impacts of climate change are expected to be low to moderate.	**HIGHER** The reactive scenario introduces more risk as policy around climate change is either too late or too weak, exposing the Group to higher transitional costs and a supply chain with less mandate to change. Costs from physical impacts remain low to moderate for the UK but may be higher in the Group's supply chains.	**HIGHEST** The inactive scenario introduces reputational risk around target achievement as there would be no further changes from the government, leaving the Group unsupported by policy to meet its SBTi targets. The Group's UK infrastructure will be impacted by rising sea levels and flooding by 2050. There will be supply chain disruption.

The Group's exposure to financial stress from physical climate change or transitional climate change impacts can be successfully mitigated by following the adopted strategy and roadmaps outlined in this disclosure. Transitional impacts are expected to be far greater than physical impacts and the ability to pivot away from some construction materials and technologies and towards the supply of other materials will be key to the future success of the Group.

The proactive scenario delivers a decarbonised business model in the most efficient way with the best financial outcomes. The Group's SBTi approved targets and roadmaps are aligned to this early action pathway.

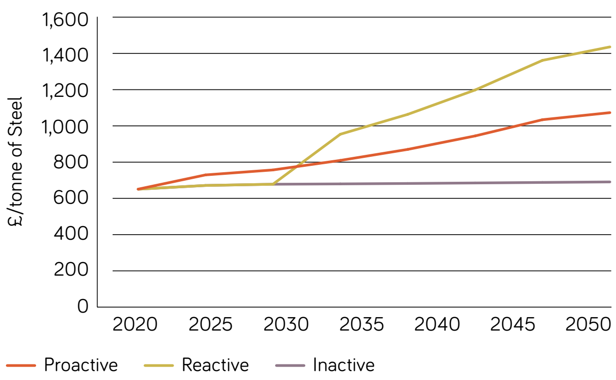
Summary of transitional risks

There are two predominant transitional risk implications of climate change for the Group – both of which are rated as high-risk. Firstly, impacts on the ongoing relevance of the **products and services** that the Group sells to the market. Secondly, impacts on the pace and methods of upgrading the Group's **own fleet**, in line with or ahead of UK policy.

With regard to **products and services**, the Group's businesses will need to evolve their product mix and develop services to meet the product, data and service requirements of a low-carbon construction sector. The analysis has identified a risk of product obsolescence, for example gas boilers in some markets, and changing customer demand towards materials, products and solutions that reduce lifetime GHG emission levels from buildings. The Group measures product sales that contribute to a low-carbon economy and is looking at ways of promoting more sustainable construction in the medium and longer term.

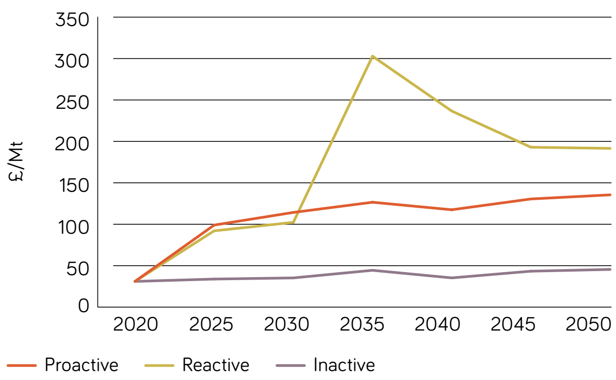
Carbon pricing will introduce a **cost to embodied emissions** and climate experts are calling for carbon pricing across more sectors and on high-emission materials such as steel, plastic, cement and bricks (see forecast trends on the following page). In 2023, the EU implemented the Carbon Border Adjustment Mechanism trial phase, placing a cost on the embedded emissions in certain materials. The UK will likely follow and introduce a similar mechanism. Whilst the Group has a policy to pass price increases through to customers, thereby not directly taking on these costs, **the market will consider alternative materials, and the Group will need to adapt to remain relevant.**

Steel price



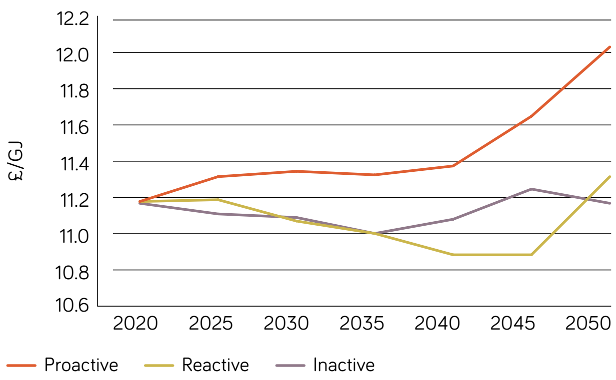
The price of steel after the introduction of a carbon border mechanism across each climate scenario and timeframe.

Cement price



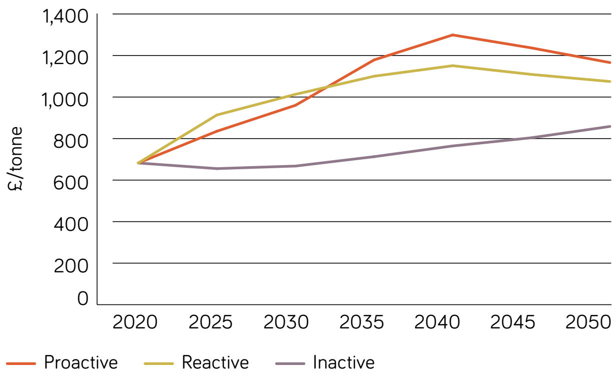
The price of cement across each scenario.

Oil price



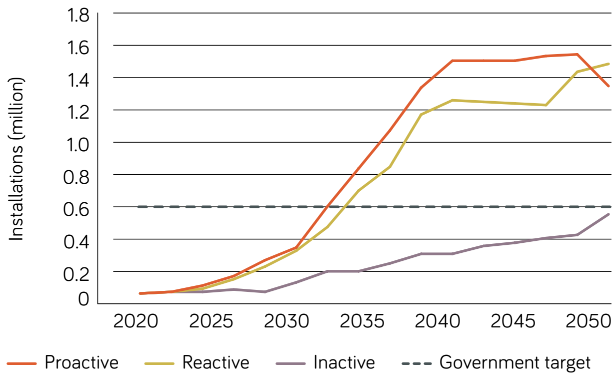
Pricing for oil under each of the three scenarios.

PVC price



The price of PVC across each scenario and timeframe.

Heat pump installation projections



Heat pump installation projections.

In addition to the cost increase of high-embodied carbon products, there will also be a **move to heating technologies with a lower carbon impact in-use,** such as heat pumps instead of gas boilers.

The data in these charts were modelled by Inspired ESG as part of the Group's scenario analysis work in 2023. They were not updated in 2024.

Risk and opportunity management continued

The Group's climate change strategy means it asks more from its value chain partners in terms of compliance and innovation. Over the medium term, the Group's engagement strategy with its supply chain will become more targeted on lowering lifetime impacts. For example, in promoting innovative and sustainable products to customers and developing packaging waste solutions. The Group has expertise in developing low-carbon solutions that other parts of the value chain will require and is looking for ways to develop this into a service. The Group appointed a new Head of Commercial for Sustainable Products and Services and Sustainable Product Data Analyst in late 2023 to accelerate this work.

With regard to the Group's heavy fleet, the investment required to decarbonise the Group's heavy fleet is affordable and is most effectively deployed in a phased manner. In the last three years, capital spend requirements to deliver efficiency programmes have been approved and have proven to decrease carbon impacts. In 2024, £14.3m was invested in replacement or new delivery vehicles and an additional £1m on plant assets across the network. £406k was invested into HVO fuel purchase, based on average costs compared to diesel in 2024. Transport-related carbon reduced by 11.5% in 2024 as compared to 2023.

As a non capital-intensive business with 99% of emissions in the value chain, an internal carbon price is not a tool that has been adopted by the Group to date. Although this will be considered in future years as a tool to support the business case for change, particularly in light of the projected costs for oil under the three scenarios.

Summary of physical risks

The physical risk from climate change to the Group's estate in the UK and the UK transport, utility and IT infrastructure is low to medium as the Group assets are large in number and geographically spread providing resilience to the physical impact from a changing climate.

The physical risk from climate change to the Group's supply chain (causing business interruption) is also forecast as low to medium due to the Group's ability to adapt to new supply routes and suppliers and the assumption that transactions with customers are not lost but delayed.

The physical risk from climate change to the Group's customers (causing delays in developments and therefore lost or delayed sales) has been explored initially through a desktop review. This will be explored further in future reporting years.

A deep-dive on physical risk to the Group's UK estate

The scenario analysis for physical risks (temperature, precipitation, fire and extreme weather) to the Group's estate in the UK suggests broadly similar impacts (low to moderate) for each of the three warming scenarios. The likelihood of moderate risks increases in the reactive or inactive scenarios over time. The analysis suggests that not all regions will be impacted equally by changing precipitation, temperatures, wildfire risk or extreme weather events.

Climate change risks impact all companies in the Group's value chain. By understanding customer and supplier risks we can consider how to ready our own business as well as how we can support with climate adaptation products and services."

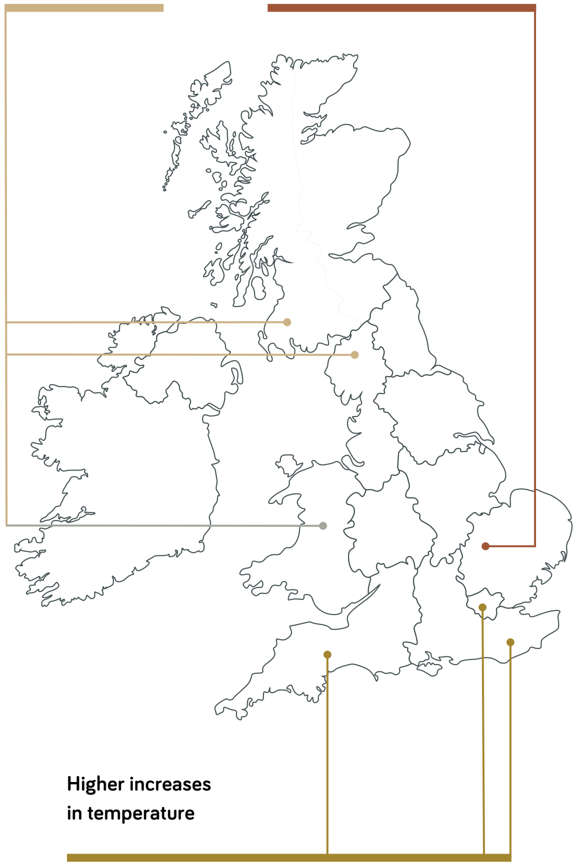
Megan Adlen
Group Sustainability Director

Direct flood impacts (damages to the Group's property, stock and machinery) will likely increase in the inactive scenario. 45 branches are at direct risk from river flooding and 73 branches will be exposed to indirect risks of flooding i.e. affected transport networks. Annually, Wales, Scotland and the Northwest receive the most rainfall.

- Heatwaves are predicted to become more likely as the UK temperature is predicted to rise between 0.67°C and 1.45°C by mid-century (from a 1980–2010 baseline). Extreme temperatures can disrupt transport networks, reduce employee productivity, increase the risk of wildfire and decrease the efficiency of electrical products. Greater London, the South East and South West will experience the most significant temperature increases under all three scenarios.
- A forecast 0.5m rise in sea levels would not impact on all of the Group's coastal sites and shipping ports used in the supply chain equally. Sites and ports in the east of the UK are forecast to be the most vulnerable to sea level rise. Twenty-one Group sites could be impacted by 2050 under the Inactive scenario.

	Proactive	Reactive	Inactive
Timeframe for 0.5m sea level rise to impact	2110 (86 years)	2080 (56 years)	2070 (46 years)

15% of the Group's current estate was at risk of impact from wildfires within 10km of the branch between 2018–2022, although none directly impacted the estate or operations. The Group will keep monitoring wildfires as, whilst less common than flooding events, they could have a higher impact per event.



Regions likely to experience the highest temperature increases under the three scenarios.

Region	Reference period (1980–2011)	Average daily temperature projection by 2052 (°C)		
		Proactive	Reactive	Inactive
Greater London	10.77	11.44 (6%)	11.76 (9%)	12.22 (13%)
South East	10.69	11.36 (6%)	11.68 (9%)	12.14 (14%)
South West	10.48	11.15 (6%)	11.47 (9%)	11.93 (14%)

Regions likely to experience the highest precipitation increases under the three different scenarios.

Region	Reference Period (1980–2011)	Annual Precipitation Projection by 2052 (mm/yr)		
		Proactive	Reactive	Inactive
Wales	1032	1056 (2%)	1082 (5%)	1066 (3%).
Scotland	1028	1029 (0.1%)	1029 (0.1%)	1053 (2%)
North West	937	962 (3%)	972 (4%)	970 (4%)

The analysis, completed in 2023, confirms that overall physical risk across the Group's UK-based estate increases over time but never gets beyond medium in any region. Once impacts are monetised and seen in the context of the entire estate, the overall impact is considered to be low to moderate.

The Group will use the insight provided by the scenario analysis to refine its property and insurance strategies.

Risk and opportunity management continued

A deep-dive on physical risk to UK infrastructure

Scenario analysis completed in the previous financial year included a review of the physical climate risks affecting the UK infrastructure. The headlines of this analysis are as follows:

- **Roads** will be affected by increased precipitation due to landslide risks and closed roads, in addition to increased surface water runoff. Extreme heat can also cause roads to melt. Road disruption affects both distribution of goods and the ability for employees and customers to travel to sites.
- **Ports** will be affected by sea level rises, storm surges and damage to port infrastructure. Shipping fees may increase as ports raise handling fees for repairs after storm damage and port closures will cause bottlenecks at other ports across the UK.
- **Railways** will be affected as heat waves can buckle tracks and flooding prevents trains from accessing tracks. Secondary risks include landslides and rock falls which can damage tracks and other rail infrastructure.
- **Electricity supply** will be affected as increased temperatures cause lower efficiency in electrical products, including solar panels. Storms can damage transmission lines and cause wind turbines to cut out. Storm damage to transmission lines left over one million people and businesses without power for a week in 2022. Extended droughts can impact water availability for hydroelectric power.
- **IT infrastructure** will be affected as increased flooding can corrode buried electrical cables and high-flowing flood water can damage telephone masts and other IT infrastructure. High temperatures impact wi-fi speeds as routers struggle to send and receive data.

The analysis confirms that the overall risks are low to medium, and the Group is well placed to balance the risk with the opportunity to sell products which prevent or remediate climate impacts.

The Group will use the insight provided by the scenario analysis to inform its approach to property locations, energy resilience, logistics planning, commercial strategy and business continuity.

A deep-dive on physical risk to timber supply chains

Scenario analysis completed in the previous financial year included a deep-dive review of the physical climate risks to timber supply chains. Globally, climate change is expected to increase the frequency of extreme weather events, exposing the timber industry to varying degrees of risk. Key takeaways from the analysis were as follows.

- Increased carbon in the atmosphere will benefit tree growth, providing other factors also increase (water availability, soil nutrients, etc.).
- There is a risk to timber quality as increased carbon can promote faster tree growth, potentially making the timber unsuitable for construction grade requirements.
- Increased heat waves can directly damage foliage on trees and bake soils, affecting growth rates.
- Drought events limit water availability for tree growth and can cause reduced yields or tree mortality.
- Wildfire events will be more frequent, damaging forests.
- Flooding, due to increased precipitation, can prevent access to forests.
- Warmer climates favour invasive pest and disease species, threatening trees and ecosystems.
- Storm damage will increase, damaging forests and also potentially requiring timber to be treated before it can be used in construction.

The Group is protected in general by its spread of supply chain partners, enabling continuity of supply when parts of the supply chain are affected. The risks of supply chain disruption are rated as low-medium over the three scenarios. The Group will use the insight provided to inform its commercial strategy in order to ensure supply chain resilience and to work with suppliers to enable them to act early and support a just transition.

A desktop review of climate risks and opportunities of sample supply chain partners

A desktop review was completed in 2024 of published climate risk reports from large manufacturers, in three product categories, and large customers, from two customer types. The results are presented on the next two pages. This research identified that:

- Suppliers and customers carry varying levels of risk and opportunity related to climate change, both transitional and physical.
- Companies within each category have “common risks” (i.e. certain transition risks relating to policy and markets) but also “company-specific risks” (i.e. physical risks based on their geographical locations, for example.)
- Common risks to all company types were physical impacts, carbon price and supply chain disruption.
- Manufacturers are dealing with the barriers to creating lower-carbon products while Customers are dealing with the risks of low availability of low-carbon solutions – there is progress underway but a hesitancy caused by technology, market and policy risks.

Implications for the Group

- The findings do not alter the Group’s climate risk and opportunity profile. However, the results do allow for better understanding and work with the supply chain to navigate the changes ahead.
- For companies that have identified their risks and opportunities and have adjusted their strategy accordingly, the Group can work with them to understand progress and their changing risk profile.
- For companies that have not yet identified their risks and opportunities, the Group can share guidance and insights to help them to understand the changes ahead and to ensure a just transition.
- The Group’s commercial team can use this information to consider the supplier portfolio and where other supplier partners may be needed over time to prevent supply chain disruption.
- The Group’s sales teams can use this information to consider which customer types need support to identify lower-carbon products or climate-adaptation solutions.
- Additional product categories and customer types will be reviewed in future years to keep aware of upstream and downstream quantification of climate risk and opportunity and what this means for the Group.

Risk type	Risk detail	Sample manufacturers			Sample customers	
		Plaster and plasterboard	Blocks, cements and concrete goods	Bricks	National housebuilders	Tier 1 contractors
Physical risk	Increase in intensity and frequency of extreme climate events	Y	Y	Y	Y	Y
	Sea-level rise, increase in average temperatures, change in precipitation	Y	Y	Y	Y	Y
	Water scarcity		Y	Y	Y	Y
Transition risk – Technology	Availability and cost of raw materials for low-carbon products	Y	Y		Y	
	Increase in costs for transition to low-carbon technology, energy and solutions	Y	Y	Y	Y	Y
	Risk of lower product demand. New homes weight efficiency over space	Y	Y	Y		
	Slow technology innovation – CCUS*, hydrogen, low-carbon energy/transport		Y	Y	Y	
	Risk of new technology quickly becoming outdated				Y	
	Requirement for new skills to transition to new technology			Y	Y	
Transition risk – Market	Increased price of Greenhouse Gas (GHG) emissions	Y	Y	Y	Y	Y
	Increase in production and distribution costs (e.g. for high-carbon materials)	Y	Y	Y		
	Redefinition of types and nature of materials required			Y		
	Competitiveness risk with respect to imported materials (specific to Europe)	Y	Y			
	Disruptions in the value chain (supplies, operations, etc.)	Y	Y	Y	Y	Y
	Risk loss of sales to lower-carbon alternatives or Modern Methods of Construction (MMC)		Y	Y		
	Risk of loss of competitiveness on new ranges of low-carbon solutions	Y				
	Risk of loss of competitiveness if low demand for low-carbon solutions	Y				
	Low availability of low-carbon product alternatives, not meeting demand					Y
	Increased insurance premiums due to higher cost of adaptation measures					Y
Transition risk – Policy	Evolution of regulations (product, solutions, carbon reduction)	Y	Y	Y		Y
	Climate change litigation	Y	Y	Y	Y	
	Extension of EU Emissions Trading Scheme (ETS), or reduction of free allowances on UK ETS		Y	Y		
	Poor accounting of full lifecycle of products		Y			
	Burden of enhanced/changing reporting regulations		Y	Y		
	Limitation on suitable fuels or materials		Y	Y		
	Lack of financial incentives for R&D and low-carbon investment		Y			
	Increased costs or risk of delays from changing housing regulations				Y	Y
	Increased planning or site requirements lower land viability or cause delays				Y	
Transition risk – Reputation	Continuation of extractive practices and the use of fossil fuels	Y				
	Lack of progress, communication and transparency on climate issues	Y	Y		Y	
	Changes in consumer preferences regarding the use of new materials	Y	Y	Y		
	Dissatisfaction of customers with new technology or homes				Y	
	Reduced access to capital or permits – if not meeting expectations		Y	Y		
	Greenwash risk from competitors – misleading the market		Y	Y		
	Public opposition for companies not meeting expectations		Y	Y		
	Challenges retaining/attracting talent – if not meeting expectations		Y			Y

* Carbon capture, utilisation and storage

Risk and opportunity management continued

Opportunity type	Opportunity detail	Sample manufacturers			Sample customers	
		Plaster and plasterboard	Blocks, cements and concrete goods	Bricks	National housebuilders	Tier 1 contractors
Physical opportunities	Impacted built environment in some areas driving demand for product		Y	Y		
Transition opportunities – Technology	New materials and construction methods for lower environmental impact	Y		Y		
	Development of solutions to reduce dependence on raw materials	Y				
	Development of CCUS capability		Y	Y		
	Lower operating costs from energy efficiency measures					Y
Transition opportunities – Market	Increasing demand for low-carbon and/or recycled products, or MMC	Y	Y	Y		Y
	Increasing demand to take local climate considerations into account	Y				
	Rising energy prices (e.g. need for energy saving products, etc.)	Y				
	Recognition of thermal mass benefits		Y	Y		
	Increasing demand for, and affordability of, green new homes and other developments				Y	Y
	Green mortgage and energy efficiency cost savings allow for premium charge				Y	
	Home buyers can borrow more with a green mortgage and get a larger home				Y	
	Land buying and local partnerships enhanced with low-carbon homes				Y	
	Sustainability performance opens green financing (lower interest rates)				Y	
	Demand for retrofitting services including prioritisation over new build					Y
	Increasing demand for climate adaptation measures and climate-resilient buildings					Y
Transition opportunities – Policy	Changes in regulations related to site operations (GHGs, Energy Performance Certificates (EPCs))	Y				
	Changes in regulations relating to product (recycled, low-carbon, labels)	Y	Y	Y		
	Changes in local regulations due to regional climate conditions	Y				
	Credible accounting of full lifecycle of products		Y	Y		
	Lower carbon tax exposure where carbon reductions are made				Y	
Transition opportunities – Reputation	Consumers' need for transparency concerning environmental impact	Y	Y		Y	
	Investors' need for transparency concerning environmental impact	Y	Y		Y	
	Greenwash risks well managed – allowing credit to be given where due		Y	Y		
	Increasing expectation of colleagues for sustainable business – talent attraction		Y			Y
	Lower cost of capital opportunity			Y		

To note:

The companies reviewed often described their risks and opportunities differently or allocated them to different risk/opportunity types. Sensible decisions were made to consolidate this information and results are indicative only.

The companies reviewed had ranked their risks and opportunities according to severity. This is not presented in the table above to keep the summary simple as all companies only presented "material" risks and opportunities.

Whether one or all companies assessed listed a particular risk or opportunity, a "Y" was added to the table. The results show the breadth of risks and opportunities, and the differences by company type, rather than a weighting.

Companies reviewed:

Plaster and plasterboard – Saint Gobain (parent company to British Gypsum)

Blocks, cements and concrete goods – Forterra, Heidelberg Materials, H+H, Marshalls, Tarmac, Tobermore

Bricks – Forterra, Ibstock, Wienerberger

National house builders – Barratt Developments, Taylor Wimpey

Tier 1 contractors – Balfour Beatty, Wates Group

Note: Sample companies selected based on availability of data (not all companies have published climate risk reports) and were limited to a small, representative sample.

Note: As only large listed (originally) and large private (recently) companies are required to publish information on climate risk, the research shows the naturally higher risk profile of large companies. Much of the Group's customer base is SME trades who have not published climate risk reports and would be unlikely to identify with many of these risks and opportunities.

Metrics and KPIs

The Group sets out performance against a number of environmental KPIs, including absolute carbon reduction and performance against targets and additional detail on energy consumption. The Group has also included interim targets within the three carbon reduction roadmaps (buildings, fleet and Scope 3).

KPIs and metrics which align to the Group's material climate-related risks and opportunities are set out in the table below. For additional detail required under Streamlined Energy and Carbon Reporting ("SECR") please see the table on page 185.

The carbon KPIs are measured using the GHG protocol, are independently verified by LRQA and accepted by the SBTi. More details about the methodology can be found on the Group's website (www.travisperkinsplc.co.uk/sustainability). The Group's net zero target follows the UK government's definition of total Scope 1 and 2 carbon emissions that are equal to or less than the emissions the Group removes from the environment. Data points from prior years may have been restated where better data is now available.

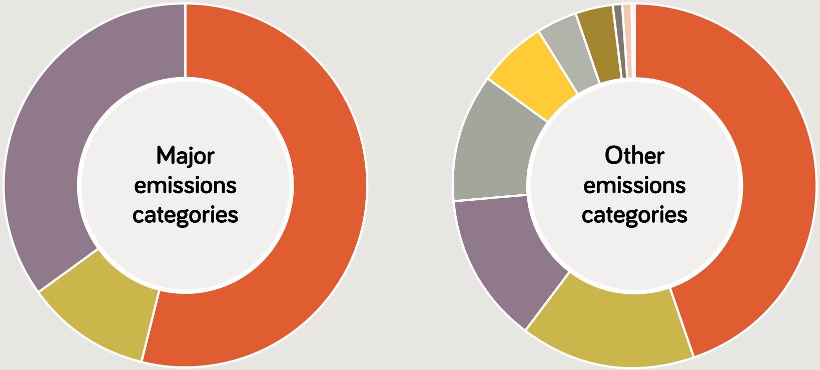
Carbon data table

The Group has reported on all of the emission sources required under the Companies Act 2006 (Strategic report and Directors' reports) Regulations 2013. The numbers reported include data for companies where Travis Perkins plc has operational control. Scope 1 and 2 emissions are calculated using the DEFRA Conversion Factors for Company Reporting 2024 on an operational control basis. Scope 3 emissions are calculated using EcoInvent or DEFRA factors, Environmental Product Declarations ("EPDs") or other Life Cycle Assessment ("LCA") data. Specific data points in the carbon chart and the carbon data table, marked with the logo V, have been assured against Lloyd's Register verification procedures. For a link to the assurance report see page 35. The following two footers relate to references in the carbon data table on the following page.

1. Fugitive emissions from domestic refrigeration and building air conditioning are excluded as they are not material to the Group's overall emissions.
2. Scope 3 data quality improved in 2024, due to data corrections and the use of Environmental Product Declaration carbon data where available within Category 1: Purchased Goods and Services, instead of estimated emissions factors. The data methodology for Scope 3 is shared on the website https://www.travisperkinsplc.co.uk.

Total emissions Scope 1, 2 and 3 (tonnes CO_2 e)	6,530,092
Scope 3 % of total emissions	99%

Breakdown of the Group's 2024 Scope 3 carbon by category



- Category 11: Use of sold products – 52%
- Category 1: Purchased goods and services – 36%
- All other categories – 12%

- Category 4: Upstream transportation and distribution – 6.59%
- Category 9: Downstream transportation and distribution – 2.01%
- Category 12: End-of-life treatment of sold products – 1.58%
- Category 10: Processing of sold products – 1.07%
- Category 13: Downstream leased assets – 0.52%
- Category 3: Fuel and energy related activities – 0.43%
- Category 2: Capital goods – 0.42%
- Category 6: Business travel – 0.09%
- Category 7: Employee commuting – 0.07%
- Category 5: Waste generated in operations – 0.01%

SUSTAINABILITY REPORT CONTINUED

* Note that figures stated are rounded to a sensible whole number or decimal point. Totals or percentages reflect true not rounded number calculations.

		2024			2023			2020 (Baseline)			Performance in 2024 vs 2023	Targets (with 2020 baseline)	Performance in 2024 against 2020 target baseline year
		UK	Non-UK	Total*	UK	Non-UK	Total*	UK	Non-UK	Total*	%*		%*
		Energy GWh											
Operational carbon	**GWh energy** Annual energy use relating to gas, purchased electricity and transport fuel (for SECR compliant kWh data see the data table on page 185)	268	9	**277**	306	6	**312**	334	5	**340**	(11)%		
		Carbon Dioxide Equivalent (CO_2e) Tonnes											
Operational carbon	**Scope 1** Direct emissions from burning gas and solid fuel for heating and from road fuel use for distribution[1]	44,440	1.097	**45,537** V	51,325	501	**51,826**	60,656	641	**61,297**	(12)%		
Operational carbon	**Scope 2** Indirect emissions from the Group's use of electricity	0	402	**402** V	0	856	**856**	17,333	461	**17,794**	(53)%		
Operational carbon	**Scope 1 and 2 Absolute**	44.440	1,499	**45,939** V	51,325	1.357	**52,682**	77,989	1,102	**79,091**	(13)%	Net zero by 2035 (min. 80% reduction)	(42)%
Operational carbon	**Scope 1 and 2 Intensity** Tonnes Scope 1 and 2 emissions per £m of revenue	9.8	13.1	**9.9** V	10.7	11.3	**10.8**	21.3	15.7	**21.2**	(9)%		(54)%
Operational carbon	**Scope 1 and 2 Intensity *NEW KPI*** Tonnes Scope 1 and 2 emissions per tonne of product sold	0.0055	0.0927	**0.0057**	0.0062	0.0964	**0.0063**				(10)%		
Operational carbon	% of fleet (inc. MHE) that is low-carbon in use (either electric, hybrid or alternate fuel)			**42%**			**25%**			**16%**	17 ppt		
Supply chain carbon	**Scope 3 Absolute**[2] Indirect emissions from the supply chain. Including all Scope 3 categories	6,244,830	239,323	**6,484,153** V	6,666,567	292,988	**6,959,554**	8,466,700	424	**8,467,124**	(7)%	63% reduction by 2035	(23)%
Supply chain carbon	**Scope 3 Intensity** Tonnes Scope 3 emissions per £m of revenue	1,374	2,088	**1,391** V	1,401	2,448	**1,426**	2,316	6	**2,274**	(2)%		(39)%
Supply chain carbon	**Scope 3 Intensity *NEW KPI*** Tonnes Scope 3 emissions per tonne of product sold	0.779	14.794	**0.807**	0.802	20.807	**0.836**				(3)%		
Supply chain carbon	% heat generators sold which are low carbon (i.e. heat pumps, solar thermal or electric boilers)			**19.00%**			**10.7%**				8.3 ppt		
Supply chain carbon	% of Group product spend with suppliers engaged on decarbonisation (carbon calculated and targets set)			**61%**			**57%**			**1%**	4 ppt		
Total carbon	**Scope 1, 2 and 3 Absolute**	6,289,270	240,822	**6,530,092**	6,717,892	294,345	**7,012,237**	8,544,689	1,526	**8,546,215**	(7)%		(24)%

1 and 2: See previous page for more information on these two points

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

Maintaining a dynamic and effective risk management process is central to the successful delivery of the Group's strategic objectives and building resilience, as the Group continues to navigate a challenging external environment, an evolving risk landscape and continued uncertainty.

Risk management framework

The Group takes a balanced approach to manage risks in a proactive, efficient and effective way, targeted at the most significant risks, particularly where there is a low tolerance for risk or uncertainty. The risk management framework considers risk from both a "top down" and "bottom up" perspective, to support a comprehensive and common understanding of the risks and opportunities and their potential impact on the achievement of the Group's strategic priorities, and to provide a multi-layered approach to the review and management of risk. The approach and key responsibilities remain consistent with prior years, as set out in the diagram below:

Key activities

Risk appetite – An annual Board exercise to consider the nature and level of risk it is prepared to accept to deliver the strategy

Risk identification – Key review and decision-making processes capture risks, including reviews of strategy, major programme and performance

Risk assessment – Risks are prioritised using a standard scoring mechanism and compared to appetite

Risk response – Action is taken, if possible, for risks outside appetite. Risk acceptance is formalised

Reporting and monitoring – The Board, Audit Committee and GLT receive regular risk reports and challenge and agree the Group's principal risks and mitigation strategies twice a year

Emerging risks and issues – areas of change are monitored through regular risk activities, assurance processes and horizon scanning

Internal control and assurance framework – a "three lines" model to confirm effective risk management

TOP DOWN

Board – Audit Committee – GLT – Risk function

Activities focused on the assessment and mitigation of material risks to the Group's strategy, business models and operations

BOTTOM UP

Risk Function – Business and Functional Leadership – Major Programmes

Activities across the Group that capture and assess significant risks at a business unit, programme or functional level

The Board

- Overall responsibility for risk management and internal control, reviewing effectiveness annually
- Reviews and selects the Group principal and emerging risks and approves related disclosures
- Sets the risk appetite and monitors adherence

The Audit Committee

- Regular assessment of the risk management framework, and development activities
- Monitors the results of key assurance processes
- Provides assurance to the Board on the effectiveness of risk management and financial, compliance, and operational controls

The Group Leadership Team ("GLT")

- Undertakes regular top-down risk reviews
- Monitors key risks particularly in relation to safety, programmes and performance

Business and functional leadership

- Responsible for control, compliance with minimum standards and the active management of risk for their area

The Risk function

- Maintains the risk management framework
- Co-ordinates "top down" reporting, horizon scanning and risk disclosures
- Reviews and challenges risk content and the quality of mitigation plans

Further details on the Group's risk management responsibilities and oversight are set out in the Corporate Governance report on page 74.

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Risk appetite

The Board accepts that, in order to achieve its strategic objectives, and generate suitable returns for shareholders, it must accept and actively manage a certain level of risk. The Board undertakes an exercise, at least annually, to consider the nature and level of risk it is prepared to accept to deliver the strategy and to set its resulting risk appetite. Following a comprehensive restatement of risk appetite last year, the Board has reviewed and updated its position during 2024. No significant changes were made during the year, and the risk appetite statements for the principal risks were approved by the Board. These are used to define the risk-taking parameters for all significant activity within the business.

The risk appetite continues to balance opportunities for growth and business development in areas that present a clear opportunity for reward, against a low risk tolerance for activities that offer little commercial advantage or that may present a significant safety, legal, regulatory or reputational risk.

The Board also considered the principal risks in the context of risk appetite and assessed current and planned mitigating activities to ensure that these key risks are being managed within the stated appetite.

Principal risks

The Group operates in an industry and markets which, by their nature, are subject to a number of inherent risks. In common with many large organisations, the Group is also influenced by a complex set of external factors, including geopolitical and economic risks, which have continued to bring uncertainty during 2024. The principal risks that are considered to have a potentially material impact on the Group's operations and achievement of its strategic objectives are set out below. Further detail in respect of the potential risk impact and the mitigating actions taken is explored on the following pages. The scope and potential impact of risks will change over time. As such the risks set out below should not be regarded as a comprehensive statement of all potential risks and uncertainties that may manifest in the future. Additional risks and uncertainties that are not presently known, or which are currently deemed immaterial, could also have an adverse effect on the Group's future operating results, financial condition or prospects.

The Board and GLT assess the Group's principal and emerging risks at least twice a year, with a detailed assessment of external and internal developments and influences on the risk set.

The existing principal risk set remains relevant and appropriate, and no risks have been added or removed in the latest risk review. Whilst each of the risks and associated mitigations continue to evolve, the overarching trends and inherent risk levels are assessed to be broadly consistent year-on-year. The Board has discussed risk trends and influencing factors, and as set out in the half year results, the trend for the Managing Change principal risk was updated to Increasing as a result of the large-scale change experienced by the Group during 2024, including the appointment of a new CEO and Chair and implementation of new systems. The risk trend relating to Macroeconomic Volatility was also updated to Limited change year-on-year to reflect a relative stabilisation in the level of uncertainty in the macro environment impacting the Group.

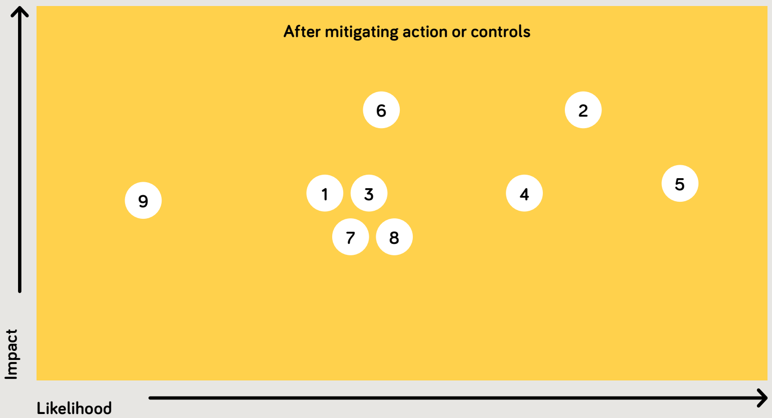
Figure 1 – Principal risks: at a glance

Risk category	Principal risks	Strategic objective	Risk trend 2024	Risk trend 2023	Inherent risk[1]
External	**1.** Long term market trends	ABCD	–	–	High
	2. Macroeconomic volatility	AE	–	∧	High
	3. Supply chain resilience	BC	–	–	High
Strategic	**4.** Managing change	ABCDE	∧	–	Medium
	5. Climate change & carbon reduction	D	–	–	High
Technological	**6.** Cyber threat and data security	D	∧	∧	High
Operational	**7.** Health, safety & wellbeing	D	–	–	Medium
	8. Legal compliance	D	–	–	Medium
	9. Critical asset failure	BCD	–	–	Medium

1 Risk is stated before the application of control. **Key** N New ∧ Increasing V Decreasing – Limited change year-on-year

2024 strategic objectives: A Operating & leading in attractive markets B An efficient and sustainable operating model C Maximising the potential of Toolstation D Leveraging the scale of the Group E Delivering attractive financial outcomes

Principal risks heat map:



Key disruptive risks that may impact the viability of a strategy or business model are also identified and managed. The Group does not currently consider any of these to be standalone principal risks. Several of the risks set out below, particularly long-term market trends, include elements that can be considered disruptive in nature, however they are categorised in the table above according to the primary driver of the risk for the Group.

Emerging risks

The risk environment in which the Group operates will continue to evolve as a result of future events and uncertainties, and awareness of related emerging risks forms part of the overall risk assessment process. The Group seeks to capture emerging risks that do not currently present a significant risk but which may have the potential to adversely impact its operations in the future. This enables the Group to monitor and understand the potential implications and build these into the decision-making processes at the right time. The Group identifies new and emerging risks through a process of horizon scanning that includes assessment of our risk set against a diverse set of external benchmarks, alongside perspectives on emerging risks collated from assessments made by the business and functional leadership teams and the results of assurance activities.

Unrest across the Middle East and the war in Ukraine continue to be monitored as potential risks in relation to the Group's supply chain and macroeconomic volatility more generally, and the Group continues to ensure compliance with relevant trade sanctions. Changes following globally significant elections during 2024 will be closely monitored, and the Board remains watchful of developments which may impact the Group. There are no other emerging risks considered significant enough to report at this time.

Long-term market trends

Inherent risk: High	**Relevance:** Industry-wide	**Risk Trend:**
Description The construction sector is changing, driven by both macro and sector-specific factors. In the short term, the sector saw an improvement following the pandemic, only to be then impacted by multiple macro factors: a recession in the UK, global economic instability and a change of government. In the long-term, there are multiple opportunities and risks for the Group: • The housing shortage in the UK, covering both private and social housing, presents significant opportunity for the Group. A growing population and desire for home ownership both fuel long-term demand. New government targets look to increase the number of houses built each year, however the ability to deliver on this target in the next five years is considered a significant challenge. • A growing productivity challenge in the construction sector needs to be addressed alongside an increasing scarcity of technical knowledge and a more general labour shortage. • The challenges presented by the age and condition of existing housing stock in the UK, further impacted by the need to meet the Decent Homes Standard. • Manufacturers of the materials and products sold by the Group may look to sell directly to end customers. Disintermediation has the potential to increase in a challenging economic environment where customers are more price sensitive and proposition differentiation becomes less important. • ESG factors are becoming more fundamental to long-term success but are challenging to address, requiring investment and broad engagement across the sector. • Changing UK legislation and a move to modern methods of construction drives a need to manage changing building standards and the future framework for heat in buildings through the products and services offered by the Group.	**Mitigation** Whilst current macroeconomic conditions are challenging, the long-term fundamental drivers of the Group's end markets remain robust. The UK faces a shortage of new and affordable housing, alongside a significant backlog of maintenance and improvement work on public sector assets and the need to decarbonise an ageing housing stock is growing in urgency. The Group is well positioned to partner with the construction industry to address these challenges. Its balanced portfolio of businesses all hold #1 or #2 positions in their markets and benefit from a diverse end market exposure, from small independent builders to large national contractors. The Group has five focused businesses serving specific construction markets. There is local empowerment to serve small trade businesses and the general builder. This is then complemented by specialist propositions for larger contractors that have the technical capability to add value. The Group has a nationwide network, with purchasing power of over £3bn annually, built upon a wide product range with strong availability and relationships. The Group continues to be underpinned by its values and doing the right thing, whilst continuing to develop an efficient and sustainable operating model. The Board conducts an annual review of strategy, which includes an assessment of likely competitor activity, market forecasts and possible future trends in products, channels of distribution, disintermediation threats and customer behaviour. The Group maintains a comprehensive tracking system for lead indicators that influence the market for the consumption of building materials in the UK.	⊖
Impact: Adverse effect on financial results; loss of market share		

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Macroeconomic volatility

Inherent risk: High	**Relevance:** Industry-wide	**Risk Trend:**
Description The Group's operations are predominantly based in the UK, serving UK customers, with a small presence in the EU. These operations place some reliance on a multi-territory supply base that exposes the Group to much wider macroeconomic and geopolitical uncertainty. The UK continues to face a range of macroeconomic challenges including, along with many of the countries from which the Group also sources product, weak demand in the construction sector (driven in part by persistently high interest rates) and an increasing tax burden on both individuals and businesses. Alongside general economic conditions, Group performance is affected by a number of specific drivers of construction, RMI and DIY activity. Whilst current trading conditions remain challenging, the Group's lead indicators, which include the volume of housing transactions, house price inflation, and consumer confidence, suggest an improving outlook. However, the timing and strength of a recovery in the UK construction sector remains uncertain and is likely to vary across specific segments. Continued uncertainty in the external environment could negatively impact the Group's ability to grow market share and deliver an improved trading performance. A stable government with a large majority, however, does provide a more reassuring backdrop and potentially will encourage increased investment in the UK. The Autumn 2024 budget may offer some opportunities for the Group through increased infrastructure investment but the additional taxes levied on employers to support this investment will require mitigating management actions. The new Government's target of building 1.5 million new homes over the next five years is unlikely to be achieved but the intent, alongside positive steps to reform the application of planning laws, is supportive for a recovery in new housebuilding activity which the Group is well placed to benefit from.	**Mitigation** The Group remains confident in the long-term resilience of its diverse end markets, which are showing early signs of recovery, but needs to consider capital investment and overhead management carefully given the uncertainty regarding the speed and scale of a recovery in UK construction demand. Actions taken in 2024, such as the consolidation of the Group's Commercial and Supply Chain functions, and modernising of key technology platforms, will deliver operational efficiencies whilst ensuring the Group is in a strong position to respond to the anticipated recovery in underlying markets when this begins to materialise. The Group continually reviews pricing strategies and product availability across each of the businesses. Policy and legislative changes that may impact the Group are monitored and, where appropriate, actions taken to ensure the Group is adequately prepared to address relevant changes. The Group has a conservative hedging policy to reduce its exposure to currency and energy price fluctuations. The Group has committed debt facilities of £800m, including a £375m revolving credit facility that was renewed in November 2023 with a five-year term plus a two-year extension option. The Group has balanced supporting colleagues at a difficult time with adjusting the cost base to reflect market conditions. Colleague salaries were reviewed in April 2024, with lower paid colleagues supported with a larger pay increase whilst higher paid colleagues received a more modest uplift.	−
Impact: Operational disruption; adverse effect on ranging and/or price, customer service and financial results		

Supply chain resilience

Inherent risk: High	Relevance: Industry-wide	Risk Trend:
Description A resilient supply chain is a critical factor in serving customers and achieving strategic objectives. There is both breadth and depth in the supply chain. Sourcing is undertaken across the globe and the Group sells a wide range of products, from materials such as timber through to power tools comprising many components. The smooth operation of this extensive supply chain may be disrupted by many events and circumstances outside of the Group's direct control including public health crises, geopolitical and macroeconomic factors, industrial action, transport network disruption and climate impacts. In certain product categories, the Group faces risk in relation to key supplier dependencies, where there are limited alternative options. The Group is the largest customer to a number of our suppliers and, in some cases, those suppliers are material enough to cause significant difficulties and disruption if they are unable to meet their supply obligations. Alternative sourcing may be possible, but the volumes required and the production time needed could impact availability. ESG matters are increasingly important to the Group and its customers: sourcing responsibly is a strategic focus area. This places additional requirements on the supply chain, which may increase over time. This is a means to assess supplier resilience but if suppliers do not meet the Group's standards it could further restrict supplier options.	**Mitigation** The Group maintains strong relationships with its key suppliers and continuously works with them to agree mutually beneficial contracts, conduct due diligence in line with its commitment to responsible sourcing, and ensure a continuous supply of quality materials. Where possible the Group has multiple sourcing strategies for key products, to reduce the effect of a supply failure. The Group keeps stock levels under constant review and has a track record of effectively managing availability issues in conjunction with suppliers. Potential impacts to the Group's supply chain from geopolitical developments are closely monitored. During 2024 the Group's Commercial function was restructured, with teams now aligned by product category, eliminating duplication, lowering costs and enabling the Group to build broader category expertise alongside harmonising ranges and trading terms. The changes will also enable the development of a Group-wide customer proposition. Investment in the Group's distribution capabilities has continued in 2024, with a number of actions taken to consolidate the Group's supply chain, drive efficiency, and reduce risk where possible, including: • Closure of Toolstation distribution centres in Bridgwater and Daventry in order to drive long-term efficiencies from the investment in the Pineham distribution centre. • Consolidation of the Group's timber supply chain with the closure of the King's Lynn and Tilbury timber supply centres. • Closure of the Benchmarx assembly facility in South Molton with kitchen cabinets now solely assembled at the Group's Primary Distribution Hub in Northampton. The Group holds Authorised Economic Operator status as a preferred importer in order to reduce potential customs delays. Published Supplier Commitments clearly articulate the Group's expectations. Independent checks are undertaken at the factories producing products for the Group, covering ethical, safety, environmental, financial and quality factors. The results of these checks are kept under review with action taken as necessary to address any concerns. Guidance is provided for suppliers and workshops are held to help them to improve and protect their own operations and supply chains.	⊖

Impact: Adverse impact on ranging and/or price, customer service and financial results

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Managing change

Inherent risk: Medium	**Relevance:** Company specific	**Risk Trend:**
Description Embracing and effectively navigating change is fundamental to the Group's future success. The ability to attract, retain and develop colleagues, or add capability through targeted acquisitions or partnerships, is central to ensuring that the Group has the right skills and experience to deliver its strategic initiatives. The Group increasingly competes for skills nationally and internationally and, in key areas such as data analytics, the demand for skills may increase recruitment time and costs. Market forces could make it harder to secure capabilities key to strategic delivery. ***Technology-enabled business change*** The Group has embarked on a number of major technology projects to underpin its operations, enable the future growth plans and meet customers' changing needs. Delivering the systems and associated business change required is key to achieving these objectives. In adopting a more agile, incremental approach to business change, enabled by technology, the Group needs to manage an extended transition period where old and new technologies must successfully co-exist. Against a backdrop of economic uncertainty and difficult trading conditions, the pace of delivery may need to flex with available resources, which could lead to missed opportunities or delays to access operational benefits and/or deliver on strategic priorities. The Group has not delivered significant technology change for a long time, and through the projects undertaken in 2024, a need to further build our internal skills base and expertise has been identified, to ensure the business is better positioned and prepared to undertake future change.	**Mitigation** A Group-wide "Idea to Live" process is used to prioritise, approve and manage change initiatives in a transparent and consistent way. Dedicated teams deliver major programmes with external expertise added to support when necessary. Programmes consider the related capability requirements and the options to buy or grow the skills needed for a strategically significant opportunity. Major programmes are sponsored by a designated GLT member. Defined governance structures are in place, including programme Steering Committees, and oversight of programme assurance at the Audit Committee. Regular Board reporting and the monthly GLT Programme Review to assess progress, milestones, risks, interdependencies and key decisions. The transition of finance processes into the Kerridge system is now complete, and the system will be rolled out to the branch network in 2025, facilitating significant modernisation of the technological landscape in BSS. Oracle Financials was implemented across the other merchanting businesses, and will continue to deliver significant technological and business process enhancements, resulting in a more robust control environment. The Group undertakes post-investment review exercises to assess the success of change programmes, in both financial and non-financial terms. If projects do not deliver against expectations, the "lessons learned" inform future programmes.	∧

Impact: Failure to deliver the strategy; adverse effect on financial results, shareholder value, colleague engagement

Climate change and carbon reduction

<table>
<tr><td>Inherent risk:
High</td><td>Relevance:
Industry-wide</td><td>Risk Trend:</td></tr>
<tr><td>Description
Climate change will significantly impact the construction sector during the transition to a low-carbon environment. The nature, extent and scale of that change remains unclear although headline risks and opportunities have been forecasted through climate scenario analysis. The Group is committed to helping the industry decarbonise by providing low-carbon products, supplied through efficient operations, to produce improved outcomes for communities.

This commitment not only promotes a sustainable business model, but also supports progress against the Group's carbon targets and influences the wider industry, to mitigate the significant threats posed by climate change.

The Group's top climate-related risks relate to:
• The move to a low-carbon fleet, given the Group has one of the largest UK vehicle fleets;
• Increasing costs of goods due to producer country carbon pricing mechanisms;
• The ability to transition to new lower-carbon product categories; and
• Product obsolescence for higher-carbon product categories.

Delivering the Group's carbon reduction targets will be challenging. It requires significant investment and engagement with the wider construction products industry to reduce supply-chain and product carbon. In a difficult economic environment, both the Group and the wider industry must collaborate to deliver this change amid short-term capital expenditure restrictions which could limit progress and shorten the target period for investment.

Environmental matters are increasingly important to colleagues, customers, suppliers, investors and government, driving changes to demand, expectations and information requirements, which the Group must identify and effectively respond to.</td><td>Mitigation
The Group regularly identifies its most material climate-related responsibilities and challenges in order to target investment and drive effective mitigation. Governance is led by the Board, which receives regular reports on the most material climate risks and opportunities, the action taken and the progress made.

The Group has made progress against its SBTi accredited targets, which are underpinned by clear roadmaps for delivery in each business, although absolute reductions will also have been impacted by recent volume declines.

The Group allocates capital to meet its commitments. The Group completed its roll-out of new electric forklift trucks, replacing diesel alternatives and saving around 5,000 tonnes of carbon a year. The Group has also invested in HVO as an alternate fuel in 37 branches, serving 210 HGVs in 2024. The LED roll out also continues across the branch network.

A key element of plans to address Scope 3 carbon emissions is engagement throughout the whole supply chain. The Group is working closely with suppliers to collect Environmental Product Declarations in order to extract and better use carbon data and provide customers with information to support Scope 3 reductions. By the end of 2024, 14% of the Group's spend was backed by high-quality carbon data (Environmental Product Declarations or other Life Cycle Assessments) at a product level, with work ongoing to continually improve this coverage. Collaboration and engagement with suppliers and customers on decarbonisation continues with either tailored support or wider industry working groups and events.

Alongside targeted investments and ongoing engagement, developments to support ongoing carbon reduction in 2024 include:
• Development of a product-carbon report for customers by CCF, soon to expand to the Group. This builds on the previously developed delivery-carbon report.
• Investment in the renewables category team to expand the Group's offering and support customer adoption of new technology.

Further information on progress made during the year can be found in the Sustainability report on pages 30-31, 34-35 and 57-58.</td><td>−</td></tr>
<tr><td colspan="3">Impact: Adverse effect on reputation, financial and/or operational performance; competitive disadvantage; less attractive as an investment stock</td></tr>
</table>

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Cyber threat & data security

Inherent risk: High	**Relevance:** Industry-wide	**Risk Trend:**
Description Events in the last year highlight how geopolitical crises and technological changes increase the risk of cyber attacks. Sophisticated, targeted and increasingly frequent cyber-crimes represent a real and present risk to all Group businesses, particularly given the drive to accelerate application development to support the expanding adoption of digital services by customers large and small. Risks associated with a growing digital footprint are further exacerbated by geopolitical tensions, cyber warfare and advancements in highly disruptive new technologies, such as artificial intelligence. Incidents impacting the confidentiality, integrity and availability of the Group's data and systems could disrupt customers and the supply chain. Theft and misuse of confidential data, damage to or manipulation of operationally critical data or interruption to technology services would have a serious consequential impact on the Group's reputation, ability to trade and the risk of fines relating to non-compliance with regulations, including the Payment Card Industry Data Security Standard and General Data Protection Regulation. The Group currently assesses its main risk of attack to be from opportunistic criminals seeking financial gain either from the theft and sale of personal data or encrypting data to demand ransom payments, either directly or as the result of supply-chain attacks. The Group has seen a year-on-year continued increase in the volume, frequency, and sophistication of attempted cyber-attacks, which aligns with broader trends. As the Group continues to drive digital change to meet customers' expectations and obtain competitive advantage, the underlying data that powers these services is of increasing value to cyber criminals. In executing the technology, data and security strategy, the Group will move away from legacy internally hosted systems and transition to new cloud-based services, with enhanced native cloud security capabilities that will improve the overall security maturity and posture for the Group.	**Mitigation** The Group is proactive in ensuring it meets its responsibilities and legal obligations in respect of information security and compliance, taking a risk-based approach in relation to people, process and technology to reduce the overall likelihood and impact of cyber incidents. To ensure the Group stays ahead of evolving threats, it is essential to maintain the security of its network edge perimeter, infrastructure and sensitive data, while continuing to build cyber resilience into technology-driven digital processes. Key elements of the framework to achieve these aims include: • Modern XDR endpoint protection and continuous threat hunting to rapidly identify potential vulnerabilities and attack vectors rapidly. • Regularly reviewing, updating and rehearsing incident capabilities, including lessons learnt from attempted attacks and threat intelligence sharing. The Group has third-party support services with an approved NCSC Incident Responder (IR) specialist capabilities, including forensic, containment and recovery. • Education and awareness are promoted across all colleague levels: baseline cyber awareness training is in place, which is further enhanced with regular phishing simulations, awareness campaigns and the work of information security champions. The Group continually tests its security posture via CREST-approved Penetration Testers and takes steps to remediate any vulnerabilities or weaknesses identified. Changes to technology solutions require Information Security review and approval.	∧
Impact: Operational disruption; adverse effect on reputation; potential legal action, fines and penalties		

Health, safety & wellbeing

Inherent risk: Medium	**Relevance:** Industry-wide	**Risk Trend:**
Description Keeping people safe and well is clearly aligned to the Group's purpose. The Group expects everyone to go home safe and well, every single day. The Group operates a large estate, with many sites running complex and busy yards. The Group also operates one of the largest vehicle and mechanical handling equipment fleets in the UK, distributing heavy and bulky materials. Certain products that are sold pose health and safety risks. Poorly implemented safety practices on site, on the road and at delivery locations could result in significant harm to colleagues, customers and the wider community. Full ownership of Staircraft adds a further element to the Group's safety risk profile, with this business carrying an inherent risk (and greater likelihood) of harm from the manufacturing process, in a sector with different requirements and greater regulatory scrutiny.	**Mitigation** Health, safety and wellbeing are fundamental to the Group's values. The Group continues to challenge current ways of thinking to de-risk its operations and improve safety performance. An open reporting culture is fostered, with colleagues encouraged to "Call It Out" if they see anything that they consider to be unsafe. Monthly communication to colleagues highlight examples of successfully "calling it out" or where there are lessons to be learned. Safety governance is well established and designed to promote continual focus and improvement. A process of reviewing the Group Safety strategy has commenced, with a view to identifying further opportunities to drive compliance and performance against existing controls. Safety performance is reviewed at every level of the business, including at all Board meetings and by the dedicated Safety Committee, which is chaired by a Non-executive Director. The process of assessing safety compliance and performance at sites across the Group has been reviewed during 2024 and will be rolled out in 2025 to maintain focus on key risks and drive consistency in management reporting. Staircraft has now embedded the Group's Safety Management System and is supported by dedicated safety support along with a new business leadership team. The Mental Health First Aider community continues to support colleagues and the Group maintains a suite of resources in the online StayWell hub during the year. Further information on progress made during the year can be found in the Safety and Wellbeing report on page 40.	⊖

Impact: Harm to colleagues, customers or the public; potential legal action, fines and penalties; adverse effect on reputation

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Legal compliance

Inherent risk: Medium	**Relevance:** Industry-wide	**Risk Trend:**
Description The Group is subject to a broad range of existing and evolving governance requirements, environmental, health and safety and other laws, regulations, standards and best practices which affect the way that it operates and gives rise to significant compliance costs, potential legal liability exposure for non-compliance and potential limitations on the development of the Group's operations and strategy, if not managed correctly. The scope of these requirements is in keeping with an organisation of our scale and operational model. The ongoing global development of ESG reporting regimes, the continuing implementation of the Building Safety Act 2022, as well as responding to UK corporate governance reforms all require the Group to assess current processes, controls and related assurance. New requirements may also be placed on the Group as it develops new value-add services in response to the evolving needs of our customers. Should the Group fail to deliver against its legal and regulatory obligations, as well as broader responsibility commitments, this could significantly undermine the Group's reputation, result in the imposition of fines or other enforcement action, and adversely impact operations and results.	**Mitigation** The Group maintains a number of teams of subject matter experts with responsibility for supporting delivery against legal and regulatory obligations that affect the business. Internal subject matter expertise is augmented by external advisors. The GLT and the Board regularly monitor compliance with laws and regulations. A Code of Conduct, supported by minimum standards, all-colleague mandatory training and comprehensive framework of detailed policies, sets out the requirements for all colleagues to do business in the right way with adherence periodically monitored by the GLT. The Group encourages colleagues to speak up whenever they see or suspect activity that contravenes the values, Code of Conduct or policies. All cases reported through the independent hotline are investigated. The Group shares a Supplier Manual and Supplier Commitments to articulate its expectations of the supply base and higher risk suppliers are assessed against these requirements through onsite audits or an Online Risk Assessment. As construction is exposed to more modern slavery than many other industries, the Group is a member of the Supply Chain Sustainability School's Modern Slavery Group, and contributed to the development of the School's new Operational Toolkit; "Combatting Slavery in the Built Environment" to support businesses with their modern slavery due diligence. The Group has mapped out the ESG reporting changes ahead and is readying the data and information required to meet these in the timescales indicated. Further information on the Group's climate disclosures in line with TCFD guidelines can be found on pages 43 to 58. Progress continues in the product provenance strategic workstream to track product data from source through the supply chain to a customer's project. The Group has begun a scoping and materiality assessment as part of its preparation for the first internal controls declaration required by UK Corporate Reform requirements, and regular updates will be provided to the GLT and Audit Committee throughout the year, ahead of the reporting deadline.	−

Impact: Adverse effect on reputation, financial and/or operational performance; potential legal action, fines and penalties; diversion of management attention

Critical asset failure

Inherent risk:
Medium

Relevance:
Company specific

Risk Trend:

Description

Disruption of a critical Group asset, whether a primary Group distribution location, or a key system failure or outage, could significantly interrupt operations. More generally, if the Group is unable to effectively respond to global or national events, which may impact multiple sites simultaneously, this could also significantly impact operations and performance.

Distribution centres

The Group operates a small number of distribution centres with significant stockholdings with an increasing volume of deliveries that are shipped direct to the end customer. Whilst many categories, particularly lightside products, are held throughout the network such that a short period of disruption could be managed, certain categories such as kitchens would present more significant challenges over a prolonged period of disruption. Certain distribution locations hold product, and related handling equipment, that is not carried elsewhere in the network.

IT systems

In its day-to-day operations the Group is dependent on a wide range of IT systems and supporting infrastructure. The Group's current IT landscape is complex and includes some legacy systems that lack the functionality of modern software and where expertise is diminishing. Although adequate resources and processes are in place that keep the current IT estate well maintained and operational, and there is a plan to replace the legacy systems over time, the older systems present an increasing risk of failures or outages and require more effort to maintain.

Mitigation

Crisis management & business continuity planning

The Group has developed crisis response capabilities, overseen by a Group-level steering group. In the event of an incident, tiered crisis response teams are mobilised that coordinate activity and provide ongoing monitoring, decision support and communications.

A risk-based approach is taken to business continuity management with a focus on critical infrastructure. This is currently being reviewed through the preparation of updated strategic business impact assessments in each Group business. The supporting business continuity plans prepared for key sites cover a range of scenarios. Regular prevention measures, such as fire risk assessments, are undertaken across the estate as well as maintenance programmes, in order to reduce the risk of internally-generated disruption.

The Group's size and scale helps to mitigate stock issues in the event of disruption. The Group carries a level of buffer stock in the network that would be sufficient to cover a short-term disruptive event. The Group has the ability to leverage the lightside capability in Toolstation to support an issue in Travis Perkins, and vice versa. Branch-level disruption would be managed by fulfilling orders from alternative local sites and re-routing stock.

IT disaster recovery

The Group's incident management process is designed to prioritise and respond to any incident quickly and effectively, with escalation and communication protocols. Recovery targets are in place, designed to minimise the operational and customer impact. The Group's IT function is in the process of moving IT infrastructure and systems to the AWS Cloud which will further remove physical risks and continue to modernise the Group's technology infrastructure, and is on target to complete the migration in 2025.

Impact: Adverse effect on performance: financial, operational, customer service; diversion of management attention

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

The information below is intended to help users of these accounts understand our position on key non-financial and sustainability matters and has been prepared in response to the reporting requirements contained in section 414C(7), 414CA and 414CB of the Companies Act 2006.

Reporting requirements	Principal risks	Policy embedding, outcomes and key performance indicators	Link
Colleagues	Health, safety and wellbeing	Business model	Page 11
		KPIs – Accident frequency rate	Page 15
		Safety and wellbeing	Page 40
	Managing change	Development	Page 37
		Modern slavery and human rights	Page 36
		Diversity and inclusion	Page 38
		Colleague voice and engagement	Page 41
		Reward	Page 41
		Directors' remuneration report	Page 90
		Directors' report – Employees	Page 119
Environment	Climate change and carbon reduction	Business model	Page 11
		KPIs – Carbon emissions	Page 15
		Climate-related financial disclosure	Page 43
		Sustainability report	Page 26
		Carbon	Page 30, 34, 58
		Waste	Page 34
		Modernising construction	Page 30
Human rights, anti-bribery and anti-corruption	Legal compliance	Human rights and modern slavery	Page 36
	Supply chain resilience	Legal compliance	Page 36
		Directors' report – Modern slavery	Page 119
Social and community	Managing change	Business model	Page 11
		Charity and community	Page 42
		Responsible sourcing	Page 32

A description of the Group's business model and how it creates sustainable value can be found on pages 14 to 15. Most of the reporting on these topics and KPIs is contained in the Strategic report under the sections Business model, Sustainability report and Statement of principal risks and uncertainties or are incorporated into the Strategic report by reference from the pages noted. The Group has appropriate policies and diligence procedures regarding all the non-financial information presented in this Annual Report.

Section 172 statement

Working together with our stakeholders towards shared goals is part of how we deliver long-term sustainable success. Go to page 94 to see more.

The Strategic report on pages 2 to 70 was approved by the Board of Directors and signed on its behalf by:

Geoff Drabble
Chair
31 March 2025

Duncan Cooper
Chief Financial Officer
31 March 2025

GOVERNANCE

Contents

BOARD OF DIRECTORS

Geoff Drabble
Chair

Date of appointment to the Board
October 2024

Committee memberships: None

Experience
Geoff has unrivalled leadership experience from publicly listed businesses across the building materials distribution, equipment hire and tools markets nationally and internationally.

He has gained this from both executive and non-executive roles, and is currently Non-executive Chair of multinational plumbing and heating products distributor, Ferguson Enterprises Inc. He previously served as Non-executive Chair of DS Smith plc, Senior Independent Director of Howden Joinery Group plc and was CEO of Ashtead Group plc during a period of unprecedented growth. He has also been Executive Director of The Laird Group plc and held a number of senior positions at Black & Decker.

External appointments
- Ferguson Enterprises Inc (Chair)

Duncan Cooper
Chief Financial Officer

Date of appointment to the Board
January 2024

Committee memberships: None

Experience
Duncan is a Chartered Accountant and, in addition to having a strong finance background, has experience in corporate communications, strategy design and implementation and large-scale technology change. Duncan joined the Group from Crest Nicholson plc, where he was appointed Chief Financial Officer in 2019.

He formerly worked at J. Sainsbury plc where he held multiple roles since 2010, culminating in Director of Group Finance. Prior to that Duncan held finance roles at BSkyB plc and GlaxoSmithKline plc after qualifying at Deloitte LLP.

Marianne Culver
Non-executive Director

Date of appointment to the Board
November 2019

Committee memberships: R S

Experience
Marianne has extensive executive and board experience in the global distribution and logistics sectors. She has served as Chief, Global Supply Chain with Premier Farnell plc and as Chief Executive (UK & Ireland) of TNT. Marianne was latterly Global President of RS Components, (formally Electrocomponents plc).

Her non-executive career to-date has included membership of the boards of Rexel SA (listed on Euronext Paris), The British Quality Foundation and EDS Corporation and she is a current member of the Supervisory Board of BME B.V.

External appointments
- BME B.V (Supervisory Board)

Jez Maiden
Senior Independent Non-executive Director

Date of appointment to the Board
June 2023

Committee memberships: A N

Experience
A qualified accountant (FCMA), Jez is a proven Senior Independent Director with diverse sector experience spanning household FMCG, management consultancy, food manufacturing, transport and chemicals. He has extensive finance and audit, public company and capital markets expertise and has held a number of Executive Director CFO positions, latterly as Group Finance Director for Croda International Plc. He has previously served as a Non-executive Director at PZ Cussons plc and Synthomer plc and is currently a Non-executive Director and member of the Audit Committee at Intertek Group plc, and has recently been appointed as a Non-executive Director, Chair of the Audit Committee and a member of the Remuneration Committee of Smith & Nephew plc.

External appointments
- Centre for Process Innovation Ltd (Non-executive Director)
- Smith & Nephew plc (Non-executive Director)
- Intertek Group plc (Non-executive Director)

Committee membership key:

- A Audit
- N Nominations
- R Remuneration
- S Stay Safe
- Chair

Heath Drewett
Non-executive Director

Date of appointment to the Board
May 2021

Committee memberships: A R

Experience
Heath is an experienced CFO and currently Chief Financial Officer for Aggreko; a global power, temperature control and energy services company and constituent of the FTSE 250, prior to its takeover in August 2021.

He also has extensive experience in the engineering, leisure and transportation and industrial sectors having previously worked for WS Atkins, British Airways, Morgan Advanced Materials and PwC. Heath brings a wealth of financial and commercial acumen to the Board at Travis Perkins based on his experience across a number of markets and sectors adjacent to the construction industry.

External appointments
- Aggreko (Chief Financial Officer)

Louise Hardy
Non-executive Director

Date of appointment to the Board
January 2023

Committee memberships: R N

Experience
Louise brings to the Board over 30 years of business and significant leadership experience from across the construction and infrastructure industry.

A civil engineer by background, Louise has held a range of senior roles at London Underground, Bechtel and Laing O'Rourke, where she was the Infrastructure Director for the London 2012 Olympic Park. Her most recent executive appointment was European Project Excellence Director for AECOM.

Louise remains a keen volunteer within the construction industry as a STEM ambassador and diversity champion.

External appointments
- Crest Nicholson Holdings plc (Non-executive Director)
- Balfour Beatty plc (Non-executive Director)
- Oriel (Chair)

Jora Gill
Non-executive Director

Date of appointment to the Board
August 2021

Committee memberships: A N S

Experience
Jora has extensive data and digital experience having held a number of Chief Information Technology Officer and Chief Digital Officer roles in significant organisations, including Standard and Poors, Elsevier, The Economist, and latterly SHL Group Ltd where he served as Chief Digital Officer until December 2021.

Jora is now the CEO and co-founder of an AI company, Insights Driven. In addition, he serves as a Non-executive Director of the Phoenix Life Limited, a role he has held since June 2023.

External appointments
- Insights Driven (CEO)
- Phoenix Life Ltd (Non-executive Director)

CORPORATE GOVERNANCE REPORT

Geoff Drabble
Chair
31 March 2025

In this the first Annual Report since I was appointed Chair, I am pleased to present the Corporate governance report for the year ending 31 December 2024.

UK Corporate Governance Code

Throughout the year ended 31 December 2024, the Company was in compliance with the principles and provisions of the UK Corporate Governance Code 2018 issued by the Financial Reporting Council ("the Code") and which is available at www.frc.org.uk, subject to the following explanations.

Further explanation in relation to Provision 24 of the Code and regarding the role of Jez Maiden as both the Interim Chair and as a member of the Company's Audit Committee is provided in the Audit Committee report on pages 84 to 89.

It is a requirement under Provision 12 of the Code that one of the independent non-executive directors of a company be the Senior Independent Director ("SID"). The responsibilities of the Company's SID are described under the "Division of responsibilities and meetings" heading below. Jez Maiden was the Company's SID during 2024. When Jez became Interim Chair with effect from 31 May 2024 it was decided that engagement between the Non-executive Directors and by the Company with its shareholders would not be adversely affected by this temporary arrangement, especially given the Board's focus on confirming the plan for permanent Chair succession, which it was anticipated would be fully resolved within a reasonable period. There was, therefore, no appointment of an alternative SID. As such, Jez Maiden was the only Director nominated as SID during 2024, including during the period when he was also Interim Chair.

Under Provision 4 of the Code, when 20% or more of votes have been cast against the Board recommendation for a resolution, the Company should explain, when announcing voting results, what actions it intends to take to consult shareholders in order to understand the reasons behind the result. An update on the views received from shareholders and actions taken should be published no later than six months after the shareholder meeting. The shareholder consultation by the Company described in further detail under the "Annual General Meeting" heading below was conducted substantively within six months of the 2024 AGM; however, the update on views and actions was published on 18 November 2024 which was six months and 27 days after the AGM.

Role of the Board

The Board is responsible for considering the opportunities and risks relevant to the success of the Group and for setting the tone and approach to corporate governance.

The Board has a schedule of matters reserved to it, which was last reviewed and approved in December 2024. The latest approved schedule of matters reserved can be found on the Company's website. In line with the Code, the Board has a number of Committees to which it delegates certain responsibilities: Audit, Nominations, Remuneration and Stay Safe. Aligned with the Code the Audit, Nominations, and Remuneration Committees all have three independent Non-executive members. The Committees all have defined terms of reference that are available on the Company's website.

Culture

The Board makes use of a range of insights to assist in its understanding of the Group's culture. This enables the Board to monitor the alignment of practices and behaviour with Group policy, strategy and values. Sources of insight include:

- Feedback received informally through visits by members of the Board to branches and other sites across the Group.
- Responses to the Group-wide colleague engagement survey ("Your Voice, Our Future").
- Feedback from colleague listening sessions held by members of the Board.
- Review of issues raised through the Group's Speak Up line.

These insights are useful to the Board in its assessment of the extent to which prevailing culture in the Group is aligned to the Group's policy, strategy and values.

Engaging with stakeholders and the workforce

Engagement with stakeholder groups such as shareholders, customers, suppliers and colleagues occurs when formulating the strategic direction of the Group. The Board takes the views of its stakeholders into account when strategic decisions are made. A statement on the ways in which the Group meets its duties under s172 of the Companies Act 2006 is described in the Section 172 statement on pages 78 to 80. This includes detail regarding engagement with major shareholders and the outcomes influenced by that engagement.

The Board has designated a workforce Non-executive Director to help bring the colleague voice into the boardroom. This role was fulfilled by Louise Hardy in 2024. Louise held listening sessions to gauge engagement and colleague sentiment.

Conflicts of interest and raising concerns

Declarations of any actual or potential conflicts of interest with items on the agenda are requested and made at the start of every Board and Committee meeting. A register of the Directors' interests and conflicts is maintained by the Company Secretariat.

Directors complete an annual questionnaire on potential or actual conflicts of interest and their activities throughout the year. Any potential conflicts are reviewed by the Board as a whole and, if necessary, mitigating actions are taken and recorded on the register of Directors' interests and conflicts. The impact of any relationships or involvements are considered carefully to ensure that they do not compromise or override the Directors' ability to exercise independent judgement.

Concerns in relation to the operation of the Board can be raised with the Chair or the SID. As part of the leadership evolution in 2024, the views of Board members were sought by the SID and discussed by the Board without the then Chair present, in accordance with good governance practice.

During 2024, the Group continued to emphasise the importance of "doing the right thing" aligned to the Code of Conduct and of "speaking up" using the Speak Up line. A number of policies and related guidance were updated and communicated. Communication included details of how colleagues could whistleblow using the Speak Up service where they believed that others may not be doing the right thing. The Speak Up service is available for colleagues and others to raise concerns by telephone call or web portal submission regarding issues that are inconsistent with its Group's values or otherwise require investigation and attention. The Audit Committee, on behalf of the Board, received regular reports during 2024 regarding issues raised through the Speak Up line and subsequent action taken. The Board also reviewed the effectiveness of the Speak Up line at its meeting in December 2024.

Board composition and effectiveness

Board changes

Appointments of new Directors are made by the Board on the recommendation of the Nominations Committee.

There were a number of changes to the Directors during 2024. Duncan Cooper took up the position of CFO on the Board on 9 January, with Alan Williams stepping down from the Board on 23 January. Jasmine Whitbread stepped down as Chair from the Board on 31 May and at that point Jez Maiden became Interim Chair. Nick Roberts stepped down from the Board and Pete Redfern took up the post of CEO with effect from 16 September and regrettably resigned due to ill health on 10 March 2025. I joined the Board on 1 October. As at 31 December 2024, the Board comprised six Non-executive Directors and two Executive Directors. The biographies of the Board as at the date of the Annual Report and Accounts are listed on pages 72 to 73.

Re-election of Directors

All Directors as at the date of the Annual Report and Accounts are considered to be eligible, on the basis of their performance and contribution to the long-term sustainable success of the Company, to submit themselves for re-election at the 2025 Annual General Meeting.

Board effectiveness review

Consistent with the requirements of the Code, evaluation of the performance of the Board and its Committees was carried out in 2024 as described in the Nominations Committee report on pages 81 to 83.

Division of responsibilities and meetings

Chair and CEO

The roles of the Chair and CEO are split and the Board has approved a written statement of the division of key responsibilities between the Chair and CEO which was reviewed in December 2024 and is available on the Company's website. The Chair leads the Board and ensures its effectiveness. Jasmine Whitbread and Jez Maiden were independent on appointment as Chair/Interim Chair and remained so for as long as they held that post. I was independent on appointment as Chair.

Non-executive Directors

The Board ensures that at least half of its members, excluding the Chair, are independent Non-executives and reviews any relationships or circumstances which are likely to affect their independence. Provision 10 of the Code sets out circumstances which are likely to impair, or could appear to impair, a Non-executive Director's independence, including where individuals hold cross-directorships or have significant links with other Directors through involvement in other companies or bodies. The Board is satisfied that there were no relevant cross-directorships or other links in 2024 and that none of the circumstances set out in provision 10 of the Code currently applies. The Board is satisfied, therefore, that all Non-executive Directors remain independent.

The Non-executive Directors provide constructive challenge, strategic guidance and appraise Executive Directors' performance against agreed performance targets, including through the work of the Remuneration Committee. The Non-executive Directors and Chair meet regularly without the Executive Directors present.

A Non-executive Director is appointed as the SID. The SID acts as a sounding board for the Chair and an intermediary for Directors and shareholders. The SID is available to shareholders should they wish to raise an issue through an alternative channel. The Non-executive Directors led by the SID meet without the Chair present annually to discuss the Chair's performance and any other matters as required. The details of the responsibilities of the SID are set out in writing and are available on the Company's website. Jez Maiden is the Company's SID and fulfilled the foregoing responsibilities during 2024, while also serving for part of this period as Interim Chair.

Time commitment

When making new appointments, the Board considers the competing demands on candidates' time. Prior to appointment, candidates are required to disclose any significant commitments along with the estimated associated time commitment. Each Non-executive Director's letter of appointment sets out the time commitment expected of them and these letters are available for inspection at the Annual General Meeting. So far as is practicable, the Company liaises with the Non-executive Directors to ensure the schedule of meetings does not clash with external appointments. Directors are able to attend meetings by video or telephone conferencing if there is an issue with location or travel.

The Board considers, on an annual basis, the time commitments of each Director and it is satisfied that all Directors continue to have sufficient time available to fulfil their duties. Any new external appointments during the year are given careful consideration and (if necessary) before consent is given, taking into account the number and scale of each Director's other commitments.

CORPORATE GOVERNANCE REPORT CONTINUED

Subject to approval by the Board, Executive Directors are allowed to accept one external non-executive directorship with a listed entity.

Board and Committee meetings

The Board held nine meetings in 2024, dealing with the annual cycle of activity planned in advance of the year and other matters arising during its course. The format for meetings of the Board in 2024 was a mix of in person and virtual using video conferencing. Regular items on the agenda for consideration included:

- Detailed updates on financial results and performance against related KPIs, in particular delivery of the Group's business improvement priorities.
- Health and safety policies and performance.
- Strategic reviews of the Group as a whole and its businesses.
- Governance matters, including review of the work of the Committees to the Board and the conduct of matters reserved to the Board.
- New appointments.

Examples of other areas of particular focus in certain meetings include:

- Review of the outturn trading performance of Group in 2023 and the response of the Group to the trading conditions prevailing in 2024.
- Colleague voice; review of key themes in the feedback from the Your Voice our Future engagement survey.
- Investor relations; review of feedback received from investors in the course of the year and discussion of investor relations priorities for 2024.
- Sustainability and corporate affairs; review of climate-related risks and opportunities, the sustainability reporting landscape and the roadmap for the Group's external engagement.
- Technology and data enablement; review of the delivery of technology enabled business change, aligned to the objectives of the Group.
- Risk Appetite and Principal Risks; to facilitate the calibration of Board risk appetite and including coverage of cyber risk preparedness. Group talent agenda; review with particular focus on talent and succession.
- Implementation of Oracle Financials; receiving updates ahead of and post "go live", to monitor and support delivery.
- Business reviews of specific trading operations within the Group.

The Chair meets regularly with Board members and with members of the Group Leadership Team ("GLT") between Board meetings and ensures that Board members are kept informed of material developments. At meetings the Chair encourages debate and equal contribution from each Board member within a transparent and constructive atmosphere. The names of the Directors who served on the Board during the year together with the number of Board and Committee meetings attended by each Director is set out in the following table.

	PLC Board	Audit Committee	Nominations Committee	Remuneration Committee	Stay Safe Committee	Overall attendance (%)
Number of meetings	9	4	2	3	2	98
Attendance:						
D. Cooper	9/9	–	–	–	–	100
M. Culver	9/9	–	–	3/3	2/2	100
G. Drabble[1]	2/2	–	–	–	–	100
H. Drewett[2]	8/9	4/4	–	3/3	–	94
J. Gill	9/9	4/4	2/2	–	2/2	100
L. Hardy[3]	9/9	–	1/1	3/3	–	100
J. Maiden	9/9	4/4	2/2	–	–	100
P. Redfern[4]	3/3	–	–	–	1/1	100
N. Roberts[5]	6/6	–	–	–	1/1	100
J. Whitbread[6]	3/3	–	1/1	2/3	1/1	88
A. Williams[7]	1/1	–	–	–	–	100

1 Geoff Drabble joined the Board on 1 October 2024.
2 Heath Drewett was absent from one Board meeting as a result of a personal emergency.
3 Louise Hardy joined the Nominations Committee on an interim basis on 30 April 2024.
4 Pete Redfern joined the Board as CEO on 16 September 2024.
5 Nick Roberts stood down from the Board on 16 September 2024.
6 Jasmine Whitbread stood down from the Nominations, Remuneration and Stay Safe Committees on 30 April 2024 and from the Board on 31 May 2024.
7 Alan Williams stood down from the Board on 23 January 2024.

Group Leadership Team

The Board has delegated responsibility for the execution of the Group's strategy and the day-to-day management and operation of the Group's business to the CEO. The CEO leads the GLT, which comprises key business and functional leaders.

Other colleagues are invited to attend GLT meetings from time to time in relation to specific matters. The main purpose of the GLT is to assist the Executive Directors in the performance of their duties, particularly in relation to:

- the development and implementation of strategy, operational plans, policies, procedures and budgets;
- the monitoring of operational and financial performance;
- the assessment of control of risk; and
- the prioritisation and allocation of resources.

Provision of information and support

All Directors have direct access to the General Counsel & Company Secretary who is responsible for advising the Board on all governance matters. Directors may also seek independent professional advice at the Company's expense in the furtherance of their duties as required.

Annual General Meeting

On 22 April 2024 the Company welcomed shareholders, their proxies and corporate representatives to the Annual General Meeting held in person at the London offices of Linklaters. All Directors were present and available for questions.

Support was received from shareholders, including those casting votes by proxy, sufficient to pass all of the resolutions put to the meeting, with an average of 92% of votes in favour of each resolution. Less than 80% support was received for two resolutions; 79.06% of votes cast were in favour of resolution 3 and 76.41% of votes cast were in favour of resolution 12. The details of those resolutions were:

- Resolution 3: To receive and approve the Directors' remuneration policy, which is contained in the Directors' remuneration report as set out on pages 96-101 of the Annual Report and Accounts for the financial year ended 31 December 2023 which will take effect from the date of its approval.
- Resolution 12: To re-elect Jasmine Whitbread as a Director of the Company.

In line with its responsibilities under the Code (where a resolution receives a more than 20% vote against), the Board consulted with shareholders to understand the reasons behind these votes. In respect of resolution 12, the then Chair and the SID held a number of meetings with shareholders during March and April 2024, and Jasmine Whitbread stepped down from the Board on 31 May 2024. Jez Maiden became Interim Chair and led the process to appoint both a new CEO and a permanent Chair, seeking input from shareholders on the characteristics that they would wish to see in the new appointments. This process was concluded in July 2024. Regarding resolution 3, following the AGM, Louise Hardy, Chair of the Remuneration Committee, sought further input from shareholders, which, together with previously articulated shareholder positions, has enabled the Company to better understand the rationale behind most of the voting which did not support resolution 3. A consistent theme of a lack of support for elements of the Company's Restricted Share Plan ("RSP") in the context of underlying performance.

Immediately following the shareholder consultation, against the backdrop of 88.02% shareholder support when the RSP was adopted, the Company did not believe an immediate change to its long-term incentives was appropriate. However, as noted at pages 90 to 91 of the Directors' remuneration report, the Company continued to keep the efficacy of its Directors' Remuneration Policy under review; including, in particular, whether the RSP remained the best vehicle through which to provide long-term incentive to the relatively new executive team and to support the Group with the retention of executive talent through a period of business turnaround.

The Board looks forward to welcoming shareholders, their proxies and corporate representatives who wish to attend the 2025 Annual General Meeting of the Company in person. The shareholder appetite for online broadcast of the Annual General Meeting appears to remain low and it has been decided that there will be no broadcast of the Annual General Meeting this year in order to use shareholders funds appropriately by avoiding unnecessary expenditure. Shareholder demand for remote participation will be kept under review and will inform the approach to arrangements for future Annual General Meetings.

Statement by the Board

A review of the performance of the Group's businesses and the financial position of the Group is included in the Strategic report on pages 8 to 25. The Board uses it to present a full assessment of the Group's position and prospects, its business model and its strategy for delivering that model. The Directors' statement of responsibilities for the financial statements are described on page 121.

Going concern

After reviewing the Group's forecasts and risk assessments and making other enquiries, the Board has formed the judgement at the time of approving the financial statements that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the 12 months from the date of signing this Annual Report and Accounts. For this reason the Board continues to adopt the going concern basis in preparing the financial statements.

In arriving at their opinion the Directors considered:

- The Group's cash flow forecasts and revenue projections.
- The impact on trading performance of severe but plausible downside scenarios. Key assumptions include significant reductions in revenue removal of property profits and limited reductions in fixed overheads, as well as mitigating actions such as delayed capital expenditure and dividend suspension.
- The committed debt facilities available to the Group and the covenants thereon.
- The Group's debt maturity profile and investment credit ratings.
- The Group's robust policy on liquidity and cash flow management.
- The Group's ability to successfully manage the principal risks and uncertainties outlined on pages 59-69 during periods of uncertain economic outlook and challenging macroeconomic conditions.

The downside scenarios tested, outlining the impact of severe but plausible adverse scenarios based on a severe recession and housing market weakness, show that there is sufficient headroom for liquidity and covenant compliance purposes for at least the next 12 months from the date of approval of these financial statements.

The Board's fair, balanced and understandable declaration

At the Board meeting during which the Group's results for the year were presented, the Board considered whether the Annual Report and Accounts, when taken as a whole, present a fair, balanced and understandable overview of the Group and its performance. After hearing from the CFO, receiving a report from the Audit Committee Chair on that Committee's meeting to review the preparation and content of the year-end financial statements and the audit conducted upon them, and reviewing the content of the Annual Report and Accounts, the Board concluded that the Annual Report and Accounts are fair, balanced and understandable and accordingly the Directors' declaration to that effect can be found under the Directors' statement of responsibilities on page 121.

Effectiveness of the system of internal control and risk management

In conjunction with the Audit Committee and in a process that accords with the Financial Reporting Council guidance on Risk Management, Internal Control and Related Financial and Business Reporting, the Board has carried out an annual review of the overall effectiveness of the system of internal control and risk management during the year and up to the date of approval of the Annual Report and Accounts, and concluded that these systems are effective. A further description of this work is set out in the Audit Committee report on page 87.

Geoff Drabble
Chair
31 March 2025

SECTION 172 STATEMENT

The Group has taken into consideration the interests of key stakeholders and the success of the Company for the benefit of its members as a whole, in line with Section 172(1) (a) to (f) of the Companies Act 2006 ("s172"). This s172 statement explains how:

- the Directors have taken into consideration the interests of members as a whole in key decision-making; and
- the Group, including the Directors, has engaged with stakeholders.

s172 requires Directors to have regard (amongst other matters) to:

a. The likely consequences of any decision in the long-term;
b. The interests of the Company's employees;
c. The need to foster the Company's business relationships with suppliers, customers and others;
d. The impact of the Company's operations on the community and the environment;
e. The desirability of the Company maintaining a reputation for high standards of business conduct; and
f. The need to act fairly as between members of the Company.

For example and as set out below, the Board had particular regard to the requirements of s172 (amongst the other requirements of s172 and other matters more generally) in connection with the decision to close Toolstation France.

Key Board decision	Key requirements
Closure of Toolstation France – The Board reviewed and ultimately approved the closure of Toolstation France. The Board first approved an internal engagement with the Works Council and colleagues, the results of which informed the decision to communicate externally in March 2024 the strategic plan to review options for Toolstation France. Engagement with, and support for, colleagues, suppliers and other stakeholders impacted by the potential change was maintained throughout the review process, the outcome of which was reported regularly to the Board. In response to the review the Board confirmed the decision to close Toolstation France, to include the sale of stores as a going concern where this would be feasible and not detrimental to the interests of the Company's shareholders. Eight Toolstation France stores were sold as a going concern as part of the subsequent closure process, securing jobs for 10% of the colleagues impacted. The operation closed by the end of 2024 and is presented as a discontinued operation.	**Likely consequences of decision in the long term** The Board based its decision on a consideration of the likely long-term consequences of either extending into the longer term the Group's investment in the Toolstation France business or ending its investment in 2024. **Interests of colleagues** The Board had regard to the impact of decisions on colleagues, informed by its understanding of the local consultation process described in the preceding column. **Need to foster business relationships** In a similar way to which it had regard for the impact on colleagues, the Board had awareness of how the closure would affect relationships with local suppliers and customers. **Impact of operations on the community and the environment** The Board's regard to the impact of the closure of operations and resulting redundancies on colleagues included consideration of the positive feedback from the Works Council on the suitability of the post-redundancy support package for ex-colleagues. By reason of this, the Board's regard included the impact on people post-closure as members of the community. **Desirability of maintaining a reputation for high standards of business conduct** The Board assured that the process connected with the review and decision to close was conducted in compliance with local legislation throughout the process. **Need to act fairly as between members of the Company** The best interests of the Company's shareholders, and by implication the need to act fairly as between them, were key to the Board's decision making regarding the closure of Toolstation France.

Relevant issues, factors and stakeholders

The Group's Strategy and ESG framework take into account key macro factors and challenges (pages 60 and 61), growth drivers (page 10) and double materiality assessment results (page 27), and have been formed through expert teams and in-depth consultation with key stakeholder groups.

Stakeholder engagement and key issues

Building positive stakeholder relationships through engagement, collaboration and dialogue is important to the Group. Working together with its stakeholders towards shared goals assists the Group in delivering long-term sustainable success. The Group comprises a number of businesses and stakeholder engagement takes place both at a Group level and also within each business as each has its own unique stakeholders. Details of key stakeholders and how the Group engages with them are set out below.

Stakeholder type	How the Group engages with them	Key ESG issues
Shareholders	The Group relies on the support of shareholders and places importance on their opinions. The Group wants to enable shareholders to have an in-depth understanding of strategy and operational and financial performance, so they can accurately assess the value of their shares in the Company. The Group has an open dialogue with shareholders through one-to-one meetings, group meetings, and the Annual General Meeting. Discussions with shareholders cover a wide range of topics including financial performance, strategy, outlook, governance and ethical practices. Shareholder feedback along with details of movements in the shareholder base are reported to and discussed by the Board and their views are considered as part of decision-making. The Group's Chair and management team undertook 163 investor interactions during 2024, including attendance at nine investment bank conferences and organising two North American roadshows. The management team recognises the benefits of virtual meetings with regard to efficiency and reaching a wide investor base but remains focused on in-person meetings as it is their belief that this facilitates better quality conversation and helps to build long-term relationships with shareholders. In 2024, over two-thirds of all investor interactions were in-person, this figure rising to over 80% with UK-based investors.	Carbon Supply chain Governance
Customers	The success of the Group, both historically and into the future is dependent on the ability to understand and meet the needs of customers. The Group continues to invest in data capability to bring a greater level of understanding to the behaviour of customers and when combined with the time spent discussing their needs and perceptions this produces a significant amount of insight which is used to guide action. Taking a long-term view of customer needs has allowed different business units to begin to develop and deploy a range of services which are designed to go above and beyond the traditional model of the straight supply of materials. By looking forward and seeking to understand the potential range of impacts which may affect the business of our customers in the future we are able to assist in the development of solutions to bring mutual value, enabling, for example, customers to work with changing environmental planning legislation to construct houses that meet current and future standards. Many of these examples are shared under "Modernising construction" on pages 30-31. The Group's businesses ran customer surveys and the ESG team engaged with over 120 customers in 2024.	Carbon Sustainable products Responsible sourcing Social value Packaging
Colleagues	People are key to the Group's success and it is important that they are successful individually and as a team. The Group aims to build a fully inclusive environment where treating each other with respect and encouraging everyone to be themselves is at the heart of the Group's values. The Group works hard to engage with and listen to colleagues in a variety of ways. A Group-wide engagement survey in 2024 was sent to 16,000 colleagues with a participation rate of 80%, representing the views of almost 13,000 colleagues. The engagement survey included detailed questions around safety, belonging, equal opportunity, customer focus and corporate citizenship. Group diversity and inclusion networks with GLT sponsorship and the Diversity and Inclusion Advisory Board continued to drive the Group's agenda to retain a diverse pipeline of colleagues, enable a high-performance culture, develop inclusive leaders and positively impact a generation of young people. ESG training sessions were delivered across a number of teams at Group and within the businesses by the Group Sustainability team and an ESG module is included in all apprenticeships. The role of the designated workforce Non-executive Director is to help bring the colleague voice into the boardroom. This role was fulfilled by Louise Hardy in 2024. Louise held listening sessions to gauge engagement and colleague sentiment.	Safety and Wellbeing Reward Skills Diversity, Equity and Inclusion Carbon

SECTION 172 CONTINUED

Stakeholder type	How the Group engages with them	Key ESG issues
Suppliers	The Group's suppliers are experts in the wide range of products sourced from them. Macro factors such as the increasing relevance of ESG and sector-specific changes seen in the development of modern methods of construction are raising expectations from customers and creating opportunities. The Group aims to build strong supplier relationships and develop mutually beneficial, lasting partnerships that meet these expectations and seize these opportunities. Engagement with suppliers is primarily through a series of interactions and formal reviews. In 2024, the businesses engaged proactively with suppliers in connection with the launch of Oracle Financials to enhance product data and to work together to manage and overcome challenges. The Group's businesses also host conferences to bring suppliers and customers together to discuss shared goals and build relationships. 60 suppliers were supported by the Group sustainability team during 2024. The Board recognises that relationships with suppliers are important to the Group's long-term success and is briefed on supplier feedback and issues on a regular basis.	Carbon Responsible sourcing (including QA) Sustainable products Packaging Safety Modern slavery
Communities and the environment	Investing in sustainable growth means supporting the communities in which the Group operates. By ensuring a positive contribution, the Group can help its communities and strengthen the business. Colleagues engage with the communities the Group operates in, building trust and understanding local issues. Key areas of focus include how the Group can support local causes and issues; create opportunities to recruit and develop local people; and help to look after the environment. In 2024, work continued towards the long-term target for people development for 10,000 people to successfully complete apprenticeships by 2030 (delivered both for the Group's own colleagues and those in the wider industry). The Group's businesses partner with local charities and organisations at a local level to raise awareness and funds. The Group's impact on the environment is a key focus for the Board. During 2024, progress was made towards the Group's targets for buildings and fleet (Scope 1 and 2) and for the supply chain (Scope 3). Further information is available in the Sustainability report on pages 26 to 58.	Carbon Sustainable products Safety Quality Skills Responsible sourcing
Government and regulations	The regulatory environment significantly impacts the success of the business. The Group believes it is important that those who can influence policy, law and regulation understand its views, sharing information and perspectives on areas that impact the Group's businesses. Engagement with the government and regulators takes place through a range of industry consultations, forums, meetings and conferences to communicate views to policy-makers relevant to the Group's sectors and businesses. Key areas of focus during 2024 were around a national retrofit strategy, Future Homes Standard, decarbonisation of specialist fleets, the skills gap and health and safety. The Board is updated on legal and regulatory developments and takes these into account when considering future actions.	Fleet decarbonisation Retrofit Future Homes Standard Skills Governance
Trade and professional bodies	The Group collaborates with trade and professional bodies to raise awareness, share best practices and to move forward together as an industry on shared opportunities, issues and challenges. For example, the Group sits on the Builders Merchant Federation Board and each of its industry working groups. The Group is a CO_2nstructZero Business Champion, the Construction Leadership Council's framework for net zero in the construction industry. The Group is represented in the National Retrofit Hub, Future Homes Hub, Logistics UK, Builders Merchant Federation, Supply Chain Sustainability School and other forums relevant to the Group's material risks and opportunities. The Group is a founding member of The Construction Inclusion Coalition, which has been established to raise sector standards on equity, diversity and inclusion.	Net Zero new build and retrofit Skills Safety Diversity, Equity and Inclusion.

Delegated decision-making

The Group's governance framework delegates authority for local decision-making to each of its businesses, up to defined levels of cost and impact, which allows the businesses to take account of the needs of their own stakeholders in their decision-making. The leadership teams of each business make decisions with a long-term view and with the highest standards of conduct in line with Group policies. In order to fulfil their duties, the directors of each business and of the Group itself take care to have regard to the likely consequences on all stakeholders of the decisions and actions which they take. Where possible, decisions are carefully discussed with affected groups and are therefore fully understood and supported when taken.

NOMINATIONS COMMITTEE REPORT

Jez Maiden
Chair, Nominations Committee
31 March 2025

2024 focus area

- Delivering effective change at Board level
- Chair and CEO appointments

Number of meetings during 2024

2

Dear shareholder

In April 2024 the Board asked me, as Senior Independent Director, to step into the role of Interim Chair of Travis Perkins plc, following Jasmine Whitbread's decision to step down. As a result, I have also led the Nominations Committee of the Board and am pleased to present to you the Committee's report on its activities during 2024.

A key role of the Committee is to ensure that there is a rigorous and transparent process for appointments to the Board. In 2024, the Committee was asked by the Board to recommend a new CEO to lead the management of the Group and to identify a new permanent Chair. To run both processes simultaneously to deliver an effective outcome was a demanding brief for the Committee. I would like to take this opportunity to thank my fellow Committee members, Louise Hardy and Jora Gill, for their unstinting commitment and support throughout this vital process, together with the support of the rest of the Board in enabling the timely appointment of the selected candidates.

Following a difficult year in 2023 in which earnings were notably lower, the Board recognised the under performance of the business and that it was the right time to search for a new CEO to replace Nick Roberts and take the business forward. The Committee began an externally facilitated search process to identify a new CEO, with a focus on operational strength, margin management and cash generation from a candidate with proven success in delivering shareholder returns. We reviewed an extensive range of candidates, interviewed many and selected Pete Redfern who joined the business in September, but who unfortunately had to stand down in March 2025 due to ill health.

As noted in the Governance Report, Jasmine stepped down from the Board and as Chair on 31 May 2024. Reflecting input from a number of shareholders, the Committee launched a further externally facilitated search process to identify a new permanent Chair. This process ran in parallel with the CEO search, allowing the Committee to assess the complementary skills of candidates for the two roles and enabling the preferred candidates for these two key roles to meet and explore their future relationship prior to appointment. The result of the Chair search was announced alongside the CEO appointment in July, with Geoff Drabble appointed as a Non-executive Director and Chair Designate from October. Geoff took over from me as Chair on 1 February 2025, following a period of onboarding, and he will also assume the role of Chair of the Nominations Committee from me following publication of this report.

Geoff was CEO of the international plant hire company Ashtead plc for 13 years, a Non-executive Director of Howden Joinery Group plc for eight years and is the current Chair of Ferguson plc, the buildings materials distribution business listed on the New York and London Stock Exchanges, and which primarily operates in North America. Geoff's experience of public companies operating in our markets is unrivalled.

During 2024, we also completed the appointment of a third key role, with Duncan Cooper taking over in January as the Group's Chief Financial Officer, following Alan Williams' decision to retire, as set out in last year's Committee report. The Committee is pleased that Duncan has hit the ground running, with a smooth transition from one CFO to another.

Process for Board appointments

These recent Board appointments followed the Committee's previously defined approach. This sets out a rigorous selection process, with appointments made on merit and against an agreed set of specific and objective criteria. The Committee oversees this process on behalf of the Board and advises the Board on the identification, assessment and selection of candidates. The appointment process includes:

1. Agreeing the key skills, attributes and business experience required for the role as well as diversity priorities.
2. Preparing a role description.
3. Engaging independent search consultants.
4. Conducting a market search via the search consultants.
5. Preparing a "long list" of candidates, taking into account diversity considerations and the Committee's review of the composition, experience and skill-sets of the Board.
6. Selecting a shortlist which meets the Committee's criteria.
7. Candidate interviews and assessments.
8. Making a recommendation to the Board, following detailed references.
9. Appointees are provided with a programme of induction meetings and visits with key personnel to each business within the Group.

During the year, the Committee used the services of Russell Reynolds. Other than the use of their services in search assignments and advising on succession planning, the Directors have no connection with Russell Reynolds.

NOMINATIONS COMMITTEE REPORT CONTINUED

Committee membership

With the change in Chair role announced in April 2024, Louise Hardy was appointed to the Nominations Committee on an interim basis to ensure that the Committee could continue to function effectively and to support the critical Board appointment processes.

Board diversity policy

Another key role of the Committee is to promote and set targets for appropriate ethnic and gender diversity at Board and senior management levels. Disclosure Guidance and Transparency Rule ("DTR") 7.2.8AR requires disclosure of the diversity policy applied to a board and its remuneration, audit and nomination committees. It has always been the Company's approach to seek diversity in all senses, including age, gender, ethnic and social backgrounds, sexual orientation, disability and experience and to foster a culture of inclusion. That remains our approach in all the activities of the Board and its Committees. In light of DTR 7.2.8AR, the Board has approved and adopted a formal diversity policy which can be found in the Governance section on the Company's website.

The FTSE Women Leaders Review ("FWLR") recommends that boards should comprise 40% female directors, with a female in at least one of the roles of Chair, SID CEO or CFO, and that, by the end of 2025, 40% of the leadership team (executive committee or its equivalent) and its direct reports should be female. As previously mentioned, the Board underwent significant change in 2024, such that, at the end of the year, two Directors out of eight were female (25%) and, following the resignation of Jasmine Whitbread, none of the four key Board positions identified by the FWLR was occupied by a female. Accordingly, the Company does not meet the currently applicable recommendations of the FWLR.

Whilst the Board supports the aim of the FWLR to promote greater gender diversity on boards and amongst companies' executive and senior management teams, the Committee and the Board have had to manage a dynamic set of circumstances this year. Although the Committee included a focus on gender balance in the searches conducted and in the appointments which have been made during the year, the Committee and the Board have been guided by the overarching principle of appointing the most suitable individuals with experience best suited for the roles, irrespective of gender. During 2024 the Committee was necessarily focused on Board changes. The Committee plans to review opportunities to improve Board gender diversity during 2025 as part of its commitment to be FWLR compliant once Geoff Drabble has assumed the role of Chair of the Committee and its membership has stabilised.

Full details of the Group's gender diversity are set out at page 38 in the Sustainability report. The gender split amongst the executive committee and its direct senior management reports is 70% male and 30% female. In order to achieve the 40% target in 2025 (and assuming typical employee turnover) we would require the majority of the senior management hires this coming year to be female. Given the limited female representation in our industry, this may not be achieved. We continue to maintain our focus on improving gender balance in the leadership team.

The Parker Review (on ethnic diversity) has recommended that, by 2024, FTSE 250 companies should have at least one director who identifies as minority ethnic. At the end of the year and at the date of this report, the Board has met that recommendation. In its latest report, the Parker Review recommended that listed companies should set targets to be met by 2027 for ethnic diversity in leadership teams (executive committees and their direct reports) and that from December 2024 onwards, listed companies should report on their progress towards those targets. Our current ethnic diversity amongst our leadership team is low with 96% from white ethnic backgrounds and 4% from Asian ethnic backgrounds (excludes prefer not to say/unable to disclose/do not know). We remain committed to improving ethnic diversity across the Group and the target we have set ourselves to be achieved by the end of 2027 is 7% of the leadership team from minority ethnic backgrounds. In the context of diversity within our industry, we believe that to be a realistic but stretching target.

The disclosures required to be made by Listing Rule 6.6.6R(10) are set out above. The following table is included in compliance with Listing Rule 6.6.6R(10) in the format prescribed by that rule and set out in Listing Rule 6 Annex 1:

Gender identity or sex (at 31 December 2024)

Area	No. of Board members	% of the Board	No. of senior positions on the Board	No. in executive management	% of executive management
Men	6	75	4	4	66.7
Women	2	25	–	2	33.3
Not specified/prefer not to say	–	–	–	–	–

Ethnic background (at 31 December 2024)

Area	No. of Board members	% of the Board	No. of senior positions on the Board	No. in executive management	% of executive management
White British/Other White (including Minority White groups)	7	87.5	4	6	100
Mixed/multiple ethnic groups	–	–	–	–	–
Asian/Asian British	1	12.5	–	–	–
Black/African/Caribbean/ Black British	–	–	–	–	–
Other ethnic groups, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Board effectiveness review

This year's Board effectiveness review was conducted in-house with the process facilitated by the Company Secretary. Using a combination of questionnaires and discussion, the effectiveness of the Board and its Committees was assessed. Notwithstanding the level of change experienced during the year, the Board and its Committees were found to be operating effectively, with an effectiveness level of 70%, albeit this was lower than the prior year, unsurprising given the significant challenges faced in 2024. The Interim Chair received feedback on his performance in his temporary role.

In 2024, assessed against its existing skills matrix, the Board improved its skills and capability balance, with stronger industry, building distribution and customer experience, secured through key appointments. In light of the challenging market environment, together with company-specific weakness experienced in the second half of 2023 and into 2024, the Board focused its time on a limited number of business improvement initiatives, with a reduced focus on long-term strategic initiatives. These improvement initiatives included stabilising short-term profit performance, particularly in the general merchant, overhead cost reduction, improved cash generation, addressing loss-making operations and delivering leadership change. I would like to thank Nick Roberts for supporting me in this work prior to his stepping down as CEO in September 2024.

This is reflected in progress against the four focus areas identified from the 2023 Board effectiveness review, as follows:

Focus area	Progress
Continuing focus on the balance of constructive challenge and support between the Non-executive Directors and the Executive as relationships between Directors become better established.	The focus on a limited number of improvement initiatives and the process to change leadership helped the Board to better challenge and support executive management in delivering change and beginning to stabilise performance. With the recent appointments, the Board is establishing stronger relationships between Directors and this will remain a focus in 2025.
Improving the feedback loop with the Board regarding actioning within the business of issues raised by the Board.	More targeted actions and initiatives, supported by clearer KPIs, enabled the Board to better monitor and advise on business issues. Continued work on this area is anticipated in 2025.
Continuing to improve risk management processes, in particular, the articulation of the Board's risk appetite to the business.	Further improvement to an already robust risk management framework was achieved, better linking risk appetite to the Group's principal risks and ensuring that risk management is pragmatic and appropriate.
Achieving an appropriate balance of focus between short-term performance improvement and long-term strategic success.	Inevitably, 2024 saw a focus on short-term performance management and remedial action, initially reacting to performance issues and then becoming more proactive as work plans and progress were delivered. Under new leadership, 2025 will see a progressive move to a more strategic approach.

2025 focus areas

Based on the 2024 Board effectiveness review and reflecting key changes in leadership, the Board has identified the following focus areas for 2025:

- CEO recruitment.
- Development of a new strategy and a focus on medium-term success.
- Rebuilding, supporting and constructively challenging the Executive in improving shorter term performance.
- Managed Board and Executive succession planning.
- Improving the identification and understanding of the key drivers of success and the KPIs to manage these.

I will be available at the AGM to answer any questions on the work of the Nominations Committee in 2024.

Jez Maiden
Chair, Nominations Committee
31 March 2025

AUDIT COMMITTEE REPORT

Heath Drewett
Chair, Audit Committee
31 March 2025

2024 focus areas

- Monitoring the integrity of financial statements and other external financial announcements
- Assessment of effectiveness and maturity of risk management and internal control
- Assurance in connection with the Group's finance modernisation programme
- The external audit tender process

Number of meetings during 2024

4

Dear shareholder

I am pleased to present the Audit Committee's report for the year ended 31 December 2024. The report sets out the Audit Committee's work in relation to financial reporting, internal audit, risk management and oversight of the external audit process.

I will be available at the Annual General Meeting to answer any questions about the work of the Audit Committee.

Audit Committee membership and attendance

The members of the Audit Committee for the year ended 31 December 2024 have been:

- Heath Drewett
- Jora Gill
- Jez Maiden

All members are independent Non-executive Directors. In accordance with provision 24 of the UK Corporate Governance Code ("the Code"), at any time at least two of the members have recent and relevant financial experience and all members have competencies relevant to the Company's sector, gained through a variety of corporate and professional appointments (see biographies on pages 72 to 73).

It is also required under Provision 24 of the Code that the chair of a company's board should not be a member of that company's audit committee. Jez Maiden is a member of the Company's Audit Committee. Jez became Interim Chair with effect from 31 May 2024. It was decided that it would be in the best interests of the Company for there to be no immediate resulting change to the membership of the Audit Committee, given the continuing value of Jez's experience and competency to the work of the Audit Committee, combined with the Board's focus on confirming the plan for permanent Chair succession, with it being subsequently confirmed that the role of Chair was intended to pass to Geoff Drabble once his capacity allowed, which it was reasonably anticipated would resolve the issue by early 2025. As such Jez Maiden was present at two meetings of the Audit Committee in 2024 while also Interim Chair.

The Audit Committee held four meetings in 2024. Attendance of members at the Audit Committee's meetings during the year can be found in the Corporate governance report on page 76. The following, and when appropriate those deputising for them, were also invited to attend the Audit Committee's meetings in 2024:

- Chair of the Board (including Chair designate)
- Chief Executive Officer
- Chief Financial Officer
- General Counsel & Company Secretary
- Director of Group Finance
- Group Financial Controller
- Director of Internal Audit & Risk
- On behalf of the Group's auditor, the lead audit partner and other audit team members

From time to time Non-executive Directors who are not members of the Audit Committee may be invited to attend meetings of the Audit Committee where this will facilitate a richer discussion and avoid potential inefficiencies in repeating a review of matters at both an Audit Committee and a Board meeting. In 2024 other Non-executive Directors were invited to attend the meeting in February on this basis for, among other reasons, the review of principal and emerging risks.

The Group's Director of Legal Services & Deputy Company Secretary is the Secretary to the Audit Committee, as nominee of the General Counsel & Company Secretary.

The Audit Committee met separately with the Director of Internal Audit & Risk (and her deputies when appropriate) and with representatives of the external auditor without members of management in attendance. The Audit Committee also met separately with management but without representatives of external auditor in attendance.

Role of the Audit Committee

The Audit Committee assists the Board in fulfilling its oversight responsibilities. The main roles and responsibilities of the Audit Committee include:

- Monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, which includes reviewing significant financial reporting judgements contained therein.
- Reviewing the effectiveness of the Company's internal financial controls and internal control and risk management systems.
- Monitoring and reviewing the effectiveness of the Company's Internal Audit function.
- Maintaining an appropriate relationship with the Company's external auditor and reviewing and monitoring its independence, objectivity and effectiveness in carrying out the audit process, taking into account relevant professional and regulatory requirements and ethical guidance.

Work of the Audit Committee

In carrying out the activities referred to above, the Audit Committee places reliance on regular reports from management, the Company's Internal Audit function and the external auditor. The Audit Committee is satisfied that it received sufficient, timely and reliable information to enable it to fulfil its responsibilities during the year.

The Audit Committee's performance evaluation has been conducted as part of the Board Effectiveness Review, as described in the Nominations Committee report on pages 81 to 83, which found the Audit Committee to be operating effectively.

The Audit Committee conducts an annual agenda of business covering financial reporting, external audit activity, internal controls, risk management, internal audit activity and other specific items as required. This agenda is reviewed regularly by the Audit Committee to ensure that it reflects the priorities of the Company and continues to include all matters for which consideration must be given in order to meet the Audit Committee's corporate governance responsibilities. Details of the main matters covered in the business of the Audit Committee at each of its meetings in 2024 are as follows:

Q1 (February 2024)	Q2 (May 2024)	Q3 (July 2024)	Q4 (November 2024)
• Year-end accounting for 2023* • External audit report for 2023 • Review of internal controls • Review of principal and emerging risks • The content of the 2023 Annual Report and Accounts and the associated press release	• External audit plan including half-year strategy • Progress reports on information security initiatives • Review of performance and effectiveness of external auditors	• Half-year accounting for 2024* • External audit report including auditor quality control and independence • Review of principal and emerging risks	• External auditors report including progress against plan for 2024 audit and findings • Updates regarding the status of annual impairment testing and other significant accounting matters • Effectiveness assessment of Internal Audit and reapproval of Internal Audit charter • Approval of Internal Audit plan for 2025 • Cyber security update • Review of the Audit Committee terms of reference • The recommendation to the Board following tender of the external audit

In addition to the above specific matters, the Audit Committee considered at each of its meetings in 2024 the following standing agenda items:

- Review of non-audit fees
- Review of progress reports concerning the Internal Audit Plan for 2024, including approving additions and deferrals proposed
- Review of internal audit reports, including progress on implementing recommendations arising from internal audit work
- Review of reports on activity within the relevant period by the Group's Operational Compliance Support teams
- Review of updates regarding Oracle Financials, focused in the first three meetings of the year on assurance activity in the lead up to full delivery of the system and in the fourth meeting on progress following go-live in relation to financial reporting
- Review of reports regarding matters disclosed to the Group's Speak Up hotline in the first three meetings of the year; the final quarterly report was made to the Board in December 2024

* In considering accounting for both the year-end and the half year, in discharging its financial reporting responsibilities, the Audit Committee has special regard for accounting policies and compliance with accounting standards, going concern and viability assumptions, and significant financial reporting estimates and judgements made during the preparation of the Group's annual and interim accounts.

The Board is updated on key matters and recommendations following each Audit Committee meeting.

AUDIT COMMITTEE REPORT CONTINUED

Significant issues related to the financial statements

The Audit Committee has assessed whether suitable accounting policies have been adopted by the Group and whether management has made appropriate judgements and estimates. The table below sets out the key judgement areas associated with the Group's financial statements for the year ended 31 December 2024 that were considered by the Audit Committee. This is not a complete list of all issues of accounting, estimation and policy considered, but includes those which the Audit Committee believes are the most significant. Regarding such issues the Audit Committee considered papers and explanations given by management, discussed each matter in detail, challenged assumptions and judgements made and sought clarification where necessary. It reviewed and discussed any internal audit reports in respect of the matters under consideration and the Audit Committee also reviewed a report from the external auditor on the work undertaken to arrive at the conclusions set out in the Independent Auditor's report on pages 123 to 130.

Area	Issue and nature of judgement	Factors considered and conclusions reached
Defined benefit pension schemes	At 31 December 2024 the Group's balance sheet included a net asset position of £117m in respect of its defined benefit pension schemes, which reflects a gross pension asset of £971m and pension liability of £854m. The valuation of the pension liability is calculated under the unit credit method specified in IAS 19 – Employee Benefits and depends on several key assumptions including the discount rate, inflation forecasts and life expectancy. By their nature, these estimates are subject to considerable uncertainty and small changes in the value could materially impact the valuation of the liability.	Management presented the Committee with papers setting out the results of the work done, the assumptions made and the conclusions reached with respect to the Group's defined benefit pension schemes. Management explained to the Committee how the discount rate, inflation and life expectancy estimates were prepared and how sensitive the valuation was to changes in these key assumptions. After reviewing these papers and obtaining further explanation where necessary, the Committee concluded that management had taken a consistent, balanced and reasoned approach to preparing its calculations and made acceptable judgements. Further information is given in the financial statements (note 18 – Pension arrangements).
The carrying value of goodwill and other assets	The Group balance sheet contains £908m of goodwill and other intangible assets and £1,317m of tangible fixed assets and right-of-use assets. The Directors are required to determine annually whether those assets have suffered any impairment. They do so by comparing the present value of future cash flows for each cash-generating unit with the carrying value of assets. In addition, the Company balance sheet contains £2,417m of investments. The Directors compare the net present values of future cash flows from each investment to the carrying value of the investment in the balance sheet. The calculations undertaken to help arrive at a conclusion incorporate a consideration of the risks associated with each cash generating unit and are based upon forecasts of their long-term future cash flows, which by their nature require judgement to be exercised and are subject to considerable uncertainty.	The cash flow forecasts used for impairment considerations are prepared from the strategic business plans presented to, and approved by, the Board of Directors annually. Management presented the Committee with papers setting out the results of the work done, the assumptions made and the conclusions reached. They explained to the Committee how the cash flow and discount rate calculations were prepared, the key assumptions and judgements that were made and how sensitive those cash flows were to changes in the key assumptions. After reviewing management's papers and obtaining further explanation where necessary, the Committee concluded that management had taken a consistent, balanced and reasoned approach to preparing its calculations and that the judgements made were acceptable. It noted that the value-in-use and FVLCD models used by management showed that all material cash generating units had significant headroom, except for Staircraft and certain branches in the Merchanting segment for which impairments have been recognised and except for Toolstation Benelux, Travis Perkins General Merchant and CCF for which sensitivity disclosures have been included in the financial statements. The Committee concurred with the £96m impairment recognised. The Committee also discussed the calculations supporting the carrying value of investments held by the Company and concurred with management's conclusions. Further information is given in the financial statements (note 9 – Goodwill and other intangible assets and note 29 – Impairment).

Risk management and internal controls

Risk management

During the year:

- Key risks are collated and reviewed by the Group Leadership Team ("GLT") and the Board to assess the potential impact and likelihood of occurrence, after taking into account key controls and mitigating factors, as well as interdependencies.
- Horizon scanning and risk benchmarking is also undertaken to test the Group's key risk set and identify emerging risks, which informs the Board's review.
- Risks are also logged and managed on an ongoing basis at both a Group and business unit level, and assessed in key strategic and performance review processes, with additional mitigating actions put in place to manage risks within the Board's risk appetite.

The above supports the continuous improvement approach to risk management adopted by the Group. Following the deep-dive exercise undertaken in 2023 to assess existing appetite levels and ways of working with senior leaders, the risk appetite for the Group's Principal Risks was reset in November 2023. This has been reviewed again by the Board and with the Audit Committee in 2024 to ensure these remain appropriate and reflective of the Group's current risk landscape and approach. No fundamental changes have been made to the risk appetite set in 2024, and work continues to embed awareness and understanding of risk management across the Group.

The Statement of principal risks and uncertainties is set out on pages 59 to 69, together with information on how those risks are mitigated and how emerging risks are assessed.

Internal controls

The Company operates a "three lines of defence" assurance model. The Audit Committee plays a key role in monitoring activities in respect of the Company's internal control and assurance framework throughout the year, to ensure that risks are adequately mitigated (see the Statement of principal risks and uncertainties on pages 59 to 69). The Audit Committee has received regular updates on the status of these activities.

The internal control and assurance framework is intended to support the management, rather than elimination, of the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Audit Committee maintained a review of the effectiveness of the Company's risk management and internal controls, concluding that, overall, they remain effective. In 2024, particular Audit Committee focus has been on continuing management initiatives to improve the internal financial control environment, including in connection with the ongoing developments in UK corporate reform ("UKCR"), and where required targeted improvements have been planned or agreed to continue to improve our control environment and to appropriately manage risks. The proposed approach to ensuring that the Group can meet all reporting requirements of UKCR has been reviewed by the Audit Committee and this will be a matter of further Audit Committee focus in 2025.

Oracle Financials will enhance the Group's consistency and automation of controls, giving the Group greater ability to improve its control framework to support compliance with UKCR. Post-launch performance of the system has been monitored by the Audit Committee throughout 2024, including review of the reports provided by PwC in its capacity as independent assurance provider. During the immediate post-implementation period, derogations to normal internal controls were accepted in some areas such as the number of super-users and the frequency of reconciliations to reflect the anticipated early-life challenges of a new finance system, however these were appropriately addressed through mitigating controls.

All major internal assurance processes, including operational compliance and health and safety, are also an area of focus for the Internal Audit function to review and to track recommended control improvement actions to completion. This is a core part of the continuous improvement of controls and the progress of this activity is reported to the Audit Committee and reviewed at each of its meetings, which enables its ongoing assessment of the overall effectiveness of the system of internal control and risk management. Further explanation of the role of the Group's Internal Audit function is given below.

Internal audit

The Internal Audit Plan is the annual plan for delivery of internal audit activity aligned with the Group's strategic priorities, major change programmes and principal risks. The Internal Audit Plan is, therefore, a key source of internal assurance for the Group. The Internal Audit function develops the Internal Audit Plan, taking into consideration relative levels of risk, historic coverage and management requests, and conducts a rolling risk assessment within each year to ensure that internal audit activities remain targeted at the areas presenting the most risk to the Group, as these can change over time. The Internal Audit function delivers the majority of internal audit activity, supported as needed by co-source partners to provide specialist knowledge and skills. The Audit Committee assesses and approves the Internal Audit Plan and reviews results and progress at each Audit Committee meeting. The Audit Committee will also review and decide whether to approve recommendations received from the Internal Audit function regarding updates to the Internal Audit Plan to ensure it remains aligned with business priorities and risks.

The audits delivered during 2024 covered a broad range of operational, financial, legal, regulatory, IT and transformation activities. Core financial control areas are audited regularly. In 2024 this included:

- reviews of balance sheet reconciliations;
- critical systems recovery;
- key systems privileged access; and
- security operations.

In addition, Internal Audit has supported the Oracle Financials programme, and the Kerridge programme, to deliver a new finance system in BSS, by undertaking reviews of purchase-to-pay processes and business continuity readiness, by updating management and by providing input into changes to operational ways of working in relation to both programmes.

The 2025 Internal Audit Plan was approved by the Audit Committee at its meeting in November 2024. The 2025 Internal Audit Plan is targeted at assurance in relation to:

- follow-ups in key areas that have previously been the subject of the most significant audit findings;
- key technology programmes including those related to Group finance systems;

AUDIT COMMITTEE REPORT CONTINUED

- control effectiveness across key business functions; and
- areas or processes aligned to principal risks.

Internal Audit will also focus in 2025 on mapping material controls and assurance in response to the requirements of the UK Corporate Governance Code. The 2025 Internal Audit Plan includes standing annual requirements to review internal financial controls self-assessments, the basis for the Group's Senior Accounting Officer declaration regarding tax controls, and rolling assurance coverage to support the Group's ISO14001 certification. Any subsequent changes to the Internal Audit Plan will be approved by the Audit Committee.

All audit findings and agreed management actions are communicated to the Audit Committee and tracked to completion. The Audit Committee receives an update at every meeting on the age of findings and the level of risk. Internal Audit launched an app in 2024, allowing management to view and update agreed actions in real time. This has resulted in a more focused approach to addressing findings. In turn, this improves the level of control in relation to risks identified in the audit findings.

Effectiveness of the Internal Audit function is assessed against a series of attributes and it was reported to the Committee that the target level for each attribute was achieved in 2024. The Internal Audit function also reported to the Audit Committee that good progress continues against all three of the priority areas captured in its strategic pillars: Alignment to Business Needs; Leverage Data & Technology; Continuous Improvement. In keeping with the continuous improvement priority, the Internal Audit function also sets initiatives in relation to its strategic pillars annually and reports progress to the Audit Committee, as the team looks for opportunities to enhance its standard of effectiveness. In 2024 initiatives focused on the development of the data analytics capability of the Internal Audit function, to include the consideration of data analytics in all audit work, and implementing a forum to bring together representation from assurance providers across the Group. This has enabled enhanced cross-functional working and sharing of knowledge to reduce risk exposure and increase efficiency.

Based on its review of the updates on activity undertaken and progress made, the Audit Committee was satisfied with the effectiveness of the Internal Audit function and that the quality, experience and expertise of the function was appropriate for the Group throughout 2024.

External auditor

The Audit Committee discharges its responsibilities regarding the external auditor in accordance with the Financial Reporting Council's Audit Committees and the External Audit: Minimum Standard ("FRC Minimum Standard").

The Audit Committee confirms that the Company has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

KPMG LLP has been the external auditor since 2015. There are no contractual restrictions on the Group with regard to this appointment. The individual lead audit engagement partner for KPMG LLP is James Tracey, appointed in August 2022.

The scope of the external audit plan and strategy for the external audit of the 2024 Annual Report and Accounts was presented by the external auditor to the Audit Committee in November 2024 to enable the Audit Committee to interrogate the approach.

Assessment of the external auditor

The Audit Committee considers the effectiveness of the external auditor during the year and, with input from management, carries out a formal review of external auditor performance after the year-end audit has been completed. In undertaking this assessment the Audit Committee considers:

- The experience and expertise of the external auditor.
- The completion of the agreed external audit plan.
- The content, quality of insights and added value of external audit reports.
- The robustness and perceptiveness of the external auditor in its handling of key accounting and audit judgements.
- The interaction between management and the external auditor.
- The provision of non-audit services.

Independence and objectivity

Having considered the external auditor's performance and representations from the external auditor about its internal independence processes, plus through its ongoing review of compliance with the policy on non-audit work by the external auditor (described in further detail below) the Audit Committee was satisfied with the independence, objectivity and effectiveness of the external auditor and recommended to the Board that it recommend that KPMG LLP be reappointed by shareholders at the Annual General Meeting on 22 April 2024 as external auditor for the 2024 audit.

Reporting

One of the Audit Committee's responsibilities is to ensure compliance with the Board's policy on services provided by and fees paid to the external auditor. The policy sets out the work that is permitted to be performed by the external auditor and the work that is prohibited. The amount of non-audit fees payable to the external auditor in any particular year cannot exceed 70% of the average of the current and previous two years' audit fees.

The process for approving all non-audit work provided by the external auditor is overseen by the Audit Committee to safeguard the objectivity and independence of the external auditor. The Audit Committee considers whether it is in the interests of the Company that the services are procured from the external auditor rather than another supplier.

In 2024 KPMG LLP was engaged to provide non-audit services only in relation to the June 2024 review of the Group's interim financial statements. KPMG LLP was considered the most appropriate firm to carry out the work in respect of the interim review given its knowledge of the Group and the synergies that arise from running this engagement alongside the main audit.

The CFO reports to the Audit Committee on fees for non-audit services payable to the external auditor at every meeting. During the year the auditor was paid £3.1m (2023: £2.1m) for audit-related work and £0.1m (2023: £0.1m) for non-audit work. Non-audit work related to the review of the Group's interim financial statements. Fees for non-audit work were 3% (2023: 4%) of fees for audit-related work. The total fees paid by the Group to KPMG LLP in 2024 represent 0.1% of KPMG LLP's UK fee income. In addition, £2.9m (2023: £2.7m) of fees were paid to other accounting firms for non-audit work.

The Audit Committee is satisfied that the non-audit fees payable to the external auditor in relation to 2024 do not exceed 70% of the average of the current and previous two years' audit fees.

External audit tender

Introduction

The Group was required to run a tender process for the appointment of its external auditor for the 2025 financial year in accordance with applicable legislation, having appointed KPMG LLP as external auditor for the 2015 financial year.

Governance

Governance was put in place to ensure a transparent and robust selection, and evaluation process. A steering group chaired by the Audit Committee Chair and including the Interim Chair, Chief Financial Officer and Group Financial Controller was formed to oversee, co-ordinate and execute the audit tender process. The Committee was involved throughout the process and the Board was included at key decision points.

Tender process

The process, which ran from July 2024 to December 2024, was in compliance with statutory legislation and guidance issued by the FRC and was conducted with the overarching objective of running a process resulting in a high-quality, effective and efficient audit.

The scope of the tender consisted of the Travis Perkins plc Group audit and statutory audits of key subsidiaries with effect from the 2025 financial year.

Selection criteria

A range of candidates were considered, including audit firms outside the "Big 4" accounting firms. The Audit Committee and steering group agreed the selection criteria and which firms would be invited to tender.

The selection criteria included:

- Audit Quality: findings from the FRC Audit Quality Review inspections.
- General aspects of the audit firm: independence, conflicts of interest, ethics and compliance standards.
- Understanding of the business and industry: audit credentials in building materials distribution and the broader construction sector and knowledge of the Group's business and industry.

Invitation to tender

Three firms were invited to tender, including a firm from outside the "Big 4". At this stage, one firm withdrew from the process and therefore two firms progressed to the next stage.

Assessment criteria

The requirements for the tender document and selection criteria were set out and detailed in the request for proposal and included:

- Confirmation of independence and details of how the firm monitors and maintains its independence, and the governance in place to ensure conflicts of interest do not arise.
- The firm's and the team's credentials.
- Internal quality assurance processes and output from latest FRC reviews.
- Understanding of Travis Perkins plc and the industry in which it operates.
- Audit approach: proposed scope, approach to controls and integration of technology in the audit, approach to technical judgements, availability of audit tools and their use to provide value-add insights.
- Audit planning: timetable, interaction with business finance teams including Toolstation and BSS, approach to working with management and approach to resolving issues.
- Technical expertise including firm's experience and expertise in relation to sustainability reporting and assurance.
- Fees and terms.
- Transition approach, detailing how the firm will interact with the incumbent external auditor and the Group to ensure an effective and efficient process.

Each firm submitted a detailed tender document and provided an oral presentation of their proposal for external audit services to the steering group.

Final selection

The Committee agreed that both firms submitted excellent, professional and thorough tender proposals. However, after taking into account the process as a whole, the views of senior management who met with each firm, the presentations and results against the evaluation criteria, the Board identified Deloitte as the preferred new external auditor. We are now working closely with both KPMG and Deloitte to ensure that, if shareholders approve the proposed appointment of Deloitte at the 2025 AGM, there will be an efficient transition of the external audit. Deloitte shadowed key meetings through the 2024 audit process and regular reports on the transition are being provided to the Committee.

The recommendation of Deloitte was free from influence by a third party and no contractual term of the kind mentioned in Article 16(6) of the Audit Regulation has been imposed on the Company whereby there would be a restriction on the choice to certain categories or lists of audit firms.

Financial Reporting Council

During 2024 the Audit Committee monitored the Group's engagement with external stakeholders relevant to the Audit Committee's areas of oversight, including the Financial Reporting Council ("FRC").

In preparing the Group's Annual Report and Accounts, the Group responds to the recommendations of the FRC made through its reviews of corporate reporting and its thematic reviews of specific areas of corporate reporting.

Heath Drewett
Chair, Audit Committee

31 March 2025

DIRECTORS' REMUNERATION REPORT

Louise Hardy
Chair, Remuneration Committee

31 March 2025

2024 focus areas

- Approval at the 2024 AGM of the remuneration policy
- Appointment of Duncan Cooper, Chief Financial Officer
- Appointment of Pete Redfern, Chief Executive

Number of meetings during 2024

7

Dear Shareholder,

As Chair of the Remuneration Committee, I am pleased to present the 2024 Directors' remuneration report.

Performance in 2024 has continued to be tough, hampered by persistently weak trading conditions as well as a number of significant internal challenges. In light of these challenges and profit delivery below market expectations, the Group will not pay any bonuses to Executive Directors in respect of 2024 performance. In addition, the Remuneration Committee exercised its discretion to adjust the vesting outcome for 2022 Restricted Share Plan "RSP" awards for former Executive Directors, in recognition of the Group's performance and not meeting the Return on Capital Employed underpin. As a result of this decision, RSP awards granted to former Executive Directors in 2022 and with a vesting period from 2022 to 2024 lapsed in full.

Leadership changes

Nick Roberts stepped down from his role as Chief Executive on 16 September 2024. Pete Redfern joined the Group as Chief Executive on 16 September 2024. Pete Redfern's salary on appointment was set at £760,000. This positioning, whilst higher than his predecessor, reflected his skills and significant prior experience as Chief Executive of Taylor Wimpey. His annual incentive opportunity for 2024 was set in line with policy at 180% of salary and he received an RSP award on appointment with a grant value of 125% of salary. His pension entitlement was set at 10% of salary, in line with the rate available across the wider workforce. As a result of ill health, Pete Redfern stepped down from the Board and ceased employment on 10 March 2025.

Alan Williams retired as Chief Financial Officer on 9 January 2024 and left the Group on 31 January 2024. The new Chief Financial Officer, Duncan Cooper, joined the Group on 9 January 2024. As detailed in the 2023 Directors' remuneration report, Duncan's base salary was set at £525,000, which was lower than that of his predecessor.

Jasmine Whitbread stood down as Chair on 31 May 2024, with Jez Maiden, Senior Independent Director, assuming the role of Chair on an interim basis for the remainder of 2024. On 10 July 2024, the appointment of Geoff Drabble as Non-executive Director and Chair (designate) was announced, with effect from 1 October 2024. Geoff took up the position of Chair on 1 February 2025, with the fee set at £350,000 from the date of appointment, reflecting the expected time commitment of the role and the calibre of the individual.

Remuneration policy

The remuneration policy was approved by 79% of shareholders. In light of the voting outcome, the Remuneration Committee Chair engaged with those shareholders that voted against the policy to gain a better understanding of their views. This indicated that the key reason for opposition from those shareholders was a lack of support for elements of the RSP, in the context of underlying performance in 2024.

Ahead of 2025, the Remuneration Committee reviewed the operation of its policy at its meeting in December, taking into account the feedback received at the 2024 AGM and the relatively new executive team amongst other things. The key conclusion was that whilst the current RSP has the potential to support the Group with the retention of executive talent through a period of business turnaround, it does not align with the cultural transformation that is in the early stages of being implemented. As announced in the Q3 Trading Update, the priorities are driving and incentivising branch-led performance, increasing operational effectiveness and identifying further ways to make the business run more efficiently to ensure the delivery of greatly improved returns to shareholders. In this context, performance shares with stretching performance targets provide a much stronger and direct performance-linkage for senior business leaders to complement the cultural change being implemented across the Group.

As a result, at the 2025 AGM, an amended remuneration policy will be tabled to replace the Restricted Share Plan with a Performance Share Plan. The maximum award level under the Performance Share Plan will be 250% of salary, which has been determined based on the current Restricted Share Plan maximum of 125% of salary and the market-standard conversion ratio of 1:2 performance shares to restricted shares. Performance will be measured over a three-year period and a two-year post-vesting holding period will apply to vested shares, meaning any vested shares will be released five years after grant.

Subject to shareholder approval, long-term incentive awards in 2025 will be granted under this new PSP, with vesting based on the following equally-weighted performance conditions:

- 33% on adjusted earnings per share ("adjusted EPS")
- 33% on relative total shareholder return ("TSR")
- 33% on adjusted return on capital employed ("adjusted ROCE")

Adjusted ROCE has been chosen as it directly contributes to shareholder value creation. Adjusted EPS aligns with consistent delivery of profitable growth, which is expected to support shareholder returns through operational delivery driving a re-rating of the share price. The use of TSR ensures there is a relative measure that will only reward executives if there is outperformance compared to the FTSE 250 (excluding Investment Trusts).

25% of the award vests on the achievement of threshold performance, with the full award vesting on the achievement of the maximum performance target, with straight-line vesting in between threshold and maximum. Details of the targets applying to the 2025 award are set out on page 97.

In line with institutional investors' best practice expectations, at the time of testing performance against the above conditions, the Committee will have the ability to adjust the vesting outcome if it considers that the vesting level is not reflective of the underlying performance of the executive or the Group (e.g. in the event there was a perceived windfall gain) or the vesting outcome was not consistent with the overall experience of shareholders or other stakeholders having had regard to the circumstances during the performance period.

There are no other changes to the current remuneration policy.

Each part of the remuneration package plays an important role in driving performance to deliver the Group's strategy and improve shareholder returns. The link between the Group's strategy and incentive measures is detailed under the "Remuneration in 2024 – at a glance" section on page 94.

Shareholder engagement

As part of the review of the remuneration policy, the Committee engaged with major shareholders and the leading advisory agencies to explain and provide context for the proposed amendment to reintroduce the Performance Share Plan and detail its operation for 2025. The consultation process involved a letter being sent to the 20 largest institutional shareholders who collectively own over 70% of the Group's shares to ask for feedback on the proposals and offering meetings on request.

The Committee met with or received written feedback from 15 investors as well as the advisory agencies. The proposed replacement of the Restricted Share Plan with a Performance Share Plan was positively received by the vast majority of shareholders consulted. There was some challenge around the top end of the EPS target range noting the market competitive award size at 250% of salary. The Committee considered the feedback and subsequently increased the maximum EPS target from 75p to 80p. The Committee was comfortable that this increase was appropriate, taking account of the following factors:

- It is a stretch compared to the internal plan, especially given current trading conditions;
- Using a three-year historical average price/earnings ratio of around 15x, the target implies a doubling of the share price over three years; and
- The maximum EPS target is significantly ahead of the market consensus for 2026. There is no consensus available for 2027.

The Committee did consider reducing the size of the award instead of increasing the EPS target. However, given the factors above and as the proposed awards have broadly the same value as historical awards of Restricted Shares (i.e. Performance Shares are generally discounted by 50% when converting to Restricted Shares), it was felt that 250% of salary was appropriate in the context of the management team having been recruited on a policy of making Restricted Share awards at 125% of salary.

2025 salary review

This year's annual salary review was a difficult balancing act, in delivering pay awards across all levels of the organisation that are affordable and fair, whilst also taking account of higher than anticipated uplifts to the National Living Wage minimum pay rates and additional employer National Insurance contributions taking effect in April 2025. Whilst inflation stabilised during 2024, living costs have remained high relative to earnings for many colleagues, and a key focus has been to ensure that lower earners receive a meaningful pay uplift and that appropriate pay differentials are maintained for colleagues working at different levels across the Group. Over half of the workforce will receive a salary increase above the rate of inflation on 1 April 2025, whilst higher earners will receive a salary increase of 1.5%. Entry-level colleagues and apprentices are paid above the statutory minimum.

Taking into account current market conditions, cost constraints and the approach to the pay review for the wider workforce, the Remuneration Committee reviewed the salaries of Executive Directors and determined that there would be a salary increase of 1.5% from 1 April 2025, in line with the approach taken for other management levels across the Group.

This follows a similarly restrained approach to setting salaries for executives in the past. The former Chief Executive (Nick Roberts) received a 1.5% salary increase in April 2024, and he and the former Chief Financial Officer (Alan Williams) received a 4% salary increase in April 2023 and a 3% increase in April 2022, which were lower than the increases offered to the wider workforce.

Non-executive Directors' fees were reviewed but not increased in April 2024. The Chair's fee was set on his appointment on 1 February 2025. The fees for Non-executive Directors will next be reviewed in April 2025.

2025 bonus plan

The Committee reviewed the annual bonus plan for 2025 to ensure the use of clear and simple performance measures focused on driving the recovery of the business. Reflecting the move to a more business-focused, performance-driven culture, it was decided that it would be appropriate to remove the element of the bonus plan that is linked to strategic performance until the new business strategy has been formulated and communicated externally and internally. This allows for greater focus on the Group's key financial priorities in 2025, as it recovers from a sustained period of underperformance through depressed market conditions. This is intended to be a temporary change and it is expected that strategic measures will be reintroduced in future years.

For 2025, the key financial metrics will be operating profit and cash performance. Operating profit has been chosen to ensure that there is a continued focus on driving revenue and managing costs to deliver profit to shareholders. Operating cash flow is a critical measure for the business to ensure that there are the necessary resources to invest and deliver long-term returns to shareholders.

DIRECTORS' REMUNERATION REPORT CONTINUED

Cash performance will be measured against an absolute operating cash flow target in 2025 instead of the operating cash conversion measure that applied for 2024, as it is felt that this is a more appropriate measure given the reduction in operating profits over the past two years. These financial measures ensure the business is focused on delivering top and bottom line growth, while continuing to drive accountability on efficient management of stock and debtors and disciplined capital expenditure.

Prior to his stepping down from the Board and ceasing employment, part of Pete Redfern's annual bonus was based on the operating profit of the Travis Perkins General Merchant business, reflecting his dual role as Interim MD, Travis Perkins in addition to being the Chief Executive of the Group. The former Chief Executive's annual bonus was, prior to his cessation of employment, weighted 50% on Group adjusted operating profit (excluding property profits), 25% on Travis Perkins General Merchant operating profit and 25% on Group adjusted operating cash flow. The Chief Financial Officer's annual bonus will be weighted 75% on Group adjusted operating profit (excluding property profits) and 25% on Group operating cash flow.

For 2025, the bonus opportunity will start accruing at a threshold performance level, rising from 0% to 50% of maximum payout for achieving target, with payouts on a straight-line basis in between threshold and target, and target and maximum. The maximum opportunity will be unchanged at 180% of salary for Executive Directors. The target bonus opportunity for 2025, at 50% of maximum, has been increased from 25% of maximum that applied as a temporary measure for 2024. This reflects a return to standard market practice and the challenging performance targets, which relate only to financial measures in 2025.

2025 Performance Share Plan

The first award under the Performance Share Plan will be made following the 2025 AGM, subject to shareholder approval of the amendment to the current policy. The Chief Financial Officer will be granted a PSP award equivalent to 250% of salary. A future Chief Executive appointment will be eligible to participate in the PSP on similar terms to the Chief Financial Officer, depending on the timing of any appointment and the amendment of the current policy at the 2025 AGM.

Performance will be assessed against three equally-weighted performance conditions which align to the overall focus on sustainable value creation. The performance conditions and targets for the 2025 award are set out below, with maximum vesting requiring around a 100% increase in profitability from 2024. The Committee considers the maximum target to be genuinely stretching at the top end in light of ongoing challenging market conditions, whilst the lower end of the performance ranges have been set to be realistically achievable in this context.

- 33% on adjusted EPS for the year ended 31 December 2027, threshold at 65p and maximum at 80p;
- 33% on adjusted ROCE for the year ended 31 December 2027, threshold 9% and maximum 10.5%; and
- 33% on relative TSR, threshold at median and maximum at upper quartile.

To the extent that there are acquisitions or disposals, share buybacks or balance sheet events that materially impact the Group's gearing (or other factors at the Committee's discretion), the Committee would review the targets with a view to ensuring they fulfil their original intent.

Incentive outcomes in 2024

Weak trading conditions persisted throughout 2024, affecting all parts of the Group. As a result of these challenging conditions the Group downgraded its profit guidance in August 2024 and in October 2024.

Performance against the key financial objectives in 2024 was as follows:

- Group adjusted operating profit of £152m vs bonus target of £180m; and
- Group adjusted operating cash conversion of 130% vs bonus target of 149%.

2024 bonus payout – downward discretion exercised to award 0% of maximum

The annual bonus plan for Executive Directors in 2024 was based on adjusted operating profit (weighted at 55% of maximum), operating cash conversion (25% of maximum) and strategic performance (20% of maximum).

Group operating profit and operating cash conversion performance for 2024 were both below the threshold level, resulting in no payout against either of the financial measures. The Committee assessed the delivery against strategic measures at 22% of maximum (more details on page 95), meaning that a total of 4.4% of the total bonus opportunity was achieved during 2024.

In light of profit performance for 2024 being significantly below the initial guidance to market earlier in the year, and given that much of the wider workforce will not be receiving bonus payouts for performance over the same period, aligned with management's recommendation, the Committee used its discretion and did not award any bonus payout for Executive Directors for 2024.

2022 RSP award – nil vesting in 2025

Long-term incentive awards granted to the former Executive Directors in 2022 were made in the form of Restricted Share Plan ("RSP") awards, under the plan that was first introduced as part of the previous Directors' remuneration policy approved at the 2021 AGM.

In accordance with the previous remuneration policy, for Executive Directors, 75% of the 2022 RSP award vests after three years (March 2025) and 25% of the award vests after five years (March 2027). For other participants, RSP awards vest three years after grant. Whilst there are no performance targets attached to the vesting of RSP awards, the Committee may consider adjusting the extent to which awards will vest in the event the Group fails to meet the applicable performance underpins over the vesting periods.

The performance underpins for 2022 RSP awards were:

- Average adjusted return on capital employed above 9%; and
- Satisfactory governance performance including no ESG issues occurring or being identified by the Board which, in the Board's opinion, have resulted in, or could result in, material reputational damage to the Group.

Average adjusted ROCE performance over the three financial years ended 31 December 2024 at 7.8% did not meet the adjusted ROCE underpin. As a result of the adjusted ROCE underpin being missed, the Committee undertook an assessment to determine whether it was appropriate to scale back the level of payout under the award. In recognition of wider performance delivery over the past three years, as well as the decline in the Group's share price, the Committee concluded that it was appropriate that

2022 RSP awards for Executive Directors do not vest. The Committee consequently exercised its discretion for these awards to lapse in full. In reaching this conclusion, the Committee noted that future RSP vesting would be considered having had regard to the relevant performance underpins as well as wider business performance and so the treatment of 2022 awards was not considered to set a precedent as to the approach that would be taken in future years. For Executive Directors, 25% of the 2022 RSP award remains subject to the performance underpins over five-year period ended 31 December 2026.

Continuing to support colleagues in challenging times

Whilst needing to manage costs carefully in a challenging environment, a comprehensive package of benefits is offered to colleagues to support their financial, health and wellbeing needs. A key part of this has been the provision of the Wagestream tool to all colleagues from 2022, which allows colleagues to access a portion of their salary each month before pay-day to help manage short-term cash flow needs and allows colleagues to save directly from pay, all of which helps to build long-term financial resilience. 30% of colleagues have enrolled with Wagestream and the short-term savings built up by colleagues across the Group to date have reached £2.2m. Other ongoing benefits include short-term loans, extensive retailer discounts, an employee assistance programme and a range of wellbeing and financial education resources.

Over the past few years the Group has prioritised higher pay uplifts for lower earners to support them with cost of living pressures. The Group has also introduced a free mortgage advice service and a health and wellbeing benefit, accessible by all colleagues and their families, which includes virtual GP advice, health checks, mental health and nutritional support. All colleagues in the UK and the Netherlands have the opportunity to participate in the discounted Sharesave programme, which has seen consistently high take-up over time.

2025 Annual General Meeting

At the 2025 AGM, the Committee will submit this annual remuneration report to a shareholder vote alongside the amendment to the current Directors' remuneration policy to replace the Restricted Share Plan with a Performance Share Plan and a resolution to introduce a replacement long-term incentive plan in order to facilitate the operation of the PSP from 2025.

I look forward to receiving your support, and will be available to answer any questions.

Louise Hardy
Remuneration Committee Chair
31 March 2025

DIRECTORS' REMUNERATION REPORT CONTINUED

REMUNERATION IN 2024 – AT A GLANCE

2024 remuneration outcomes

	Executive Directors		Former Executive Directors			
	Pete Redfern, CEO[1]	**Duncan Cooper, CFO**	**Nick Roberts, Former CEO**		**Alan Williams, Former CFO**	
Element	**2024**	**2024**	**2024**	2023	**2024**	2023
Base salary (annualised from 1 April)	**£760,000** **–**	**£525,000** **–**	**£691,829** **+1.5%**	£681,605	**£554,507** **–**	£554,507
Annual bonus (% of maximum)	**–**	**–**	**–**		**–**	–
Restricted Share Plan (% of maximum):	**–**	**–**	**–**	100%	**–**	100%
Share ownership (% of salary) (as at 31 December, or date of departure if earlier)	**269%**	**39%**	**297%**	392%	**566%**	648%

1 Pete Redfern stepped down from the Board and ceased employment on 10 March 2025.

PAY FOR PERFORMANCE IN 2024 – AT A GLANCE

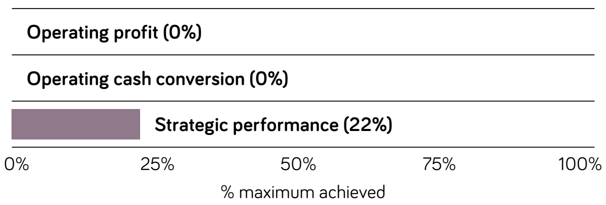
The following table shows how performance has been measured under the annual bonus and long-term incentive plans in 2024.

Ambition	Strategic KPI	Bonus weighting	RSP weighting
Profit growth	Adjusted operating profit	55%	–
Turning profit into cash	Adjusted operating cash conversion	25%	–
Delivery against investments	Average adjusted ROCE	–	Underpin
Strategic delivery	Strategic and operational objectives that continue to lay the foundations to deliver future success	20%	–
Governance	ESG measures and strong governance framework	–	Underpin
Delivering value to shareholders	Alignment to shareholder experience through share price movement	–	100% (since awards are made in shares)

Annual bonus outcome for 2024: 0% of maximum

The maximum bonus opportunity for Executive Directors is 180% of salary. Half of the bonus earned is deferred into shares for three years. In light of the Group's profit performance and the wider stakeholder experience, the Committee used its discretion and did not award a 2024 bonus payout to Executive Directors.

Annual bonus performance for 2024



Long-term incentive plan outcome for 2022–2024: Committee exercised its discretion to scale back vesting to 0% of maximum

The maximum RSP award for Executive Directors was 125% of base salary. The ROCE underpin of an average of 9% over the performance period was not met with actual average ROCE of 7.8% over the period. Under the terms of the RSP this triggered a review of the level of vesting by the Committee. The Committee considered performance and shareholder experience and determined that the first portion of the 2022 RSP award should not vest.

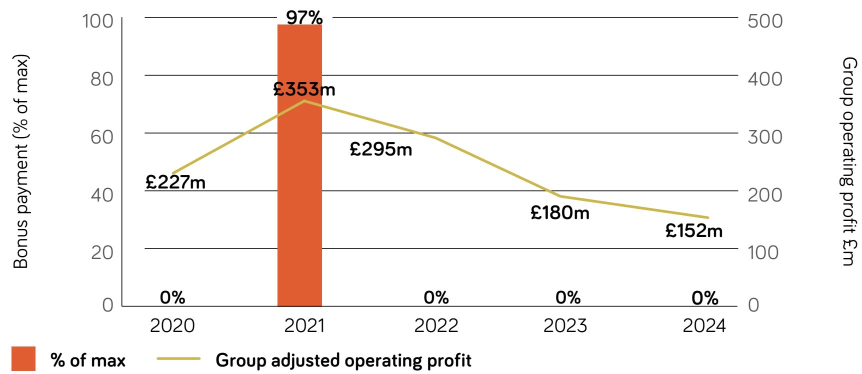
RSP underpin performance for 2022 – 2024

Return on capital employed (ROCE)	✗
Governance (including ESG)	✓

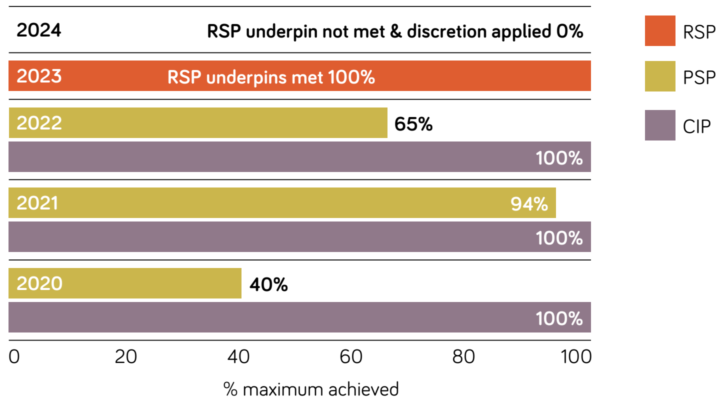
one of two underpins achieved

The following charts illustrate how incentive outcomes for the Executive Directors have reflected performance over the past five years.

Historical bonus outcomes for the last 5 years vs Group operating profit



Historical LTIP vesting outcomes for the last 5 years



All annual bonus and long-term incentive outcomes are subject to malus and clawback. Malus and clawback provisions apply for up to six years from the date of long-term incentive awards and for three years from the date of payment of the annual bonus.

DIRECTORS' REMUNERATION REPORT CONTINUED

REMUNERATION POLICY REPORT

The Group's current Directors' remuneration policy, which was approved at the 2024 AGM, can be found in full on the Group's website. An explanation of the proposed change to the policy which will be brought to the 2025 AGM for shareholder approval is set out in this section. A summary of the key elements of the remuneration policy and its implementation during 2024 is outlined in the annual remuneration report below.

The principles of the Group's amended remuneration policy, which were developed taking into account provision 40 of the UK Corporate Governance Code, are:

- **Alignment to our culture, purpose and values**
  Remuneration arrangements are determined taking into account the culture, purpose and values of the Group, wider workforce remuneration and emerging best practice as well as ensuring there is robust governance and compliance with the 2018 Corporate Governance Code.

- **Delivery of business strategy**
  Remuneration should support the execution of the strategy and long-term decision-making, contributing to the delivery of short and long- term financial returns for shareholders. Reward mechanisms should ensure that a significant proportion of variable pay is delivered in deferred shares, ensuring that executives retain a meaningful personal stake in the Group's long-term success.

- **Rewarding sustainable and consistent performance**
  A significant proportion of executive remuneration is delivered in variable pay that is linked to business performance. Bonus and PSP outcomes are linked to performance against a limited number of measures which are clearly linked to our strategy and subject to stretching but fair targets. Reward structures should also reinforce the Company's sustainability strategy and ESG agenda where relevant and appropriate.

- **Attraction, development and retention of talent**
  Total remuneration should be competitive, fair and equitable, taking into account the size and scope of the role, external market practice as well as internal relativities and the wider workforce context. The principles that guide the approach to remuneration should be consistent for all colleagues across the Group. Reward structures should be clear, simple and transparent so that colleagues understand the value of their total remuneration and know how to contribute to performance.

- **Fair and balanced remuneration outcomes**
  Remuneration outcomes are reviewed in the context of the shareholder experience, external climate and wider workforce. The Committee has the discretion to adjust reward outcomes to ensure that pay appropriately reflects underlying business performance and the wider context in a consistent and responsible way. All colleagues should be able to share in the success of the Group through participation in both annual bonus schemes and longer-term share plans.

- **Management of risk**
  Malus, clawback and discretion provisions, holding periods and shareholding guidelines, including post-employment guidelines, should be in place to create alignment with shareholders and to mitigate reputational and other risk.

These principles apply across the Group. In addition to a competitive base salary, colleagues also have access to an extensive range of benefits, retirement benefits, an all-colleague Sharesave scheme and recognition awards.

Proposed change to policy

The proposed change to policy is replacing the current Restricted Share Plan with a Performance Share Plan. The policy for the PSP will be as follows:

- The maximum PSP opportunity will be 250% of salary (which aligns to the maximum under the current Restricted Share Plan, converted on a market-standard 1:2 multiple). This reflects the expected value of the long-term incentive opportunity agreed with Executive Directors on appointment in 2024 of 125% of salary under a Restricted Share Plan. In the context of a business turnaround, and noting the level of stretch in the targets, the Committee is comfortable the maximum opportunity is appropriate.
- Performance conditions will be set each year in line with the business strategy. For 2025, one third of the award will be based on EPS, one third on ROCE and one third on relative TSR.
- 25% of the relevant part of the award vests for threshold performance, increasing to 100% for maximum performance.
- The Committee retains discretion to adjust the number of shares vesting having had regard to underlying performance across the vesting period and the shareholder experience during the vesting and holding periods.
- There are no changes to the three-year vesting period and two-year holding period or to the malus and clawback conditions that applied under the Restricted Share Plan.

ANNUAL REMUNERATION REPORT

The following sets out the annual remuneration report for 2024, which includes a summary of the remuneration policy, including the proposed amendment to replace the RSP with a PSP, and how it is intended to be implemented in 2025. This report is subject to an advisory shareholder vote at the 2025 AGM.

Implementation of the Directors' remuneration policy in 2025

Executive Directors:

The following provides a summary of how the Group intends to implement the Policy during 2025.

Purpose and link to strategy	Individual maximum opportunity in 2025	Performance measures and weighting in 2025	Operation in 2025
Base salary (increase of 1.5% for the CFO from 1 April 2025)[1]			
Core element of total package, essential to support recruitment and retention of high-calibre executives.	CFO: £532,875 (2024: £525,000)	n/a	The Remuneration Committee reviewed executive salaries and, taking into account current market conditions, determined that the base salary for the Chief Financial Officer would increase by 1.5% from 1 April 2025, which is less than the workforce as a whole but in line with other management increases.
Benefits (no change)			
Maintains a competitive package with a range of benefits for the Executive Director and his or her family.	n/a	n/a	Executive Directors continue to be entitled to benefits in line with the Policy, including private medical insurance, income protection, annual leave, company car (or cash alternative), life insurance of up to five times salary and participation in all-employee share plans such as Sharesave and Buy As You Earn.
Pension (no change)			
Helps executives provide for retirement and aids retention.	10% of salary in line with the rate available across the wider workforce.	n/a	Executive Directors participate in a defined contribution arrangement or receive a cash allowance.

1. Pete Redfern stepped down from the Board and ceased employment on 10 March 2025 and so was not eligible for a 2025 salary increase.

DIRECTORS' REMUNERATION REPORT CONTINUED

Purpose and link to strategy	Individual maximum opportunity in 2025	Performance measures and weighting in 2025	Operation in 2025
Annual bonus (changes in performance measures to focus on critical areas for 2025)			
Rewards achievement of annual performance objectives. Deferred element encourages long-term shareholding and aligns reward to shareholder interests. Malus and clawback based forfeiture provisions discourage excessive risk taking and short-term outlook, ensuring that Executive Director and shareholder interests are aligned.	Maximum annual bonus opportunity of 180% of salary.	The Committee reviewed performance measures for 2025 to ensure they were focused on critical areas to support the recovery of the business. The 2025 annual bonus will be based on the following measures: **Chief Executive[1]:** • 50% on Group adjusted operating profit (excluding property profits) • 25% on Group adjusted operating cash flow • 25% on TP General Merchant operating profit **Chief Financial Officer:** • 75% on Group adjusted operating profit (excluding property profits) • 25% on Group adjusted operating cash flow Adjusted operating profit has been chosen to ensure that there is a continued focus on driving revenue and managing costs to deliver profit to shareholders. Likewise operating cash flow is a critical measure for the business to ensure that we have the necessary resources to invest in the business and return value to shareholders.	Targets are determined in relation to the Group's budget. For 2025, there is no bonus payment below the threshold level of performance. 50% of the bonus is payable for target performance, and maximum payment is made only for performance in excess of the Group's budget. 50% of bonus earned is deferred as shares that are held for three years. Malus and clawback provisions apply up to three years from the date of award. Bonus targets are considered to be commercially sensitive, and disclosure of such may provide an unfair advantage to the Group's competitors. However targets, and the corresponding level of bonus earned, will be disclosed retrospectively in the relevant reporting period.
Restricted Share Plan (to be replaced by the Performance Share Plan, subject to shareholder approval at the 2025 AGM)			
Aligns participants with the shareholder experience, whereby participants build up a shareholding in Travis Perkins plc and are incentivised to deliver sustainable financial performance and enhance shareholder value over the long term. Helps retain Executive Directors.	n/a	n/a	n/a

1. Pete Redfern stepped down from the Board and ceased employment on 10 March 2025 as a result of ill health. The Committee will review the appropriateness of the above bonus metrics and targets on the appointment of a new Chief Executive having regard to the timing of any appointment to ensure the bonus remains strategically aligned with the role and similarly challenging.

Purpose and link to strategy	Individual maximum opportunity in 2025	Performance measures and weighting in 2025	Operation in 2025
Performance Share Plan (for awards granted from 2025 onwards)			
Aligns participants with the shareholder experience, whereby participants are incentivised to deliver sustainable financial performance and enhance shareholder value over the long term.	Maximum annual award of 250% of base salary	For PSP awards granted in 2025, the performance conditions are as follows: • 33% on relative TSR, measured against the FTSE 250 excluding Investment Trusts • 33% on adjusted EPS • 33% on adjusted ROCE Targets for each performance condition are set out below. The targets have been set to be realistically achievable at the lower end of the performance range and genuinely stretching at the top end: • Adjusted EPS: threshold 65p and maximum 80p • Adjusted ROCE: threshold 9% and maximum 10.5% • Relative TSR: threshold at median and maximum at upper quartile Any adjustments will be considered by the Remuneration Committee on a case by case basis but could include for example acquisitions or disposals, share buybacks or balance sheet events that materially impact the Group's gearing (or other factors at the Committee's discretion).	25% of the award vests on the achievement of threshold performance, with the full award vesting on achievement of the maximum performance target, with straight-line vesting for performance between threshold and maximum. Awards vest after three years, subject to a holding period of a further two years. Malus and clawback provisions apply up to six years from the date of award.
Share ownership requirement			
Aligns the interests of Executive Directors and shareholders.	Executive Directors are required to hold shares valued at 200% of salary within five years of appointment.	n/a	Executive Directors are also expected to maintain this level of shareholding (or their actual shareholding if lower) for a period of two years after stepping down from the Board.

DIRECTORS' REMUNERATION REPORT CONTINUED

Non-executive Directors:

Fees and benefits

- The Non-executive Director fees policy is to pay:
  - A basic fee for membership of the Board.
  - An additional fee to the Chair of a Committee and to the Senior Independent Director, taking into account the additional responsibilities and time commitment of the role.
- The Non-executive Chair receives an all-inclusive fee for the role.
- Non-executive Directors do not receive any other benefits (other than a staff discount card for purchasing products) and are not eligible to join the Group's pension scheme.
- The review date for Non-executive Directors' fees is 1 April. The basic fee was last increased by 4% with effect from 1 April 2023, in line with the approach for the wider workforce at the time. There was no increase to the basic fee or other Non-executive Director fees in April 2024. Jasmine Whitbread was paid an annual fee of £320,000 and stepped down as Chair and from the Board on 31 May 2024. Whilst acting as Interim Chair, Jez Maiden received a pro-rata payment of this Chair fee from 1 June 2024 to 31 January 2025, in place of his Non-executive Director and Senior Independent Director fee. The fee for the successor Chair, Geoff Drabble, effective 1 February 2025 is £350,000 per annum. The fee was set taking into account the expected time commitment of the role and the calibre of the individual.
- The current fees are as follows:

– Chair fee	£350,000
– Non-executive Director basic fee	£64,272
– Audit/Remuneration Committee Chair fee	£17,510
– Senior Independent Director fee	£12,875
– Stay Safe Committee Chair fee	£12,360

Remuneration elsewhere in the Group

The approach to setting reward for the wider workforce is guided by the same principles that apply to executives, with a focus on attracting and retaining the best talent, competing within the industry sector and against the local market, and ensuring that pay outcomes are fair and equitable. The salary review process and incentive plan design are broadly consistent throughout the Group. A higher proportion of total remuneration for Executive Directors and the Group Leadership Team is variable and linked to business performance compared to the wider workforce.

The Group has prioritised its salary review budget on lower earners in recent years in recognition of continuing cost of living challenges. The longer-term aim is to continue to work towards meeting the Real Living Wage across the Group over time, whilst acknowledging the need to remain competitive at all levels in the organisation and to protect fair and appropriate internal pay relativities reflective of the skills, capabilities and experience of the workforce.

The Group's wellbeing and benefit programmes are well established and provide comprehensive support to colleagues and their families during the moments that matter. Benefits include pension, share acquisition schemes, an employee assistance programme, recognition awards, discounts on Group products, an extensive retailer discount programme and a range of health, wellbeing, financial and lifestyle benefits. The take-up and use of benefits are closely monitored to assess the impact of cost of living pressures and resources have been invested in further communications direct with colleagues, as well as through line managers and offline communication methods such as driver handheld devices, to ensure that everyone is aware of the support that is available. The benefits offering is regularly reviewed and has steadily expanded over the past few years, with positive feedback from colleagues.

All colleagues based in the UK and the Netherlands also have the opportunity to participate in the Sharesave plan, which allows colleagues to save towards acquiring shares in Travis Perkins plc at a discounted option price. Senior leaders across the Group also receive long-term incentive awards.

DIRECTORS' REMUNERATION REPORT CONTINUED

AUDITED INFORMATION

Single total figure of remuneration

	2024								
£000	Salary	Benefits	Pension	Total fixed	Bonus	LTI[1]	Other[2]	Total variable	Total
Executive Directors									
Duncan Cooper[4]	514	17	51	582	–	–	196	196	778
Former Executive Directors									
Pete Redfern[3]	220	5	22	247	–	–	–	–	247
Nick Roberts[5]	486	20	49	555	–	–	–	–	555
Alan Williams[6]	34	1	3	38	–	–	–	–	38
Non-executive Directors									
Marianne Culver	64	1	–	65	–	–	–	–	65
Geoff Drabble[8]	16	–	–	16	–	–	–	–	16
Heath Drewett	82	–	–	82	–	–	–	–	82
Jora Gill	77	1	–	78	–	–	–	–	78
Louise Hardy[9]	82	1	–	83	–	–	–	–	83
Jez Maiden[10]	219	1	–	220	–	–	–	–	220
Jasmine Whitbread[7]	133	–	–	133	–	–	–	–	133

Notes:

1 Long-term incentives ("LTI") reported for 2024 for Nick Roberts and Alan Williams relate to RSP awards granted in 2022, of which the first tranche (75% of award) is due to lapse in March 2025, as a result of the Committee exercising discretion to reduce vesting taking into account the performance of the business following the adjusted ROCE performance underpin not being met.

2 The figure disclosed as "Other" for Duncan Cooper relates to LTI buy-out awards in respect of deferred bonus shares forfeited from his previous employer on appointment to the Group, which are not subject to performance conditions. These have therefore been included in the single figure of remuneration in the year of grant valued based on the share price at the date of grant of £7.89.

3 Pete Redfern was appointed Chief Executive and joined the Group on 16 September 2024 and stepped down from the Board and ceased employment on 10 March 2025. Prior to this, Pete served as a Non-executive Director and as Senior Independent Director until 1 June 2023 and stepped down from the Board on 19 September 2023.

4 Duncan Cooper was appointed Chief Financial Officer and joined the Group on 9 January 2024.

5 Nick Roberts stepped down from the Board and from his role as Chief Executive on 16 September 2024.

6 Alan Williams retired as Chief Financial Officer on 9 January 2024 and stepped down from the Board on 23 January 2024 and left the Group on 31 January 2024.

7 Jasmine Whitbread stepped down from her role as Chair and from the Board on 31 May 2024.

8 Geoff Drabble was appointed to the Board as Non-executive Director and Chair Designate on 1 October 2024. He took up the role of Chair on 1 February 2025.

9 Louise Hardy was appointed to the Board on 1 January 2023 and as Chair of the Remuneration Committee on 1 December 2023.

10 Jez Maiden was appointed to the Board as Senior Independent Director on 1 June 2023 and appointed as Interim Chair on 31 May 2024. During the period he served as Interim Chair, Jez received an aggregate fee of £186,667.

Single total figure of remuneration continued

	2023							
£000	Salary	Benefits	Pension	Total fixed	Bonus	LTI[1]	Total variable	Total
Executive Directors								
Nick Roberts	675	30	68	**773**	–	312	**312**	**1,085**
Alan Williams	549	19	55	**623**	–	254	**254**	**877**
Non-executive Directors								
Marianne Culver	64	–	–	**64**	–	–	**–**	**64**
Heath Drewett	81	–	–	**81**	–	–	**–**	**81**
Jora Gill	76	–	–	**76**	–	–	**–**	**76**
Louise Hardy	65	–	–	**65**	–	–	**–**	**65**
Jez Maiden	45	–	–	**45**	–	–	**–**	**45**
Pete Redfern	51	–	–	**51**	–	–	**–**	**51**
Jasmine Whitbread	320	–	–	**320**	–	–	**–**	**320**

1 The LTI figures for 2023 reported last year (£318,000 for Nick Roberts and £259,000 for Alan Williams) were calculated on an estimated basis using the average share price of the final quarter of 2023 of £7.76. These figures have been restated to reflect the actual share prices on vesting (£7.56 for the RSP awards that vested on 1 March 2024).

DIRECTORS' REMUNERATION REPORT CONTINUED

Explanatory notes for the single total figure of remuneration table

Salary

Annual salaries for the Executive Directors increased by 1.5% on 1 April 2024. Fees for the Chair and Non-executive Directors were not increased on 1 April 2024.

Benefits

Benefits for 2024 for Pete Redfern, Nick Roberts, Duncan Cooper and Alan Williams include private medical insurance and the provision of a company car and fuel (or allowance alternative).

Benefits for Non-executive Directors include the reimbursement of travel and subsistence expenses for the attendance at Board meetings and the associated tax gross up paid on their behalf.

Directors' pension entitlements

Duncan Cooper receives 10% of salary, paid as a mix of pension contributions to the Group's defined contribution pension scheme and a cash allowance. This was also provided to Pete Redfern, Nick Roberts and Alan Williams until the date of their departure.

The value of Directors' pension entitlements for the year ended 31 December 2024 (or the date of stepping down from the Board, if earlier) are outlined in the table below.

£000	Pete Redfern	Nick Roberts	Duncan Cooper	Alan Williams
Pension value in the year from employer contributions to defined contribution scheme	n/a	£7,061	£9,795	n/a
Pension value in year from cash allowance (salary supplement in place of employer pension contributions)	£22,024	£41,551	£41,564	£3,415
Total pension benefit accrued	£22,024	£48,612	£51,359	£3,415

Annual bonus for 2024

Annual bonuses for 2024 were based on adjusted operating profit (55%), adjusted operating cash conversion (25%) and performance against strategic measures (20%). For 2024, in order to manage affordability, the bonus was structured such that there was no payout for below target performance, with 25% of maximum paying out for achieving target performance and 100% of bonus for achieving maximum levels of performance.

The following table summarises the bonus targets and achievement for 2024:

	Weighting	Threshold (0% bonus)	Target (25% bonus)	Maximum (100% bonus)	Actual performance	Achieved (% maximum)
Adjusted operating profit	**55%**	**n/a**	**£180m**	**£198m**	**£152m**	**0%**
Adjusted operating cash conversion	**25%**	**n/a**	**149%**	**159%**	**133%**	**0%**
Strategic performance	**20%**	The Committee assessed performance against a number of strategic measures which were set at the start of the year. A summary of performance is provided below. The Committee determined that delivery against the strategic measures would have resulted in a payout of 22% of maximum for this element of the bonus plan.				**22%**

In light of financial performance, the Committee used its discretion and did not award a bonus payout against the strategic measures for 2024.

Strategic measure	Summary of strategic performance during 2024	Committee's assessment
Customer relationships and market share	Decline in market share for TP General Merchanting and small market gain for Toolstation UK. Negative volume growth in Merchanting and small volume growth in Toolstation. Increased use of data to drive decision-making.	Not met
Operational efficiency	Oracle Financials went live in July 2024 and is in the process of being fully embedded across the Group. The final stage of the Kerridge implementation will be delivered in early 2025. The Toolstation France business was closed in 2024.	Partly delivered
Sustainability	Carbon emission reduction between 2020 and 2024 was 26% for fleet and 75% for buildings, which represents good progress towards the 2027 targets. Launch of "carbon change-maker" training has been delayed, but over 90% of colleagues participated in environmental training (which includes content on carbon). Sustainable product definitions were developed but the initial launch into the business was not delivered during 2024. In-depth Scope 3 roadmaps have been developed with all of the major businesses, allowing carbon impact to be considered in their commercial plans. 4.9% of new colleagues were recruited as apprentices, a reduction on prior year at 8%. 378 colleagues graduated from an apprenticeship in 2024, at a similar level to the year before and off-track against the target of 10,000 by 2030. More detail on the Group's progress against its sustainability and ESG objectives is detailed on page 29.	Partly delivered

Long-term incentives (LTI)

Long-term incentives in the single total figure of remuneration for 2024 comprise the following awards.

Pete Redfern	No value reported in the single total figure of remuneration for 2024, since the first RSP award was granted on appointment in September 2024. No buy-out awards were granted on appointment.
Duncan Cooper	**£195,562** A total of 137,502 shares were granted on appointment as compensation for share-based incentives from the previous employer, Crest Nicholson plc, that were forfeited on joining the Group. Of these, 24,620 shares were granted in April 2024 in lieu of forfeited deferred bonus share awards originally granted in 2021 and 2022 and due to vest in January 2025 and January 2026, subject only to being employed on the vesting date. The replacement awards will vest on the same dates as the original forfeited awards. 166 shares in respect of dividend equivalents on the deferred bonus shares were added in the vesting period. A total of 24,786 shares have been included in the single total figure of remuneration for 2024, with their value based on the share price of £7.89 at grant. The remaining 112,882 shares were granted as performance share awards and will be disclosed as required in the single total figure of remuneration in the year of vesting.
Nick Roberts and Alan Williams	The first tranche of the 2022 RSP (75% of the award) was due to vest in March 2025. However, as set out below, the Committee exercised its discretion for these awards to lapse in full taking into account the wider performance of the business following the ROCE underpin not being met. The second tranche (25% of the award) is due to vest in March 2027, subject to the achievement of the performance underpins.

Consideration of performance underpin for 2022 RSP awards

Average ROCE over the three financial years ended 31 December 2024 at 7.7% did not meet the underpin of 9%. Performance against the other underpin on governance including ESG issues was assessed as satisfactory. In accordance with the terms of the underpin, as a result of the ROCE underpin being missed the Committee undertook an assessment to determine whether it was appropriate to scale back the level of payout under the award. In recognition of wider performance delivery over the past three years, including a number of profit warnings during 2023 and 2024 and a decline in the Group's share price, the Committee concluded that it was appropriate that 2022 RSP awards for Executive Directors do not vest. Therefore the Committee exercised its discretion for these awards to lapse in full. For Executive Directors, 25% of the 2022 RSP award remains subject to the performance underpins for the 5-year period ended 31 December 2026.

Overall, the Committee considers that the remuneration policy, noting the exercise of Committee's discretion to adjust remuneration outcomes, has operated as it intended during 2024.

Payments to past Directors and payments for loss of office

Pete Redfern

Pete Redfern stepped down from the Board and ceased employment on 10 March 2025 due to ill health. Pete did not receive any payments or compensation for loss of office. His six-month notice period under his service agreement was waived and accordingly he will not receive any notice payment or payment in lieu of notice.

In accordance with the remuneration policy and relevant plan rules, as a leaver due to ill-health, Pete Redfern's 2024 RSP award will remain capable of vesting on its normal vesting date on 16 September 2027 subject to (i) an assessment of the applicable performance underpins; and (ii) a pro-rata reduction to 10 March 2025 (unless the Remuneration Committee determines such other period should apply). A two-year holding period shall apply to any shares received on exercise of the award following vesting. The 2024 RSP award will remain subject to malus and clawback provisions. Pete Redfern will not be eligible to receive any Restricted Share Plan award in 2025.

The Committee determined that, given Pete Redfern's shareholding had been built through shares acquired in the market (as opposed to from vested share awards) over a short period of employment, and in light of the circumstances of his cessation of employment being due to ill health, the post-employment shareholding guideline for Executive Directors will not apply.

Nick Roberts

Nick Roberts stepped down from the Board and from his role as Chief Executive on 16 September 2024. In accordance with the remuneration policy, after he stepped down from the Board, Nick received salary (£203k), benefits (£6k) and pension (£20k) until the end of the 2024 financial year, and will continue to receive salary, benefits and pension until the end of his notice period on 27 March 2025. Nick remained eligible for a bonus for the 2024 performance year pro-rated to the date he stepped down from the Board on 16 September 2024. As noted above, the Committee determined that no bonus would be payable to the Executive Directors in respect of 2024. Nick is not eligible for an annual bonus in respect of the 2025 performance year.

Nick's unvested RSP awards (granted in 2022 and 2023) remain capable of vesting on their normal vesting dates, subject to time pro-ration and applicable holding periods. 75% of the 2022 RSP award will lapse in March 2025, as set out on page 106, and the remaining 25% is due to vest in March 2027 subject to the performance underpins. The 2023 RSP award is due to vest in March 2026 and March 2028, subject to the performance underpins. Nick did not receive a RSP award in 2024. 75% of the 2021 RSP award vested in March 2024, as disclosed in the 2023 remuneration report. Having regard for the performance of the Group in the period prior to the cessation of his employment, the Committee used its discretion to lapse the remaining 25% of the 2021 RSP award, which was due to vest in March 2026.

Nick's outstanding 2022 Deferred Share Bonus Plan award will vest in full on its normal vesting date in March 2025. All other long-term incentive plan awards have vested but are, and will remain, subject to their applicable holding periods. Nick remains subject to the shareholding requirement policy for a period of two years after stepping down from the Board.

Alan Williams

Alan Williams stepped down from the Board and retired as Chief Financial Officer on 9 January 2024 and his employment with the Group ceased on 31 January 2024. Alan did not receive any payments or compensation for loss of office. In accordance with the remuneration policy, after he stepped down from the Board, Alan received salary (£12k) and benefits (£1k) and pension (£2k) until his last date of employment with the Group on 31 January 2024. As a good leaver under the Policy by way of retirement with the agreement of the Board, Alan remained eligible for a pro rata bonus for the 2024 performance year to the date of his retirement on 31 January 2024. As noted above, the Committee determined that no bonus would be payable to the Executive Directors in respect of 2024.

In accordance with good leaver treatment under the Plan Rules having left employment by way of retirement with the agreement of the Board, Alan's unvested RSP awards (granted in 2022 and 2023) remain capable of vesting on their normal vesting dates, subject to time pro-ration and applicable holding periods. 75% of the 2022 RSP award will lapse in March 2025 as set out on page 106, and the remaining 25% is due to vest in March 2027 subject to the performance underpins. The 2023 RSP award is due to vest in March 2026 and March 2028, subject to the performance underpins.

Alan's outstanding 2022 Deferred Share Bonus Plan award will vest in full on its normal vesting date in March 2025. All other long-term incentive plan awards have vested but are, and will remain, subject to their applicable holding periods. Alan remains subject to the shareholding requirement policy for a period of two years after stepping down from the Board.

DIRECTORS' REMUNERATION REPORT CONTINUED

Share interests awarded during the financial year

The Restricted Share Plan was approved by shareholders at the Annual General Meeting held on 27 April 2021.

Before granting awards under the RSP in 2024, the Committee took into account shareholder guidance that where the share price has fallen significantly compared to prior years, awards should be scaled back. The Committee considered that, although the share price at grant was lower than the prior year, it was not significantly lower and therefore they felt that it was appropriate to grant at the normal levels. In line with best practice the Committee retains discretion to adjust the vesting outturns if they are not considered to be reflective of the underlying financial or non-financial performance of the business or the individual over the performance period or where the outcome is not considered appropriate in the context of the experience of shareholders and other stakeholders.

If the Group does not meet one or more of the underpins, the Committee would consider whether it was appropriate to scale back the level of payout under the award to reflect this. The Committee retains discretion to determine what level of scale back is appropriate.

2024 long-term incentive awards

	Date of award	Type of award	Basis	Face value*	Underpin assessment/performance period
Pete Redfern*	16 September 2024	RSP	125% of salary	**£949,998** (108,373 shares at £8.766 per share)	1 January 2024 to 31 December 2026** The award vests after three years, subject to the performance underpins. Shares that vest after three years are subject to an additional two year holding period post vesting
Duncan Cooper	25 April 2024	RSP	125% of salary	**£656,248** (92,105 shares at £7.125 per share)	1 January 2024 to 31 December 2026** The award vests after three years, subject to the performance underpins. Shares that vest after three years are subject to an additional two year holding period post vesting
	25 April 2024	PSP	Buy-out	**£379,328** (48,077 shares at £7.890 per share)	1 November 2021 to 31 October 2024 The award lapsed on 28 January 2025 since the original Crest Nicholson plc performance conditions that applied to the forfeited award were not achieved
	25 April 2024	DSBP	Buy-out	**£87,035** (11,031 shares at £7.890 per share)	Not subject to performance conditions in line with the forfeited award The award vested on 28 January 2025
	25 April 2024	PSP	Buy-out	**£511,311** (64,805 shares at £7.890 per share)	1 November 2022 to 31 October 2025 The award vests on 27 January 2026, subject to the achievement of the original Crest Nicholson plc performance conditions that applied to the forfeited award. 25% of the award may vest for threshold performance
	25 April 2024	DSBP	Buy-out	**£107,217** (13,589 shares at £7.890 per share)	Not subject to performance conditions in line with the forfeited award The award vests on 27 January 2026, subject to being employed on the vesting date

* Awards are determined based on the share price prior to the date of the award. Awards are increased at each dividend payment date to reflect the dividends that would have been paid on vested shares between grant and the end of the holding period. The number of shares that vest will usually be reduced pro-rata to reflect the proportion of the individual's employment during the vesting period from the grant date to the date of cessation of employment.

** The adjusted ROCE underpin applies over the period stated, with the governance/ESG underpin applying to the date of vesting.

*** Pete Redfern stepped down from the Board and employment on 10 March 2025. He will retain a pro-rata interest in the 2024 award having ceased employment by way of ill health.

2024 Deferred Share Bonus Plan ("DSBP")

As no bonus was earned in respect of 2024, there will be no share awards under the Deferred Share Bonus Plan in 2025. There was also no annual bonus payout for 2022 and 2023 (and therefore no deferred share award in 2023 and 2024).

Director's shareholding and share interests – Executive Directors

Formal shareholding requirements apply to Executive Directors and senior executives. The Committee may decide to scale back or withhold participation in long-term incentives if the requirements are not met or maintained. Executive Directors are required to hold shares valued at 200% of salary within five years of appointment.

Directors' shareholdings and share interests as at 31 December 2024 are outlined in the table below:

Executive Director	Beneficially owned shares[1]	Conditional shares under PSP[2]	Unvested RSP options[3]	Unvested unconditional shares under DSBP[4]	Unconditional options under Sharesave[5]	Vested but unexercised options[6]	**Total interests**	**Total interests which count towards shareholding requirement[7]**	**Shareholding (% of salary)[8]**
Pete Redfern[9]	252,966	–	109,109	–	–	–	**362,075**	**252,966**	**269%**
Duncan Cooper	11,987	113,648	92,730	24,786	–	–	**243,151**	**25,124**	**39%**
Former Executive Directors									
Nick Roberts	97,132	–	161,976	39,554	2,688	256,409	**557,759**	**254,992**	**297%**
Alan Williams	297,217	–	175,379	31,959	–	106,134	**610,689**	**370,406**	**540%**

1 Includes ordinary shares beneficially held at 31 December 2024 (or date of stepping down from the Board if earlier) by the executive and their spouse/partner.

2 Includes buy-out replacement awards in respect of performance share awards forfeited on leaving the previous employer. Vesting is subject to the achievement of the original Crest Nicholson plc performance conditions in line with the original vesting and release schedule.

3 Includes outstanding awards made under the Restricted Share Plan (RSP). Vesting of these awards may be scaled back if one or more of the performance underpins is not met, subject to Remuneration Committee discretion.

4 Includes outstanding awards made under the Deferred Share Bonus Plan (DSBP), which are not subject to performance conditions. In the case of Duncan Cooper, this relates to buy-out replacement awards in respect of deferred share bonus awards forfeited on leaving his previous employer.

5 Includes outstanding options under the Sharesave (Save As You Earn) plan.

6 Includes outstanding awards under PSP and CIP which have vested but have not yet been exercised. No PSP and CIP awards have been granted since 2020.

7 Interests qualifying towards the shareholding requirement comprise ordinary shares beneficially held at 31 December 2024 (or date of stepping down from the Board if earlier) by the executive and their spouse/partner and the post tax value (53%) of outstanding DSBP awards and any other share options which have vested but have not been exercised.

8 Shareholding as a % of salary is calculated based on the Executive Director's salary as at 31 December 2024 (or date of stepping down from the Board if earlier).

9 Pete Redfern stepped down from the Board and ceased employment on 10 March 2025.

DIRECTORS' REMUNERATION REPORT CONTINUED

During 2024 the following awards were exercised:

Nick Roberts	Exercise date	Number of shares	Price per share
2019 Performance Share Plan	20 September 2024	83,882	£9.274

Director's shareholding and share interests – Non-executive Directors

Non-executive Director	Beneficial shareholding (as at 28 February 2025)	Beneficial shareholding (as at 31 December 2024 or stepping down from the Board if earlier)	Beneficial shareholding (as at 31 December 2023)
Geoff Drabble	31,109	31,109	–
Jasmine Whitbread	–	6,660	6,660
Coline McConville	–	–	4,003
Pete Redfern	252,966	252,966	10,012
Marianne Culver	728	728	728
Heath Drewett	–	–	–
Jora Gill	–	–	–
Louise Hardy	–	–	–
Jez Maiden	1,000	1,000	1,000

There were no material changes in Directors' share ownership between 31 December 2024 and 28 February 2025.

Unaudited information

Service contracts

Each of the Executive Directors has a service contract, which will be available for inspection at the Annual General Meeting or at the Group's registered office. These contracts provide for six months' notice from the Directors and 12 months' notice from the Group. They do not specify any particular level of compensation in the event of termination or change of control. Details of the Group's policy on payments in respect of loss of office are provided in the Directors' remuneration policy.

The dates Executive Directors service contracts were entered into are as follows:

- Pete Redfern (stepped down from the Board and ceased employment on 10 March 2025) – 16 September 2024
- Duncan Cooper – 9 January 2024

Non-executive Directors do not have a service contract, but each has received a letter of appointment which will be available for inspection at the Annual General Meeting or at the Group's registered office.

Non-executive Directors' and the Chair's letters of appointment do not have expiry dates, however, other than in the most exceptional circumstances, Non-executive Directors and the Chair of the Board will not serve for more than nine years.

Director	Expiry of appointment letter
Geoff Drabble	October 2034
Marianne Culver	November 2028
Heath Drewett	May 2030
Jora Gill	August 2030
Louise Hardy	January 2032
Jez Maiden	June 2032

In accordance with best practice, the Non-executive Directors stand for re-election annually.

No compensation is payable on termination of the employment of Non-executive Directors, which may be with or without notice.

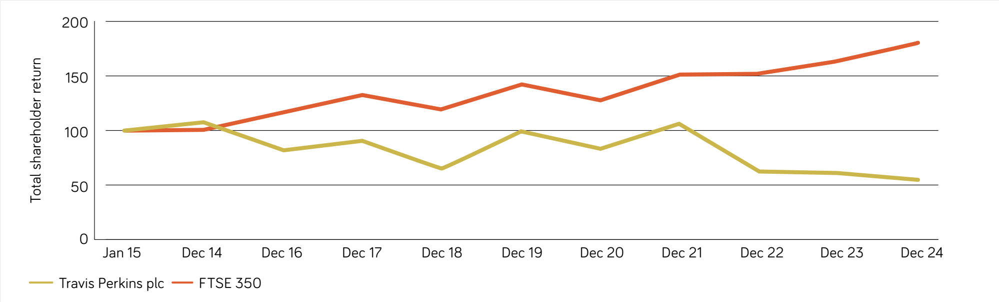
Funding of equity awards

Both executive incentive arrangements and entitlements under the HMRC approved all-colleague Sharesave scheme are satisfied by shares purchased in the market. Shares purchased in the market are held by a trust and the voting rights relating to the shares are exercisable by the Trustees in accordance with their fiduciary duties. As at 31 December 2024, the trust held 1,192,183 shares.

DIRECTORS' REMUNERATION REPORT CONTINUED

Total shareholder return performance graph

For comparative purposes the FTSE 350 index has been selected as this is the index of which the Group was a member during the reporting year.



TSR is rebased to 100 from 1 January 2015.

Historical CEO pay

	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Single figure remuneration (£000)	£2,360	£2,575	£2,532	£2,258	£2,622	£696	£4,446	£1,905	£1,091	**£802**
Annual bonus payout (% of maximum)	32%	24%	72%	35%	89%	–	97%	0%	0%	**0%**
Vesting of Restricted Share Plan (% of maximum)	–	–	–	–	–	–	–	–	100%	**0%**
Vesting of Performance Share Plan (% of maximum)	97%	54%	40%	40%	46%	40%	94%	65%	–	**–**
Vesting of Co-Investment Plan (% of maximum)	44%	97%	100%	100%	100%	100%	100%	100%	–	**–**

Data for 2015-2018 relates to John Carter. Date for 2019 relates to both John Carter and Nick Roberts reflecting their tenure in the role of CEO during the year. Data for 2020-2023 relates to Nick Roberts. Data for 2024 relates to both Nick Roberts and Pete Redfern reflecting their tenure in the role of CEO during the year.

CEO to all-employee pay ratio

The following table provides pay ratio data in respect of the CEO's total remuneration compared to the 25th, 50th and 75th percentile employees.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024	**Option A**	**30**	**27**	**22**
2023	Option A	45	39	32
2022	Option A	79	69	56
2021	Option A	206	168	134
2020	Option A	37	30	23
2019	Option A	133	109	81

The employees used for the purposes of the table above were identified on a full-time equivalent basis as at 31 December 2024. Option A was chosen as it is considered to be the most accurate way of identifying the relevant employees. Employee pay includes salary, allowances, overtime, bonus, commission, benefits and share plan proceeds. For the purpose of the calculation employee pay has been standardised to the equivalent of a 40-hour working week and mid-year joiners and leavers have been excluded to ensure a like-for-like comparison from one year to the next.

The following table provides salary and total remuneration information in respect of the employees at each quartile:

Year	Element of pay	25th percentile employee	Median employee	75th percentile employee
2024	Salary	£25,355	£28,007	£32,654
	Total remuneration	£27,019	£30,144	£35,841

The ratio is consistent with the Group's wider policies on employee pay, reward and progression. There is a decrease in the CEO pay ratio for 2024. This reflects the fact that there was no bonus payout for 2024 and no long-term incentive value reported under the 2022 RSP award. There are no changes attributable to changes in the Group's employment model nor in the methodology used to calculate the ratio.

DIRECTORS' REMUNERATION REPORT CONTINUED

Change in remuneration of Directors

The following table sets out the year-on-year percentage change in remuneration for the Executive and Non-executive Directors relative to the wider workforce.

	Percentage change in salary/fee earned					Percentage change in bonus earned					Percentage change in taxable benefits received				
	2024	2023	2022	2021	2020	**2024**	2023	2022	2021	2020	**2024**	2023	2022	2021	2020
Comparative employee group[1]	**5.9%**	5.8%	5.2%	1.5%	1.7%	**(10.8%)**	(72.9%)	(74.8%)	69.0%	(38.0%)	**5%**	4%	13%	(8.5%)[2]	8.4%
Executive Directors															
CEO – Pete Redfern[5]	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
CFO – Duncan Cooper[5]	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Former Executive Directors															
CEO – Nick Roberts[3]	**(28.0%)**	3.7%	2.4%	5.3%	(4.0%)	**–**	–	(100.0%)	97.0%	(89.0%)	**(29.6%)**	4.3%	1.1%	1.4%	0.0%
CFO – Alan Williams[3]	**(91.6%)**	3.8%	2.1%	5.3%	(3.5%)	**–**	–	(100.0%)	97.0%	(89.0%)	**(90.5%)**	(39.8)%	–	(6.9%)	(5.0%)
Non-executive Directors															
Jasmine Whitbread[4]	**(58.4%)**	–	32.8%	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Geoff Drabble[5]	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Marianne Culver	**–**	4.9%	1.7%	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Heath Drewett[4]	**1.2%**	2.5%	71.7%	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Jora Gill	**1.3%**	7.0%	184.0%	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Louise Hardy[5]	**27.7%**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a
Jez Maiden[6]	**386.7%**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a	n/a

1 The comparator group is all colleagues within the Merchanting and Toolstation businesses and central functions. Travis Perkins plc is a non-employing entity and so is not used for comparative purposes.

2 During 2021, the Group began to replace the company car fleet with a cash allowance. The reduction reflects the difference between the P11d value and the cash allowance.

3 During 2020 Nick Roberts and Alan Williams took a pay cut of 20% for a period of three months. The increase in 2021 reflects the reinstatement of this temporary reduction in salary. They received no underlying salary increase in 2021.

4 Jasmine Whitbread, Heath Drewett and Jora Gill were appointed during 2021, and therefore the higher fees received in 2023 reflect the comparison of a full year to a part year.

5 Geoff Drabble, Pete Redfern and Duncan Cooper were appointed during 2024, and therefore no prior year comparison is shown for these Directors. Pete Redfern stepped down from the Board and ceased employment on 10 March 2025.

6 Jez Maiden was appointed Interim Chair for part of 2024 and the increase in his fees for 2024 reflects that appointment.

Relative importance of spend on pay

Capital expenditure is shown, for comparison, as an indicator of investment by the Group in future growth. It includes funds invested in the purchase of property, plant and equipment. Corporation tax is included as an indicator of wider societal contribution facilitated by the Group's operations and is the actual amount of corporation tax paid in the relevant reporting periods.

	2024	2023
Distribution to shareholders	**23**	82
Capital expenditure	**76**	142
Corporation tax	**21**	41
Employee remuneration	**640**	665

Governance

During the year the Committee comprised Louise Hardy, Marianne Culver and Heath Drewett, all of whom are independent Non-executive Directors, and Jasmine Whitbread, Chair of the Board, and Jez Maiden, Interim Chair of the Board, who were independent on appointment.

Deloitte was appointed by the Committee in December 2015, following an interview process, to provide independent advice on executive remuneration. Deloitte are founding members of the Remuneration Consultants Code of Conduct and adhere to this Code in its dealings with the Committee. The Committee is satisfied that the advice provided by Deloitte is objective and independent. The Committee is comfortable that the Deloitte engagement partner and team that provides remuneration advice to the Committee do not have connections with the Group or its Directors that may impair their independence. The Committee reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts.

Deloitte provided additional services to the Group in relation to remuneration including support in developing and implementing remuneration proposals, compensation benchmarking and other tax and consulting services. Fees are charged on a time and materials basis. During the year Deloitte was paid £74,400 for advice provided to the Committee. For the 2025 financial year Deloitte was appointed as the Group's external auditors. Deloitte therefore stepped down as advisers to the Committee on 31 December 2024. Korn Ferry has subsequently been appointed as the new advisers to the Committee.

In addition Pete Redfern, Nick Roberts, Duncan Cooper, Alan Williams, Robin Miller, Emma Rose (Chief Human Resources Officer), Jane Davies (Chief Human Resources Officer) and Leonie Clarke (Group Reward Director) have assisted the Committee in its work and attended Committee meetings where appropriate. No individual is involved in the setting of their own remuneration.

Responsibilities

The Remuneration Committee is responsible for developing and implementing the remuneration policy within the Group. It determines and agrees with the Board the policy for the remuneration and benefits of the Chair, Executive Directors and Group Leadership Team members and other senior executives. The Committee also oversees the administration of the Group's share plans. The Committee's terms of reference are available on the Travis Perkins plc website (www.travisperkinsplc.co.uk) or on request from the Company Secretary.

Key items discussed in 2024 meetings

The Remuneration Committee held three routinely scheduled meetings during the year, with four additional meetings. The Remuneration Committee discussed the following matters:

Date	Key issues considered
25 January	• Approval of annual salary review for Executive Directors and the Group Leadership Team • Review of annual bonus design and targets for 2024 • Review of interim RSP awards for key talent below the Group Leadership Team
26 February	• Approval of remuneration policy ahead of 2024 AGM • Approval of 2023 Directors' remuneration report • Approval of recruitment award for the Chief Financial Officer • Approval of annual bonus targets for 2024 • Approval of outturn of 2023 annual bonus scheme and 2024 deferred share bonus plan awards • Approval of vesting of 2021 long-term incentive awards (RSP) • Approval of grant of 2024 RSP awards, including consideration of windfall gains • Review of shareholding vs requirement for the Group Leadership Team
26 April	• Approval of remuneration for a member of the Group Leadership Team
14 May	• Approval of remuneration for a member of the Group Leadership Team
16 September	• Review of outstanding RSP awards made in 2022, 2023 and 2024 • Approval of RSP leaver treatment for a senior leader (below the Group Leadership Team)
25 October	• Review vesting outlook for outstanding RSP awards
12 December	• Review of annual bonus design for 2025 • Review of long-term incentives • Review of 2024 Directors' remuneration report • Context and considerations for the 2025 annual salary review for the wider workforce • Performance update on the 2024 annual bonus scheme

Shareholder voting

The following resolutions in relation to remuneration were put to the Group's AGM (2023 Directors' remuneration report and 2023 Policy):

Resolution	Votes for	For (%)	Votes against	Against (%)	Votes withheld
To receive and approve the 2023 Directors' remuneration report (2024 AGM)	136,424,127	82.12%	29,703,631	17.88%	4,192
To receive and approve the Directors' remuneration policy (2024 AGM)	131,336,551	79.06%	34,790,676	20.94%	4,723

The Directors' Remuneration report has been approved by the Board of Directors and is signed on its behalf by:

Louise Hardy
Chair of the Remuneration Committee
31 March 2025

DIRECTORS' REPORT

The Directors present their annual report and audited accounts of Travis Perkins plc and its subsidiaries (the "Group") for the year ended 31 December 2024. The report sets out information required to be included by the Companies Act 2006 (the "Act"), and the applicable Financial Conduct Authority ("FCA") UK Listing Rules (UKLR 6.6) and Disclosure Guidance and Transparency Rules (the "DTR"). Certain information is incorporated into this report by reference and can be located in the sections outlined below.

Business review

A review of the Group's position, developments, activities in the field of research and development and a review of the key events affecting the Group in the last financial year can be found on pages 2 to 70 and is also incorporated into this report by reference. The Group operates predominantly in the UK with Toolstation branches also trading in Belgium and The Netherlands. The Group also has a sourcing office in China and a branch in the Republic of Ireland. During 2024 the Group also had 51 Toolstation stores in France, all of which were either sold or closed in the year.

Articles of Association

The Company's Articles of Association (the "Articles") may only be amended by special resolution at a general meeting of the Shareholders. The Articles can be viewed on the Group's website at: www.travisperkinsplc.co.uk/about-us/governance/.

Board of Directors

The names, biographies and committee memberships of all Directors as at the date of this Annual Report are provided in the biographies on pages 72 to 73 and details of the Directors that held office during the 2024 financial year are set out within the Corporate governance report in the table on page 76. The powers and responsibilities of the Directors are set out in the Corporate governance report on page 75. The appointment and removal of Directors is regulated by the Articles, the Act, the UK Corporate Governance Code (the "Code") and related legislation. Under Article 83 of the Articles all Directors are required to retire and seek re-election annually and accordingly all will do so at the Annual General Meeting. All Directors as at the date of the Annual report and Accounts are recommended for re-election on the basis of their skills, experience and the value of their contributions to the Board and the Company's long-term sustainable success.

Details of the service agreements for Executive Directors and letters of appointment for Non-executive Directors and the Chair of the Board are set out in the Director's remuneration report on pages 90 to 117 and are available for inspection at the Company's registered office. Executive Directors have rolling 12-month notice periods in their contracts.

Directors' conflicts of interest

Directors have a statutory duty to avoid a situation where they have or may have a direct or indirect interest that conflicts or may conflict with the Company's interests. The Articles permit Directors to authorise a potential conflict of interest to the extent permitted by law. During the year, no Director had any material interest in any contract of significance of the Group's business. The disclosable interests of Directors at 31 December 2024, including holdings, if any, of persons closely associated are provided in the Director's remuneration report on pages 90 to 117.

Directors' indemnities

Article 143 of the Articles permits the Company to indemnify any person who is or was a Director, or a Director of any associated company against any loss or liability in relation to the Company or associated company, to the extent permitted by law. The Company has granted such indemnities to its Directors and directors of associated companies and these remain in force in the year ending 31 December 2024. The Company maintains Directors' and Officers' liability insurance cover in respect of potential legal action brought against its Directors and directors of associated companies.

Major shareholdings

Information received by the Company pursuant to DTR 5.3.1(1) is published on a Regulatory Information Service and the Company's website. As at 31 December 2024, the Company has received notification of the following holdings of voting rights in its shares (based on the most recent notification received in the case of multiple notifications). The information provided below was correct at the date of notification, however that date of notification may not have been during 2024. These holdings are likely to have changed since the Company was notified, however further notification is not required until the next notifiable threshold is crossed.

	Direct/Indirect	Number of voting rights held	Voting Rights (%)
Pzena Investment Management, Inc	Indirect	15,587,458	6.9%
Ameriprise Financial, Inc	Indirect	11,121,830	5.2%
Schroders Plc	Indirect	11,136,777	5.2%
BlackRock, Inc.	Indirect	11,133,331	5.2%
Sprucegrove Investment Management Ltd	Indirect	10,664,077	5.0%
Artemis Investment Management LLP	Direct/Indirect	10,751,952	4.6%

Pursuant to UKLR 6.6.6R(2), the Company confirms that between 31 December 2024 and 17 March 2025 there have been no further disclosures made to the Company in accordance with DTR 5.

Results and dividend

The Group's results for the year ending 31 December 2024 are set out in the income statement on page 131 and dividends for the year ending 31 December 2024 are set out in note 21. The Directors recommend a final dividend of 9.0 pence per share for approval at the Company's Annual General Meeting. If approved by shareholders, the final dividend will be paid on 29 May 2025 to those shareholders on the register at the close of business on 22 April 2025.

Balance sheet and post-balance sheet events

The balance sheet on page 133 shows the Group's financial position.

Employees

A full statement on employee matters can be found in the Sustainability report on pages 36 to 42 and an overview of the Company's approach to diversity can be found in the Sustainability report and the Nominations Committee report on pages 38 and 81. The Group's Encouraging Equal Treatment Policy aims to ensure recruitment, employment and promotion decisions are based solely on an individual's ability and potential, regardless of their gender, race, colour, ethnic origin, sexual orientation, religious belief, age, disability, marital status (including civil partnership), pregnancy, maternity or gender reassignment. In particular, applications for employment by disabled persons are always fully and fairly considered, bearing in mind the aptitudes of the person concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that their employment with the Group continues, including making any reasonable adjustments to their role, and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The Group's practices are designed to keep employees informed on matters relevant to them, including the Group's financial performance and strategy, through regular meetings and communications. In October 2024 the Group conducted its latest "Your Voice Our Future" colleague engagement survey to enable colleagues to give feedback on issues affecting them. Your Voice Our Future provides valuable insight into colleague priorities and concerns. Areas for improvement are identified and action plans to improve are developed with colleagues and implemented accordingly. The results of the survey are used to inform the Group's approach to policies, the working environment, working practices and diversity and inclusion, amongst other matters. The Company has a designated workforce engagement Non-executive Director, Louise Hardy, to bring the colleague voice into the Boardroom. The majority of colleagues with more than three months consecutive service are eligible to join the Group's Sharesave scheme, enabling them to benefit from the Group's growth and success. Full details of employee share plans are available in the Directors' remuneration report on pages 90 to 117.

Modern slavery

The Group recognises the harmful impact that Modern Slavery and human trafficking has on society and is committed to ensuring its business and supply chain is free from this criminal activity. The Group produces a slavery and human trafficking statement each financial year. The latest statement can be found on the Company's website at: www.travisperkinsplc.co.uk/modern-slavery-statement/.

DIRECTORS' REPORT CONTINUED

Political donations

The Group's policy is not to make donations to political parties. The Group did not give any money for political purposes nor did it make any donations to political organisations or independent candidates or incur any political expenditure during the year.

Statement on disclosure of information to the external auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all reasonable steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Act.

Share capital and change of control

As at 31 December 2024 the Company had an allotted and fully paid share capital of 212,509,334 ordinary shares of 11.205105 pence each with voting rights and an aggregate nominal value of £23,811,894.01, including shares owned by the Travis Perkins Employee Share Ownership Trust. The ordinary shares are listed on the London Stock Exchange and all shares rank pari passu. As at 31 December 2024, there were no ordinary shares of the Company held in treasury. There are no restrictions on voting rights attached to the Company's ordinary shares. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights. The rights and obligations attaching to its shares are set out in the Articles. Fully paid shares in the Company are freely transferable. There are no persons that hold securities carrying special rights with regard to the control of the Company. Details of the structure of the Company's share capital and changes in the share capital during the year are also included in the notes to the financial statements on page 156. As at 31 December 2024 the Travis Perkins Employee Share Ownership Trust owned 1,192,183 shares in the Company (0.56% of issued share capital) for use in connection with the Company's share schemes. Any voting or other similar decisions relating to those shares would be taken by the trustees, who may take account of any recommendation of the Company. There are no rights attached to shares under employee share schemes, save for the right to acquire shares pursuant to options granted under those schemes in accordance with and subject to their rules. There are a number of agreements to which the Company is a party that may take effect, alter or terminate upon a change of control following a takeover bid. None of these agreements are considered significant in the context of the Company as a whole. The Company does not have agreements with any Director or any employee that would provide compensation for loss of office or employment resulting from a takeover except for that provisions of the Company's share schemes and plans may cause options and awards granted to employees under such schemes and plans to vest on a takeover.

The Directors' Report has been approved by the Board of Directors and is signed on its behalf by:

Robin Miller
General Counsel & Company Secretary
31 March 2025

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable, relevant, and reliable and, in respect of the Parent Company financial statements only, prudent.
- For the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards.
- For the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements.
- Assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' remuneration report and Corporate governance statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule ("DTR") 4.1.14R, the financial statements will form part of the Annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole.
- The Strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Statement of Directors' responsibilities has been approved by the Board and is signed on its behalf by:

Geoff Drabble
Chair
31 March 2025

Duncan Cooper
Chief Financial Officer
31 March 2025

FINANCIAL STATEMENTS

Contents

INDEPENDENT AUDITOR'S REPORT
to the members of Travis Perkins plc

1. Our opinion is unmodified

We have audited the financial statements of Travis Perkins plc ("the Company") for the year ended 31 December 2024 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Cash Flow Statement, and the related notes, including the accounting policies included within the respective note to the financial statements.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit Committee.

We were first appointed as auditor by the shareholders on 28 May 2015. The period of total uninterrupted engagement is for the ten financial years ended 31 December 2024. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality: Group financial statements as a whole	£9.5m (2023: £10.0m) 4.8% (2023: 4.4%) of adjusted normalised Group profit before tax from continuing operations

Key audit matters vs 2023		
Recurring risks	Accounting for inventory	◀▶
	Parent Company's key audit matter: Recoverability of parent Company's investment in Travis Perkins Group Holdings Limited	◀▶
New risks	Recoverability of goodwill in respect of the Travis Perkins General Merchant (TPGM) and Toolstation Benelux groups of cash generating units	▲
	General ledger migration	▲

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Travis Perkins plc

<table>
<tr><th></th><th>The risk</th><th>Our response</th></tr>
<tr><td>General ledger migration
(Included within trade and other payables of £836 million)

Refer to page 84 (Audit Committee report).</td><td>Data processing
On 1 July 2024, as part of the groups ongoing Finance Transformation programme certain material components of the group migrated to a new ERP system. Following implementation those businesses experienced a number of challenges associated with the processing of transactions through the system. This primarily impacted the processing of supplier invoices in a timely manner. These issues increase the risk of errors in the completeness and accuracy of the impacted accounts associated with the purchase to pay and related processes, including the direct sales accrual.</td><td>We performed the tests below rather than seeking to rely on any of the Group's controls because the inherent nature of the challenges associated with the implementation of the new ERP system indicated that we would expect to obtain audit evidence primarily through the detailed procedures described.

Our procedures included:
• Tests of detail: For a risk-based selection of suppliers we obtained reconciliations of the outstanding balance as stated by the supplier to amounts recognised in the general ledger. We corroborated the accuracy of the reconciling items on a sample basis by agreeing to supporting documentation.

We verified the accuracy of the year end cash position by obtaining independent confirmation of the balances. We critically assessed the appropriateness of reconciling items and where relevant obtained supporting documentation.

We performed a search for unrecorded liabilities test for a sample of items settled by the Group after the year end to validate that they were appropriately accrued in the year end balance sheet.

Our results:
The results of our testing were satisfactory, and we found the supplier liabilities recognised to be acceptable.</td></tr>
<tr><td>Recoverability of goodwill in respect of the Travis Perkins General Merchant (TPGM) and Toolstation Benelux groups of cash generating units
(£540 million;
2023: £542million)

Refer to page 86 (Audit Committee report) and page 165 (accounting policy and financial disclosures).</td><td>Forecast based assessment
The TPGM group of CGUs is at significant risk of impairment due to suppressed demand arising from the challenging economic environment in the UK, including the impact of sustained elevated interest rates and a reduction in the construction of new housing stock. The estimated recoverable amount of TPGM is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. There is also a fraud risk as the directors may be incentivised to overstate the forecast cashflows in order to avoid an impairment given the significance of this CGU to the Group.

The recoverable amount is sensitive to changes in key assumptions, principally relating to revenue growth, operating profit margin and discount rates. Changes to these key assumptions could have a material impact on the carrying value of the associated goodwill.

The Toolstation Benelux group of CGUs is an immature business and during 2024 was subject to a change in strategy to focus on short term profitability rather than long term growth. The estimated recoverable amount of Toolstation Benelux is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows, particularly in an immature business.

The recoverable amount is sensitive to changes in key assumptions, principally relating to revenue growth, and discount rates. Changes to these key assumptions could have a material impact on the carrying value of the associated goodwill.

The effect of these matters is that, as part of our risk assessment, we determined that the recoverability of the TPGM and Toolstation Benelux goodwill has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 29) disclose the sensitivity estimated by the Group.</td><td>We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Our procedures included:
• Assessing methodology: We assessed whether the principles and integrity of the cash flow models used to estimate the recoverable amounts is in accordance with the relevant accounting standards;
• Sensitivity analysis: We performed sensitivity analysis using reasonably possible downside scenarios on the key assumptions , being those that were most sensitive to a change and assessed the impact on recoverable amount;
• Challenging assumptions: We challenged the key assumptions for each group of CGUs by benchmarking to third party sources;
• Our valuation experience: We independently determined an appropriate range of discount rates to be applied to the impairment model using our own valuation specialists;
• Historical comparisons: We evaluated the track record of historical assumptions used against actual results achieved; and
• Assessing transparency: We assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessments to a reasonably possible change in key assumptions reflected the risks inherent in the recoverable amount of goodwill.

Our results:
We found the Group's conclusion that there is no impairment of the goodwill related to TPGM and Toolstation Benelux to be acceptable (2023: acceptable).</td></tr>
</table>

	The risk	Our response
Accounting for inventory (£649 million; 2023: £728 million) *Refer to page 84 (Audit Committee report) and page 148 (accounting policy and financial disclosures).*	**Accounting for inventory (quantities and cost)** The Group holds a significant amount of inventory across its large branch network and a number of warehouses. The Group's inventory is comprised of a very large number of products, typically held in large quantities, with high inventory turnover. The Group conducts periodic inventory counts and updates its inventory records to reflect the results of the counts. Cost is based on a weighted average purchase price. Whilst inventory is not considered to represent a significant risk of material misstatement, it is one of the matters that has the greatest effect on our overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team in order to conclude.	We performed the detailed tests below rather than seeking to rely on any of the Group's controls because our knowledge of the design and implementation of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls. Our procedures included: • **Tests of detail:** We counted a sample of inventory lines across a sample of the Group's branches and warehouses and compared the results of our counts to the Group's inventory records. Where our counts were performed prior to or just after the year-end date, we obtained evidence for any significant movements in inventory quantities to the year-end date. We evaluated the results of our count procedures using statistical routines. • **Independent reperformance:** We recalculated the net purchase prices attributed to a sample of individual inventory lines. This procedure included the use of a data and analytics procedure for certain inventory lines and substantive tests of detail for others. **Our results:** We found the accounting for inventory to be acceptable (2023: acceptable).
Recoverability of Parent Company's investment in Travis Perkins Group Holdings Limited (£2,417 million; 2023: £1,922 million) *Refer to page 175 (accounting policy and financial disclosures).*	**Low risk, high value** The parent company holds an investment in Travis Perkins Group Holdings Limited which in turn owns a significant majority of the Group's trading businesses. This balance represents 99.8% (2023: 99.8%) of the parent Company's total assets. The recoverability of the investment is not at a high risk of material misstatement or subject to significant judgement. However, due to its materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: • **Comparing valuations:** Comparing the sum of the recoverable amounts prepared for the purposes of goodwill impairment testing to the carrying value of the investment to assess the recoverability; • **Comparing valuations:** Comparing the enterprise value of the group implied by the market capitalisation to the carrying value of the investment to assess the recoverability and considered the possible explanations for the difference; and • **Comparing valuations:** We compared the share price implied by the carrying value of the investment to the forward looking share price forecasts in stock market analyst reports. **Our results:** We found the parent Company's conclusion that there is no impairment of its investment in subsidiaries to be acceptable (2023: acceptable)

We continue to perform procedures over gross defined benefit obligations. However, following changes in our overall assessment of the audit risks, we have not assessed this as one of the areas of most significance to our current year audit and, therefore, it is not separately identified in our report this year.

INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Travis Perkins plc

3. Our application of materiality and an overview of the scope of our audit

Our application of materiality

Materiality for the Group financial statements as a whole was set at £9.5m (2023: £10.0m), determined with reference to a benchmark of adjusted normalised Group profit before tax from continuing operations (2023: adjusted normalised Group profit before tax from continuing operations) of £194m (2023: £229m) of which it represents 4.8% (2023: 4.4%). In 2024 we normalised the benchmark by adding back adjusting items that do not represent the normal, continuing operations of the Group, and by averaging the benchmark over 4 years. The items we adjusted for were Administrative expenses- adjusting items disclosed in note 3. We selected 4 years to average the benchmark to account for the fluctuations in the business Group's performance driven by temporary macro economic factors that have had impact on the overall profitability of the Group.

Materiality for the parent Company financial statements as a whole was set at £7.6m (2023: £8.0m), determined with reference to a benchmark of the Parent Company total assets, of which it represents 0.3% (2023: 0.3%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 65% (2023: 65%) of materiality for the financial statements as a whole, which equates to £6.2m (2023: £6.5m) for the Group and £4.9m (2023: £5.2m) for the parent Company. We applied this percentage in our determination of performance materiality based on the level of identified misstatements in prior periods and our knowledge of the Group's control environment.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.5m (2023: £0.4m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Overview of the scope of our audit

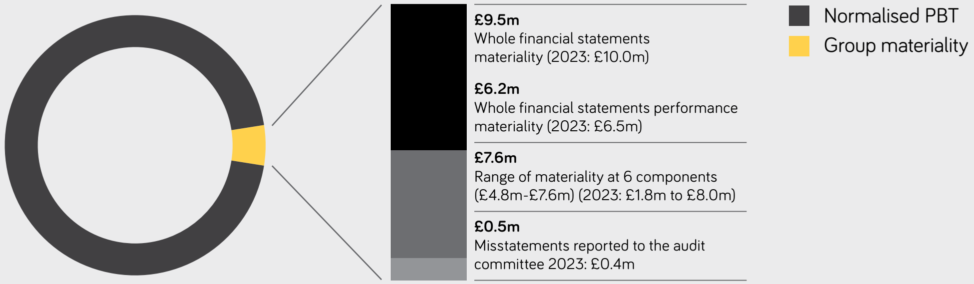
This year, we applied the revised group auditing standard in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement ("RMMs"). Similarly, the group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed (centrally and/or at component level) and how these procedures are executed and supervised. As a result, we assess scoping and coverage in a different way and comparisons to prior period coverage figures are not meaningful. In this report we provide an indication of scope coverage on the new basis.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

Normalised Group profit before tax
£194m (2023: £229m)

Group materiality
£9.5m (2023: £10.0m)



In total, we identified 6 components, having considered our evaluation of the existence of common risk profile across entities, the presence of key audit matters and our ability to perform audit procedures centrally.

Of those, we identified 5 quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

Additionally, having considered qualitative and quantitative factors, we selected 1 component with accounts contributing to the specific RMMs of the Group financial statements.

Accordingly, we performed audit procedures on 6 components, of which we involved component auditors in performing the audit work on 2 components.

We performed audit procedures on the items excluded from the normalised Group profit before tax used as the benchmark for our materiality.

We set the component materialities, ranging from £4.8m to £7.6m, having regard to the mix of size and risk profile of the Group across the components.

Our audit procedures covered 95% of Group revenue. We performed audit procedures in relation to components that accounted for 97% of Group profit before tax and 94% of Group total assets.

For the remaining components for which we performed no audit procedures, no component represented more than 2.7% of Group total revenue, Group profit before tax or Group total assets. We performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

Impact of controls on our group audit

We identified the main Enterprise Resource Planning ('ERP') finance systems as the key IT systems relevant to our Group audit.

The Group has operated four ERP systems during the course of the current year across the in-scope components of the Group, which are managed from a centralised IT function primarily in the UK. With the assistance of our IT auditors, we obtained an understanding of these IT systems.

The ERP that accounts for the majority of the Group's transactions has transitioned from a legacy ERP to a new ERP in the current year as referenced in page 87 of the Audit Committee report. Due to the timing of the transition in the current year and the implementation challenges faced with processing transactions, we did not plan to rely on IT controls for the legacy and new ERP system. Our key audit matter in section 2 on general ledger migration explains the work we performed in response to the implementation challenges.

In addition to the primary ERP, the Group has two further ERPs that are used by smaller components where we performed audit procedures in our Group audit. Due to the relative size of these components, we deemed a fully substantive approach was most efficient and effective for gaining the appropriate audit evidence for in-scope components using these systems.

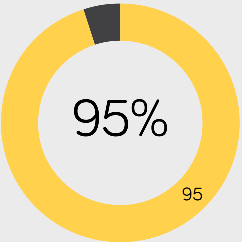
For most areas of the audit, given we did not rely on the related IT controls, we took a predominantly substantive audit approach and accordingly increased the extent of our substantive procedures. We considered this to be the most efficient and effective for gaining the appropriate audit evidence. We adopted a data-oriented approach to testing journals and used data and analytical routines to test revenue across a majority of components and inventory costing in some components.

We planned to rely on the operating effectiveness of manual controls over certain data inputs used in our revenue audit routines, but we were unable to due to certain deficiencies being identified. As a result, and given we did not rely on the related IT controls, a manual testing approach was performe dover the completeness and accuracy of data used in these routines and in respect of system data used in our substantive testing on other transactional areas. Refer to our key audit matter in section 2 in relation to inventory and the impact of controls on our approach.

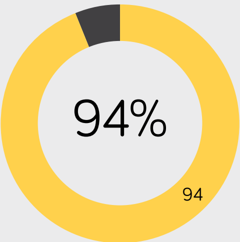
Our audit procedures covered the following percentage of Group revenue:

We performed audit procedures in relation to components that accounted for the following percentages of Group profit before tax and Group total assets:

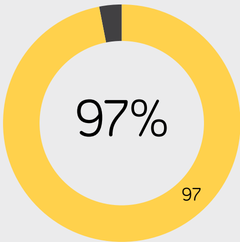
Group revenue



Group total assets



Group profit before tax



Group auditor oversight

As part of establishing the overall Group audit strategy and plan, we conducted the risk assessment and planning discussion meetings with component auditors to discuss Group audit risks relevant to the components including the key audit matter in respect of accounting for inventory with a particular focus on stock costing and branch inventory accounts.

We issued Group audit instructions to component auditors on the scope and nature of their work, including specifying the minimum procedures to perform in their audit of inventory, pensions, cash and purchases.

All in scope components are based in the UK. We have held in- person, video and telephone conference meetings with the component auditors throughout the audit to discuss the results of planning procedures and further audit procedures.

We inspected the work performed by the component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed with a particular focus on stock costing and branch inventory counts.

4. The impact of climate change on our audit

We have considered the potential impacts of climate change on the financial statements as part of planning our audit.

As the Group has set out on page 46, climate change has the potential to significantly impact the construction sector during the transition to a low carbon environment. The Group has stated their commitment to help the industry to decarbonise and has set out its own commitments to reduce carbon.

The areas of financial statements that are most likely to be potentially affected by climate related changes and initiatives are balances subject to forward looking assessments such as those subject to impairment tests and those being depreciated or amortised over an estimated useful life of assets. The Group considered the impact of climate change and the Group's targets in the preparation of the financial statements, as described on page 146 in relation to the estimated useful economic life of property, plant and equipment and 165 in relation to impairment.

We performed a risk assessment, taking into account climate change risks and the commitments made by the Group. This included enquiries of key personnel and those charged with governance, consideration of the Group's processes for assessing the potential impact of climate change risk on the Group's financial statements, assessing the TCFD scenario analysis performed by the Group and reading the Group's Carbon Disclosure Project submission.

Based on our risk assessment we determined that, taking into account the extent of headroom on goodwill and the nature and estimated useful economic life of property, plant and equipment, there are no significant risks of material misstatement in relation to climate change.

There was limited impact of climate change on our key audit matters included in section 2.

We have read the Group's disclosure of climate related information in the front half of the annual report as set out on pages 43 to 58 and considered consistency with the financial statements and our audit knowledge.

5. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Travis Perkins plc

5. Going concern continued

We used our knowledge of the Group, its industry, and the uncertain economic environment to identify the inherent risks to the Group's business model and analysed how those risks might affect the Group's and Parent Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and parent Company's available financial resources and metrics relevant to debt covenants over this period was adverse macroeconomic conditions resulting in lower than expected trading volumes.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

Our procedures also included:

- Evaluating how the Group's risk assessment process identifies business risks relating to events and conditions that may cast significant doubt on the ability to continue as a going concern and evaluating the models the Group uses in its assessment.
- Critically assessing the assumptions in the base case and downside scenarios relevant to liquidity and covenant metrics and the impacts of historical trends in severe economic situations and overlaying knowledge of the entity's plans based on approved budgets and our knowledge of the entity and the sector in which it operates.
- Challenged the reasonableness of the Group's budgets and forecasts and evaluated whether the growth targets are within a reasonable range.
- We considered whether the going concern disclosure in the 'General Information' section in the notes to the financial statements set out on page 136 gives a full and accurate description of the directors' assessment of going concern, including the identified risks and dependencies.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in the 'General Information' section on page 136 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- the related statement under the UK Listing Rules set out on page 77 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

6. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of directors, the audit committee and internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, audit committee, remuneration committee and nomination committee minutes.
- Considering remuneration incentive schemes and performance targets for Directors.
- Our forensic specialists assisting us in identifying key fraud risks. This included holding a discussion with the engagement partner and team and assisting with designing relevant audit procedures to respond to the identified fraud risks.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group audit team to component audit teams of relevant fraud risks identified at the Group level and request to component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group level.

As required by auditing standards, and taking into account possible pressures, our overall knowledge of the control environment, to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because sales are individually low value (high volume) across a high number of independently managed branches and there is no judgement in applying the revenue recognition criteria.

We identified a fraud risk related to the recoverability of goodwill in response to the weak economic environment within the construction sector and suppressed results of the business. Further detail is set out in section 2.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all quantitatively significant components based on risk criteria and comparing the identified entries components to supporting documentation. These included those posted to unusual accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to component audit teams of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and pensions legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, climate change, responsible sourcing and import compliance. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the viability assessment on page 25 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the viability assessment of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability assessment, set out on page 25 under the UK Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Travis Perkins plc

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review. We have nothing to report in this respect.

8. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 121, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

James Tracey (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
31 March 2025

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

£m	Notes	2024	2023 (re-presented[1])
Revenue	1	**4,607.4**	4,837.1
Gross profit		**1,203.7**	1,298.8
Charge for impairment losses for trade receivables	14	**(16.7)**	(16.8)
Selling and distribution		**(779.2)**	(823.2)
Administrative expenses – other		**(271.3)**	(284.9)
Profit on disposal of properties		**11.3**	15.1
Other operating income	4	**4.0**	9.1
Adjusted operating profit		**151.8**	198.1
Administrative expenses – adjusting items	3	**(139.1)**	(26.9)
Administrative expenses – amortisation of acquired intangible assets		**(10.4)**	(10.5)
Operating profit	2	**2.3**	160.7
Finance income	6	**11.1**	12.1
Finance costs	6	**(51.8)**	(51.4)
(Loss)/profit before tax		**(38.4)**	121.4
Tax	7	**(2.2)**	(31.9)
(Loss)/profit from continuing operations		**(40.6)**	89.5
Loss from discontinuing operations	8	**(36.8)**	(51.4)
(Loss)/profit for the year		**(77.4)**	38.1

All (loss)/profit for the year is attributable to the owners of the Company.

Earnings per share (note 20):

	2024	2023 (re-presented[1])
Adjusted basic earnings	**36.6p**	54.4p
Basic earnings		
– from continuing operations	**(19.2)p**	42.5p
– total	**(36.6)p**	18.1p
Diluted earnings		
– from continuing operations	**(19.2)p**	41.8p
– total	**(36.6)p**	17.8p

1 Figures for the year ended 31 December 2023 have been re-presented to exclude the results of the Toolstation Europe France business, which is now presented as a discontinued operation.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

£m	Notes	2024	2023
(Loss)/profit for the year		**(77.4)**	38.1
Items that will not be reclassified subsequently to profit and loss:			
Actuarial gain/(loss) on defined benefit pension schemes	18	**35.1**	(41.0)
Deferred tax relating to other comprehensive income	7	**(9.5)**	10.2
Items that may be reclassified subsequently to profit and loss:			
Foreign exchange differences on retranslation of foreign operations		**(2.3)**	(1.2)
Fair value gain/(loss) on cash flow hedges	27	**0.4**	(1.4)
Deferred tax on cash flow hedges	7	**(0.1)**	0.4
Total other comprehensive profit/(loss) for the year net of tax		**23.6**	(33.0)
Total comprehensive (loss)/income for the year		**(53.8)**	5.1
Total comprehensive (loss)/income for the year attributable to the owners of the Company arises from:			
Continuing operations		**(16.9)**	57.0
Discontinued operations		**(36.9)**	(51.9)
		(53.8)	5.1

All other comprehensive income is attributable to the owners of the Company.

CONSOLIDATED BALANCE SHEET
As at 31 December 2024

£m	Notes	2024	2023
Assets			
Non-current assets			
Goodwill	9	**821.3**	847.9
Other intangible assets	9	**86.9**	99.9
Property, plant and equipment	10	**771.1**	848.4
Right-of-use assets	11	**545.4**	530.4
Non-current prepayments	14	**15.3**	14.2
Deferred tax asset	16	**17.5**	18.0
Derivative financial instruments	28	**3.3**	2.9
Retirement benefit asset	18	**116.9**	100.6
Total non-current assets		**2,377.7**	2,462.3
Current assets			
Inventories	12	**648.6**	727.6
Trade and other receivables	14	**760.5**	689.6
Tax debtor		**–**	14.5
Cash and cash equivalents, excluding bank overdrafts	23	**244.4**	131.5
Total current assets		**1,653.5**	1,563.2
Total assets		**4,031.2**	4,025.5
Equity and liabilities			
Capital and reserves			
Issued share capital		**23.8**	23.8
Share premium account		**545.6**	545.6
Cash flow hedge reserve	27	**2.5**	2.9
Merger reserve		**326.5**	326.5
Revaluation reserve		**9.5**	10.8
Own shares		**(7.2)**	(14.1)
Foreign exchange reserve		**6.1**	8.4
Capital redemption reserve		**1.4**	1.4
Retained earnings		**1,065.9**	1,135.0
Total equity	19	**1,974.1**	2,040.3

£m	Notes	2024	2023
Non-current liabilities			
Interest-bearing loans and borrowings	22	**421.8**	445.1
Lease liabilities	11	**560.1**	518.8
Deferred tax liabilities	16	**68.3**	92.8
Long-term provisions	15	**21.6**	3.8
Total non-current liabilities		**1,071.8**	1,060.5
Current liabilities			
Lease liabilities	11	**94.5**	89.6
Overdraft	22	**13.2**	–
Derivative financial instruments	28	**–**	0.4
Trade and other payables	17	**838.2**	795.4
Short-term provisions	15	**39.4**	39.3
Total current liabilities		**985.3**	924.7
Total liabilities		**2,057.1**	1,985.2
Total equity and liabilities		**4,031.2**	4,025.5

The financial statements of Travis Perkins plc, registered number 824821, were approved by the Board of Directors on 31 March 2025 and signed on its behalf by:

Geoff Drabble
Chair

Duncan Cooper
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

£m	Share capital	Share premium	Cash flow hedge reserve	Merger reserve	Revaluation reserve	Own shares	Foreign exchange reserve	Other	Retained earnings	Total equity
At 1 January 2023	23.8	545.6	4.3	326.5	12.1	(34.3)	9.6	1.4	1,213.2	2,102.2
Profit for the year	–	–	–	–	–	–	–	–	38.1	38.1
Other comprehensive income for the year net of tax	–	–	(1.4)	–	–	–	(1.2)	–	(30.4)	(33.0)
Total comprehensive income for the year	–	–	(1.4)	–	–	–	(1.2)	–	7.7	5.1
Dividends paid	–	–	–	–	–	–	–	–	(82.1)	(82.1)
Adjustments in respect of revalued fixed assets net of tax	–	–	–	–	(1.3)	–	–	–	1.8	0.5
Own shares movement	–	–	–	–	–	20.2	–	–	(20.2)	–
Equity-settled share-based payments net of tax	–	–	–	–	–	–	–	–	14.6	14.6
At 1 January 2024	23.8	545.6	2.9	326.5	10.8	(14.1)	8.4	1.4	1,135.0	2,040.3
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(77.4)**	**(77.4)**
Other comprehensive income for the year net of tax	**–**	**–**	**0.3**	**–**	**–**	**–**	**(2.3)**	**–**	**25.6**	**23.6**
Total comprehensive loss for the year	**–**	**–**	**0.3**	**–**	**–**	**–**	**(2.3)**	**–**	**(51.8)**	**(53.8)**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(23.2)**	**(23.2)**
Adjustments in respect of revalued fixed assets net of tax	**–**	**–**	**–**	**–**	**(1.3)**	**–**	**–**	**–**	**1.5**	**0.2**
Sale of own shares	**–**	**–**	**–**	**–**	**–**	**0.1**	**–**	**–**	**–**	**0.1**
Own shares movement	**–**	**–**	**–**	**–**	**–**	**6.8**	**–**	**–**	**(6.8)**	**–**
Exercise of options over non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1.2)**	**(1.2)**
Equity-settled share-based payments net of tax	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**11.7**	**11.7**
Reclassification	**–**	**–**	**(0.7)**	**–**	**–**	**–**	**–**	**–**	**0.7**	**–**
At 31 December 2024	**23.8**	**545.6**	**2.5**	**326.5**	**9.5**	**(7.2)**	**6.1**	**1.4**	**1,065.9**	**1,974.1**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2024

£m	2024	2023 (re-presented)
Cash flows from operating activities		
Operating profit	**2.3**	160.7
Adjustments for:		
Depreciation of property, plant and equipment	**79.8**	79.1
Depreciation of right-of-use assets	**96.8**	88.9
Amortisation of other intangibles	**3.6**	4.6
Amortisation of acquisition-related intangibles	**10.4**	10.5
Share-based payments	**11.7**	14.6
Gain on disposal of property, plant and equipment	**(11.3)**	(15.1)
Purchase of tool hire assets	**(3.8)**	(7.8)
Decrease / (increase) in inventories	**63.6**	(0.4)
(Increase) / decrease in receivables	**(76.1)**	36.9
Increase / (decrease) in payables	**18.0**	(59.1)
Adjusting items payments less than/(greater than) the charge	**119.2**	16.3
Cash generated from operations	**314.2**	329.2
Interest paid and debt arrangement fees	**(25.3)**	(31.0)
Interest on lease liabilities	**(29.6)**	(25.6)
Income taxes paid	**(20.9)**	(40.7)
Net cash inflow from continuing operating activities	**238.4**	231.9
Net cash outflow from discontinued operating activities	**(15.9)**	(14.3)
Net cash from operating activities	**222.5**	217.6

£m	2024	2023 (re-presented)
Cash flows from investing activities		
Interest received	**5.8**	6.0
Proceeds on disposal of property, plant and equipment	**63.0**	69.1
Purchases of land and buildings	**(12.3)**	(33.2)
Purchases of other property, plant and equipment	**(55.8)**	(96.5)
Purchase/development of computer software	**(4.1)**	(2.9)
Net cash outflow from continuing investing activities	**(3.4)**	(57.5)
Net cash outflow from discontinued investing activities	**–**	(1.4)
Net cash outflow from investing activities	**(3.4)**	(58.9)
Cash flows from financing activities		
Sale of own shares	**0.1**	–
Repayment of lease liabilities	**(93.8)**	(82.4)
Payments to pension scheme	**–**	(3.8)
Dividends paid	**(23.2)**	(82.1)
Drawdown of borrowings	**–**	100.0
Repayment of bonds	**–**	(180.0)
Net cash outflow used in continuing financing activities	**(116.9)**	(248.3)
Net cash outflow used in discontinued financing activities	**(2.5)**	(2.1)
Net cash used in financing activities	**(119.4)**	(250.4)
Net increase/(decrease) in cash and cash equivalents	**99.7**	(91.7)
Cash and cash equivalents at 1 January	**131.5**	223.2
Cash and cash equivalents at 31 December (note 22)	**231.2**	131.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

GENERAL INFORMATION

Overview

Travis Perkins plc is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 174. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 6 to 25.

These financial statements are presented in pounds sterling, the currency of the primary economic environment in which the Group operates, and presented rounded to the nearest £100,000 unless otherwise stated.

Basis of accounting

The Group financial statements have been prepared in accordance with UK-adopted international accounting standards.

The Company has elected to prepare its Parent Company financial statements in accordance with FRS 101; these are presented on pages 172 to 180.

Basis of preparation

The financial statements have been prepared on the historical cost basis, except that derivatives, other financial instruments and contingent consideration arising from business combinations are stated at fair value through profit and loss and designated financial instruments are stated at fair value through other comprehensive income. The consolidated financial statements include the accounts of the Company and all entities controlled by the Company (its subsidiaries, together referred to as "the Group") from the date control commences until the date that control ceases. Control is achieved where the Company:

- Has power over the investee.
- Is exposed or has rights to a variable return from the involvement with the investee.
- Has the ability to use its power to affect its returns.

As such, the results of subsidiaries acquired are included in the consolidated income statement from the effective date of acquisition.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates ruling on the date of the transaction.

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Going concern

After reviewing the Group's forecasts and risk assessments and making other enquiries, the Board has formed the judgement at the time of approving the financial statements that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the 12 months from the date of signing this Annual Report and Accounts. For this reason the Board continues to adopt the going concern basis in preparing the financial statements.

In arriving at their opinion the Directors considered:

- The Group's cash flow forecasts and revenue projections.
- The impact on trading performance of severe but plausible downside scenarios. Key assumptions include significant reductions in revenue, removal of property profits and limited reductions in fixed overheads, as well as mitigating actions such as delayed capital expenditure, reduced overhead investment and dividend reduction.
- The committed debt facilities available to the Group and the covenants thereon.
- The Group's debt maturity profile and the successful issuance of £125m of new debt in March 2025.
- The Group's robust policy towards liquidity and cash flow management.
- The Group's ability to successfully manage the principal risk and uncertainties outlined on pages 59 to 69 during periods of uncertain economic outlook and challenging macroeconomic conditions.

The downside scenarios tested, outlining the impact of severe but plausible adverse scenarios based on a severe recession and housing market weakness, show that there is sufficient headroom for liquidity and covenant compliance purposes for at least the next 12 months from the date of approval of these financial statements. The going concern assessment is not sensitive to estimates on inflation.

Significant accounting policies

The principal accounting policies adopted in preparing the financial statements are provided throughout the notes to the financial statements.

Key judgements and estimates

The preparation of financial statements requires the Directors to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Future events and their effects cannot be determined with certainty. Therefore, the determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. The Directors frequently re-evaluate these significant factors and make adjustments as facts and circumstances dictate. During the year the Group implemented Oracle as its new finance system in three of its Merchanting businesses. This will reduce the level of estimation previously necessitated by these businesses' use of finance systems first implemented by the Group over 30 years ago. The anticipated challenges of implementing a new finance system means that there is a greater amount of estimation in the preparation of the 2025 financial statements than is anticipated to be the case in future reporting periods, particularly in respect of accrued revenue and related liabilities. None of these areas are considered to have a significant risk of a material adjustment to the carrying value of assets and liabilities within the next financial year.

Key judgements and estimates, including those that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year, are found in the following notes:

Page	Note	Description
144	8	Classification of Toolstation France as a discontinued operation
154	18	Pension liability assumptions
166	29	Impairment reviews

The notes are organised into the following sections:

Income and expenses: Provides a breakdown of individual line items in the income statement and summarises the accounting policies, judgements and estimates relevant to understanding these items.

Assets and liabilities: Provides a breakdown of individual line items in the balance sheet and summarises the accounting policies, judgements and estimates relevant to understanding these items.

Capital: Provides information about the capital management practices of the Group and shareholder returns for the year.

Risks: Discusses the Group's impairment testing and the exposure to various financial risks, explains how these affect the Group's financial position and performance and what the Group does to manage these risks.

Group structure: Explains aspects of the Group structure and how changes have affected the financial position and performance of the Group.

People: Provides information about the number of people employed by the Group and associated costs.

Other: Provides information on items which require disclosure, but are not considered critical in understanding the financial performance or position of the Group.

INCOME AND EXPENSES

1. Revenue

Accounting policy

Revenue recognition

Revenue is recognised when the Group has satisfied its performance obligations to the customer and the customer has obtained control of the goods or services being transferred. Performance obligations to the customer in respect of sales of goods are satisfied on delivery or collection by customer. Payments are typically due from credit customers not later than the last day of the month following the month of delivery. Revenue is measured at the transaction price received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and value added tax. For the Group sale of services revenue comprises tool hire. Tool hire revenue is recognised on a straight-line basis over the period of hire.

Customer rebates

Where the Group has rebate agreements with its customers, the value of variable income with respect to customer rebates is calculated in accordance with the agreements in place so that the amount recognised as revenue in the year is based on the amount which is highly probable not to reverse.

a. Revenue

£m	**2024**	2023 (re-presented)
Sale of goods	**4,439.9**	4,668.3
Sale of services	**167.5**	168.8
	4,607.4	4,837.1

All revenue arose in the UK except for £109.1m (2023: £107.3m) arising in Europe.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
For the year ended 31 December 2024

INCOME AND EXPENSES CONTINUED

1. Revenue continued

b. Revenue reconciliation and like-for-like sales

£m	Merchanting	Toolstation	Total
2023 revenue (re-presented)	4,035.8	801.3	4,837.1
Network change	(62.5)	(12.7)	(75.2)
Trading days	49.5	2.4	51.9
2023 like-for-like revenue (re-presented)	4,022.8	791.0	4,813.8
Like-for-like change	(271.9)	15.3	(256.6)
2024 like-for-like revenue	3,750.9	806.3	4,557.2
Network change	35.4	14.8	50.2
2024 revenue	3,786.3	821.1	4,607.4
Like-for-like revenue growth	(6.8%)	1.9%	(5.3%)
Total revenue growth	(6.2%)	2.5%	(4.7%)

Like-for-like sales are a measure of underlying sales performance for two successive periods. Branches and stores contribute to like-for-like sales once they have been trading for more than 12 months. Revenue included in like-for-like is for the equivalent times in both years being compared. When branches close, revenue is excluded from the prior year figures for the months equivalent to the post-closure period in the current year.

2. Profit

a. Operating profit

£m	2024	2023 (re-presented)
Revenue	**4,607.4**	4,837.1
Cost of sales	**(3,403.7)**	(3,538.3)
Gross profit	**1,203.7**	1,298.8
Charge for impairment losses for trade receivables	**(16.7)**	(16.8)
Selling and distribution	**(779.2)**	(823.2)
Administrative expenses – other	**(271.3)**	(284.9)
Profit on disposal of properties	**11.3**	15.1
Other operating income	**4.0**	9.1
Adjusted operating profit	**151.8**	198.1
Administrative expenses – adjusting items	**(139.1)**	(26.9)
Administrative expenses – amortisation of acquired intangible assets	**(10.4)**	(10.5)
Operating profit	**2.3**	160.7
Adjusted operating profit before property disposals	**140.5**	183.0

During the year the Group recognised a gain on the disposal of plant and equipment of £0.8m (2023: nil).

b. Adjusted profit

£m	2024	2023 (re-presented)
(Loss)/profit before tax	**(38.4)**	121.4
Adjusting items (note 3)	**139.1**	26.9
Amortisation of acquired intangible assets	**10.4**	10.5
Adjusted profit before tax	**111.1**	158.8
Total tax	**(2.2)**	(31.9)
Tax on adjusting items	**(29.0)**	(9.7)
Tax on amortisation of acquired intangible assets	**(2.6)**	(2.6)
Adjusted profit after tax	**77.3**	114.6

Adjusted profit excludes adjusting items and amortisation of acquired intangible assets.

3. Adjusting items

Accounting policy

Adjusting items are those items of income and expenditure that, individually or in aggregate, by reference to the Group, are material in size and unusual in nature or incidence and that in the judgement of the Directors should be disclosed separately on the face of the financial statements (or in the notes in the case of a segment) to ensure both that the reader has a clear understanding of the Group's underlying financial performance and that there is comparability of financial performance between periods.

Items of income or expense that are considered by the Directors for designation as adjusting items include, but are not limited to, significant one-year or multi-year restructuring programmes, onerous contracts, write-downs or impairments of assets, the costs of acquiring and integrating businesses, gains or losses on disposals of businesses and investments, re-measurement gains or losses arising from changes in the fair value of derivative financial instruments to the extent that hedge accounting is not achieved or is not effective, pension scheme curtailment gains and the effect of changes in corporation tax rates on deferred tax balances.

£m	2024	2023 (re-presented)
Restructuring	**37.0**	16.8
Staircraft impairment (note 29)	**32.7**	–
Branch impairments (note 29)	**62.7**	–
Benchmarx branch closures	**6.7**	10.1
	139.1	26.9

Restructuring

In the second half of 2023, in response to the continued weakness in the construction market, the Group commenced a restructuring of its support functions and its supply chain. This programme concluded in 2024.

The 2024 costs associated with this programme are:

- £26.2m of costs from the consolidation of the Group's supply chain, including £9.3m of dilapidations costs and other property-related items, £12.9m of stock impairments and £4.0m of other associated costs. Of these items, £4.7m of stock impairments, £1.4m property costs and £1.3m of other associated costs relate to the Toolstation UK business.
- Redundancy and other associated costs of £10.8m in respect of central and regional restructuring.

Costs of £16.8m were incurred in 2023 in respect of this restructuring activity.

Impairment

A full branch-level impairment review was conducted and identified 209 Merchanting branches where the carrying value of the branch assets was above the value of the discounted future cash flows generated from these assets. The total impairment recognised in respect of Travis Perkins General Merchant and CCF branches is £57.0m and reflects the under-utilisation of these assets within the review period as a result of cyclically depressed market volumes. A charge of £5.7m has been recognised in respect of other branch assets. Additionally, an impairment of £32.7m has been recognised in respect of the annual impairment review of the Staircraft business. Refer to note 29 for more details on the Group's impairment reviews.

Benchmarx branch closures

In 2023 a charge of £10.1m was recognised in respect of the impairment of tangible fixed assets and right-of-use assets and the recognition of property-related provisions for 39 standalone Benchmarx branches. These branches were closed in 2024 and an additional charge of £6.7m recognised in respect of closure costs.

4. Other operating income and auditor's remuneration

a. Other operating income

£m	2024	2023 (re-presented)
Rental income	**3.8**	4.4
Transitional Service Agreement income	**0.2**	4.7
	4.0	9.1

The Transition Service Agreement income represented amounts received in respect of specific services provided to businesses the Group had sold or demerged in order to maintain business continuity in those businesses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
For the year ended 31 December 2024

INCOME AND EXPENSES CONTINUED

4. Other operating income and auditor's remuneration continued

b. Auditor's remuneration

During the year the Group incurred the following costs for services provided by the Company's auditor:

£m	2024	2023
Fees payable to the Company's auditor for audit services:		
Audit of the Company's annual accounts	**0.5**	0.3
Auditor for the audit of the Company's subsidiaries	**2.2**	1.7
Additional fees payable for the prior period audit	**0.4**	0.1
Fees paid to the Company's auditor for other services:		
Audit-related assurance services	**0.1**	0.1
	3.2	2.2

A description of the work of the Audit Committee is set out in the Audit Committee report on pages 84 to 89 and includes an explanation of how auditor objectivity and independence is safeguarded when the auditor provides non-audit services.

5. Business segments

The operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ("CODM"), which is considered to be the Board, to assess performance and allocate capital.

Segmental operating profit represents the result of each segment without allocation of certain central costs, finance costs and tax. Segmental adjusted operating profit is the result of each segment before adjusting items, the amortisation of acquired intangible assets and property profits. Unallocated segment assets and liabilities comprise financial instruments, current and deferred tax, cash, borrowings and pension scheme assets and liabilities.

Both operating segments sell building materials to a wide range of customers, none of which are dominant, and operate predominantly in the United Kingdom. The Toolstation segment sells building materials at a fixed price, with a fixed range in each store. The Merchanting segment sells building materials at prices specifically negotiated with customers, with variation in the products offered in each branch.

a. Segment information

	2024			
£m	Merchanting	Toolstation	Unallocated	Consolidated
Revenue	3,786.3	821.1	–	4,607.4
Operating profit	19.5	12.0	(29.2)	2.3
Amortisation of acquired intangible assets	7.6	2.8	–	10.4
Adjusting items	132.6	6.5	–	139.1
Less property profits	(11.3)	–	–	(11.3)
Segmental adjusted operating profit	148.4	21.3	(29.2)	140.5
Adjusted operating margin	3.9%	2.6%	–	3.0%
Average capital employed	2,232.5	564.3	12.4	2,809.2
Segment assets	2,888.0	726.6	416.6	4,031.2
Segment liabilities	(1,165.3)	(380.9)	(510.9)	(2,057.1)
Consolidated net assets	1,722.7	345.7	(94.3)	1,974.1
Capital expenditure excluding property	51.4	12.6	–	64.0
Depreciation of fixed assets and software amortisation	75.3	18.5	–	93.8
Depreciation of right-of-use assets	67.4	29.4	–	96.8

	2023 (re-presented)			
£m	Merchanting	Toolstation	Unallocated	Consolidated
Revenue	4,035.8	801.3	–	4,837.1
Operating profit	198.9	(4.8)	(33.4)	160.7
Amortisation of acquired intangible assets	7.6	2.9	–	10.5
Adjusting items	20.9	5.2	0.8	26.9
Less property profits	(15.1)	–	–	(15.1)
Adjusted operating profit excluding property profits	212.3	3.3	(32.6)	183.0
Adjusted operating margin	5.3%	0.4%	–	3.8%
Average capital employed	2,250.7	596.0	6.1	2,852.8
Segment assets	2,943.4	764.6	317.5	4,025.5
Segment liabilities	(1,070.6)	(375.1)	(539.5)	(1,985.2)
Consolidated net assets	1,872.8	389.5	(222.0)	2,040.3
Capital expenditure excluding property	89.5	17.8	–	107.3
Depreciation of fixed assets and software amortisation	67.8	15.9	–	83.7
Depreciation of right-of-use assets	56.8	32.1	–	88.9

b. Unallocated segment assets and liabilities

Unallocated segment assets and liabilities comprise the following:

£m	2024	2023
Assets		
Financial instruments	**3.3**	2.9
Property, plant and equipment	**16.5**	17.5
Cash and cash equivalents	**244.4**	131.5
Retirement benefit surplus	**116.9**	118.7
Unallocated corporate assets	**18.0**	14.4
Tax asset	**–**	14.5
Deferred tax asset	**17.5**	18.0
	416.6	317.5
Liabilities		
Deferred tax liabilities	**(68.3)**	(92.8)
Interest-bearing loans, borrowings and loan notes	**(435.0)**	(445.1)
Unallocated corporate liabilities	**(7.6)**	(1.6)
	(510.9)	(539.5)

Non-current assets with a carrying value of £101.8m (2023: £111.7m) owned by the Toolstation Europe businesses are located in foreign countries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

INCOME AND EXPENSES CONTINUED

6. Net finance costs

£m	2024	2023 (re-presented)
Items in the nature of interest:		
Interest on bonds and other loans	**(17.1)**	(20.6)
Interest on bank facilities and overdrafts	**(2.0)**	(1.5)
Pension scheme SPV interest	**(1.8)**	(1.7)
Other finance costs:		
Amortisation of issue costs of bank loans	**(1.3)**	(1.5)
Unwinding of discounts – property provisions	**–**	(0.1)
Remeasurement:		
Net loss on remeasurement of derivatives at fair value	**–**	(0.2)
Loss on remeasurement of foreign exchange	**–**	(0.2)
Lease interest:		
Interest on lease liabilities – property	**(26.5)**	(24.7)
Interest on lease liabilities – equipment	**(3.1)**	(0.9)
Finance costs	**(51.8)**	(51.4)
Items in the nature of interest:		
Interest receivable	**6.0**	5.7
Remeasurement:		
Net gain on remeasurement of derivatives at fair value	**0.8**	–
Other finance income – pension scheme	**4.3**	6.4
Finance income	**11.1**	12.1
Net finance costs	**(40.7)**	(39.3)

The Group's interest cover covenants are calculated using those items of finance income and finance cost that are in the nature of interest, including interest on lease liabilities. In 2024 these were in total £44.5m (2023: £43.7m).

Net finance costs relating to discontinued operations are £0.4m (2023: £0.6m).

7. Tax

Accounting policy

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items which are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. This is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction (other than in a business combination) that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax laws and rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

a. Tax charge in the income statement

£m	2024	2023 (re-presented)
Current tax:		
Current year	**34.9**	33.0
Prior year	**0.6**	(6.1)
Total current tax	**35.5**	26.9
Deferred tax:		
Current year	**(32.8)**	(1.4)
Prior year	**(0.5)**	6.4
Total deferred tax	**(33.3)**	5.0
Total tax charge	**2.2**	31.9

The total tax charge in 2024 includes a credit of £29.0m relating to costs recognised as adjusting items (2023: £9.7m).

The differences between the total tax charge and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax for the Group is as follows:

	2024		2023 (re-presented)	
	£m	%	£m	%
(Loss)/profit before tax	**(38.4)**		121.4	
Tax at the UK corporation tax rate	**(9.6)**	**25.0**	28.6	23.5
Tax effect of expenses/credits that are not deductible/taxable	**1.2**		(2.1)	
Depreciation of non-qualifying property	**3.4**		3.3	
Share-based payments	**2.7**		2.0	
Losses	**1.8**		1.1	
Property profits	**(3.0)**		(1.2)	
Current period deferred tax rate differential	**–**		(0.1)	
Impairment	**5.6**		–	
Prior period adjustment	**0.1**		0.3	
Tax expense and effective tax rate for the year	**2.2**	**(5.7)**	31.9	26.3

For accounting periods beginning after 31 December 2024 the Group will be required to comply with the OECD Pillar Two model rules which will require the Group to pay a minimum level of tax on income arising in the jurisdictions in which it operates. The Group's current analysis of these rules and their application in jurisdictions relevant to the Group indicate that no material additional tax liability will arise. The Group has applied the mandatory temporary exception to the accounting for deferred taxes arising from the implementation of the Pillar Two model rules.

b. Tax charge in the statement of comprehensive income

The following amounts relating to tax have been recognised in other comprehensive income:

£m	2024	2023
Items that may be reclassified:		
Deferred tax (credit)/charge on cash flow hedge	**(0.1)**	0.4
Items that may not be reclassified:		
Deferred tax (credit)/charge on actuarial movement	**(9.5)**	10.2
Income tax relating to other comprehensive income	**(9.6)**	10.6

c. Tax credited directly to equity

The following amounts of tax have been recognised in equity:

£m	2024	2023
Deferred tax:		
Revaluation reserve	**0.2**	0.5
Share-based payments	**0.1**	0.1
	0.3	0.6

8. Discontinued operations

Key judgement on the classification of Toolstation France as a discontinued operation

During the year ended 31 December 2024 the Group ceased the operations of its Toolstation France business. As this business represented a separate geographical area of operation and was a major proportion of the Group's loss for the year of £77.4m in 2024 and its profit for the year of £38.1m in 2023, the Group concluded that it met the definition of a discontinued operation in IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. Accordingly its results are presented as those of discontinued operations and the results for the year ended 31 December 2023 have been re-presented.

a. Results of discontinued operations

£m	2024	2023 (re-presented)
Revenue	**16.3**	24.8
Gross profit	**8.2**	6.3
Operating expenses	**(44.6)**	(57.1)
Net finance costs	**(0.4)**	(0.6)
Loss before tax	**(36.8)**	(51.4)
Tax	**–**	–
Loss from discontinuing operations	**(36.8)**	(51.4)

The loss before tax of £36.8m includes costs of £22.2m relating to the closure of the business. The loss for the year ended 31 December 2023 from discontinued operations includes £33.1m which was previously presented as an adjusting item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

INCOME AND EXPENSES CONTINUED

8. Discontinued operations continued

b. Cash flows relating to discontinued operations

£m	Year ended 31 December 2024	Year ended 31 December 2023 (re-presented)
Net cash outflow from operating activities	**(15.9)**	(14.3)
Net cash outflow from investing activities	**–**	(1.4)
Net cash used in financing activities	**(2.5)**	(2.1)
Net cash flows for the year for discontinued operations	**(18.4)**	(17.8)

ASSETS AND LIABILITIES

9. Goodwill and other intangible assets

Accounting policy

Goodwill arising on acquisition represents the excess of the cost of acquisition over the share of the aggregate fair value of identifiable net assets (including intangible assets) of a business or a subsidiary at the date of acquisition. All material intangible fixed assets obtained on acquisition have been recognised separately in the financial statements. Goodwill is initially recognised as an asset and allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination and is then reviewed at least annually for impairment. Any impairment is recognised immediately in the income statement and is not reversed. Goodwill is accordingly stated in the balance sheet at cost less any provisions for impairment in value. Intangible assets identified as part of the assets of an acquired business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition.

Goodwill arising on acquisitions before the date of transition to IFRS (1 January 2004) has been retained at the previous UK GAAP carrying value subject to being tested for impairment at that date. Goodwill written off to reserves prior to 1998 under UK GAAP has not been reinstated and would not be included in determining any subsequent profit or loss on disposal.

a. Goodwill by reportable segment

£m	Merchanting	Toolstation	Total
At 1 January 2023	684.8	174.2	859.0
Impairment	–	(9.6)	(9.6)
Effect on movement in exchange rates	–	(1.5)	(1.5)
At 1 January 2024	**684.8**	**163.1**	**847.9**
Impairment	**(23.8)**	**–**	**(23.8)**
Effect on movement in exchange rates	**–**	**(2.8)**	**(2.8)**
At 31 December 2024	**661.0**	**160.3**	**821.3**

b. Other intangible assets

Accounting policy

Intangible assets are amortised to the income statement on a straight-line basis over a maximum of 20 years except where they are considered to have an indefinite useful life. In the latter instance, they are reviewed annually for impairment.

The directly attributable costs incurred for the development of computer software controlled by and for use within the business are capitalised and written off over their estimated useful life, which ranges from three to ten years. Interfaces are amortised over the lower of the remaining estimated useful lives of the systems they operate between. Costs relating to research, maintenance and training are expensed as they are incurred.

Amounts paid to third parties in respect of the development of software and other intangible assets not controlled by the Group are expensed over the period where the Group receives the service. The cost of configuring and customising software is treated as a prepayment and recognised over the period the Group benefits from the implemented software only if the configuration and customisation service is not distinct from the provision of the software itself. Licence fees for using third-party software are expensed over the period the software is in use.

Acquired customer relationships are amortised over their estimated useful lives, which range from 5 to 15 years. The remaining lives of amortised customer relationships range from one to seven years. No amortisation is charged on computer software under construction.

£m	Brand	Computer software	Customer relationships	Assets under construction	Total
Cost or valuation					
At 1 January 2023	150.4	110.7	151.6	0.7	413.4
Additions	–	1.1	–	2.0	3.1
Impairments	(1.9)	–	–	–	(1.9)
Derecognition	–	–	–	(2.1)	(2.1)
At 1 January 2024	148.5	111.8	151.6	0.6	412.5
Additions	–	3.9	–	0.2	4.1
Transfers from property, plant & equipment	–	0.6	–	–	0.6
Reclassification	–	0.5	–	(0.5)	–
Disposals	–	(0.5)	–	–	(0.5)
At 31 December 2024	**148.5**	**116.3**	**151.6**	**0.3**	**416.7**
Amortisation					
At 1 January 2023	73.7	98.1	125.7	–	297.5
Charged on acquired intangibles	2.3	–	8.2	–	10.5
Charged on internally generated intangibles	–	4.6	–	–	4.6
At 1 January 2024	76.0	102.7	133.9	–	312.6
Charged on acquired intangibles	2.3	–	8.1	–	10.4
Charged on internally generated intangibles	–	3.6	–	–	3.6
Impairment	–	–	3.4	–	3.4
Disposals	–	(0.2)	–	–	(0.2)
At 31 December 2024	**78.3**	**106.1**	**145.4**	**–**	**329.8**
Net book value					
At 31 December 2023	72.5	9.1	17.7	0.6	99.9
At 31 December 2024	**70.2**	**10.2**	**6.2**	**0.3**	**86.9**

Where a brand has not been established for a significant period of time the Directors do not have sufficient evidence to support a contention that it will have an indefinite useful life. Accordingly for Toolstation and certain product-related brands the Directors have decided it is appropriate to amortise their brand costs over their estimated useful lives. The useful lives of those brands being amortised range from 10 to 20 years.

The Directors consider that the BSS brand, which is a leading brand in its sector with significant history and significant growth prospects, has an indefinite useful life. It is reviewed annually for impairment; details of impairment tests are shown in note 29.

c. Cash-generating units

The Directors consider that each branch or distribution network in the Group is an individual cash-generating unit ("CGU"). Goodwill and intangible fixed assets with indefinite useful lives have been allocated for impairment testing purposes to groups of individual CGUs within the same brand. The following table analyses goodwill and intangible fixed assets with indefinite useful lives by CGU grouping.

£m	**2024**			2023		
CGU grouping	**Intangibles**	**Goodwill**	**Total**	Intangibles	Goodwill	Total
Merchanting						
Travis Perkins	**–**	**482.6**	**482.6**	–	482.6	482.6
Keyline	**–**	**100.2**	**100.2**	–	100.2	100.2
CCF	**–**	**43.6**	**43.6**	–	43.6	43.6
BSS Industrial	**49.3**	**26.8**	**76.1**	49.3	26.8	76.1
Staircraft	**–**	**–**	**–**	–	23.8	23.8
TF Solutions	**–**	**7.8**	**7.8**	–	7.8	7.8
Toolstation						
Toolstation UK	**–**	**103.4**	**103.4**	–	103.4	103.4
Toolstation Benelux	**–**	**56.9**	**56.9**	–	59.7	59.7
	49.3	**821.3**	**870.6**	49.3	847.9	897.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

ASSETS AND LIABILITIES CONTINUED

10. Property, plant and equipment

Accounting policy

Property, plant and equipment is stated at cost or deemed cost less accumulated depreciation and any impairment in value. Assets are depreciated to their estimated residual value on a straight-line basis over their estimated useful lives as follows:

- Buildings – 50 years or, if lower, the estimated useful life of the building or the life of the lease
- Leasehold improvements – the life of the lease
- Plant and equipment – 4 to 10 years
- Freehold land is not depreciated

The estimated useful lives are estimated taking into consideration the potential impact of climate change.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds net of expenses and the carrying amount of the asset in the balance sheet and is recognised in the income statement. Where appropriate, the attributable revaluation reserve remaining in respect of properties revalued prior to the adoption of IFRS is transferred directly to retained earnings.

£m	Freehold	Long leasehold	Leasehold improvements	Plant and equipment	Total
Cost or deemed cost					
At 1 January 2023	531.3	29.6	215.0	732.9	1,508.8
Additions	4.7	22.1	35.0	80.7	142.5
Disposals	(46.6)	(0.5)	(6.0)	(74.0)	(127.1)
Impairments	–	–	(12.5)	(10.5)	(23.0)
Reclassifications	(2.4)	–	(10.0)	12.4	–
Effect of movements in exchange rates	–	–	–	(0.6)	(0.6)
At 1 January 2024	**487.0**	**51.2**	**221.5**	**740.9**	**1,500.6**
Additions	9.6	–	32.5	28.4	70.5
Disposals	(15.8)	(4.7)	(11.4)	(45.4)	(77.3)
Reclassifications	30.5	2.2	(45.1)	18.4	6.0
Effect of movements in exchange rates	–	–	–	(0.7)	(0.7)
At 31 December 2024	**511.3**	**48.7**	**197.5**	**741.6**	**1,499.1**

£m	Freehold	Long leasehold	Leasehold improvements	Plant and equipment	Total
Accumulated depreciation					
At 1 January 2023	61.0	12.6	82.2	505.7	661.5
Charged in the year	7.0	0.8	14.6	57.9	80.3
Disposals	(6.4)	–	(6.6)	(63.2)	(76.2)
Impairments	–	–	(5.2)	(8.0)	(13.2)
Reclassifications	0.3	–	(0.3)	–	–
Effect of movements in exchange rates	–	–	–	(0.2)	(0.2)
At 1 January 2024	**61.9**	**13.4**	**84.7**	**492.2**	**652.2**
Charged in the year	6.7	1.0	12.6	59.5	79.8
Disposals	(5.1)	(1.4)	(1.9)	(42.1)	(50.5)
Impairments	–	–	11.9	27.7	39.6
Reclassifications	14.8	0.3	5.5	(14.6)	6.0
Write offs	–	–	1.5	–	1.5
Effect of movements in exchange rates	–	–	–	(0.6)	(0.6)
At 31 December 2024	**78.3**	**13.3**	**114.3**	**522.1**	**728.0**
Net book value					
At 31 December 2023	425.1	37.8	136.8	248.7	848.4
At 31 December 2024	**433.0**	**35.4**	**83.2**	**219.5**	**771.1**

Included within freehold property is land with a value of £227.5m (2023: £215.6m) which is not depreciated. No assets are pledged as security for the Group's liabilities. Included within leasehold improvements is £17.5m (2023: £21.4m) in respect of assets under construction which are not depreciated.

11. Leases

Accounting policy

Identifying a lease

At the inception of a contract, the Group assesses whether a contract contains a lease. At inception the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices except for fleet leases for which the Group does not separate non-lease components and accounts for the lease and non-lease components as a single lease component.

Recognition exceptions

The Group takes the lease recognition exemption for leases with a lease term of 12 months or less and containing no purchase options and leases where the underlying asset has a low value when new. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise mainly IT equipment, vending machines and paint-mixing machines.

Lease terms

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility. The Group has applied judgement to determine the lease term for some lease contracts that includes renewal options and break clauses. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For property leases the most relevant is normally the profitability of the leased branch or warehouse and future plans for the business. If there are significant penalties to terminate or not extend, the Group is typically reasonably certain to not terminate or extend.

Lessee accounting

Initial measurement

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and any initial direct costs incurred, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined and otherwise at the incremental borrowing rate.

Subsequent measurement

After lease commencement, the Group measures right-of-use assets at cost less accumulated depreciation and accumulated impairment.

The lease liability is subsequently remeasured to reflect changes in the lease term, the assessment of a purchase option and future lease payments resulting from a change in an index or a rate used to determine those payments. The remeasurements are matched by adjustments to the right-of-use asset. Lease modifications may also prompt remeasurement of the lease liability unless they are determined to be separate leases.

Depreciation

The right-of-use asset is subsequently depreciated using the straight-line method to the earlier of the end of the useful life of the right-of-use asset or the end of lease term. Estimated useful lives are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Sale and leaseback transactions

If an asset transfer satisfies the requirements of IFRS 15 – Revenue from Contracts with Customers to be accounted for as a sale, the Group measures the right-of-use asset at the proportion of the previous carrying amount that relates to the right-of-use retained. Accordingly, the Group only recognises the amount of gain or loss that relates to the rights transferred to the buyer.

a. Amounts recognised in the balance sheet

All right-of-use assets relate to land and buildings except for £58.4m in respect of plant and equipment (2023: £29.6m). Additions to right-of-use assets in 2024 were £152.1m (2023: £182.4m).

Lease liability maturity analysis – contractual undiscounted cash flows:

£m	2024	2023
Less than one year	**119.9**	106.9
One to five years	**369.3**	337.8
More than five years	**336.2**	316.5
Total undiscounted lease liabilities at 31 December	**825.4**	761.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

ASSETS AND LIABILITIES CONTINUED

11. Leases continued

b. Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

£m	2024	2023 (re-presented)
Expense relating to short-term leases	**4.4**	4.9
Expense relating to leases of low-value assets	**3.5**	3.1
Impairment/(reversal of impairment) of right-of-use assets	**31.2**	(1.7)
Gains on lease terminations	**–**	(2.5)

An impairment right-of-use assets has been recognised with respect to land and buildings of £17.9m and plant and equipment of £13.3m. Total depreciation of right-of-use assets of £96.8m (2023: £91.1m) represents £83.6m in respect of land and buildings (2023: £79.8m) and £13.2m in respect of plant and equipment (2023: £11.3m). The total cash outflow for leases in 2024 was £131.3m (2023: £116.2m).

c. The Group's leasing activities

The Group leases various properties, motor vehicles and equipment. Rental contracts are typically made for fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Extension and termination options are included in a number of property and equipment leases across the Group and are used to provide operational flexibility.

The Group routinely enters into sale and leaseback transactions as part of its property management and investment strategy. The requirement of IFRS 16 – Leases to, in transfers that are accounted for as a sale, only recognise the amount of any gain or loss that relates to the rights transferred to the buyer-lessor, results in differences between the recognition of cash proceeds from the disposal of property, plant and equipment and the recognition of profit from these disposals.

d. The Group as lessor

The Group leases a number of ex-trading properties and surplus units in trade parks owned by the Group to third parties. Property rental income earned during the year in respect of these properties was £3.8m (2023: £4.4m). At the balance sheet date, the Group had contracts with lessees for the following undiscounted future minimum lease payments:

£m	2024	2023
Within one year	**4.7**	4.6
One to five years	**21.4**	22.8
After five years	**5.0**	5.0
	31.1	32.4

12. Inventories

Accounting policy

Inventories, which consist of goods for resale, are stated at the lower of average weighted cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price less the estimated costs of disposal.

£m	2024	2023
Inventories	**648.6**	727.6

The cost of inventories recognised as an expense in 2024 was £3,328.9m (2023: £3,381.4m). A charge of £5.2m (2023: £2.0m) was recognised as a result of the movement of provisions against inventory.

13. Supplier income

Accounting policy

Supplier income comprises fixed price discounts, volume rebates and customer sales support.

Fixed price discounts and volume rebates received and receivable in respect of goods which have been sold are initially deducted from the cost of inventory and therefore reduce cost of sales in the income statement when the goods are sold. Where goods on which the fixed price discount or volume rebate has been earned remain in inventory at the year end, the cost of that inventory reflects those discounts and rebates.

The Group receives customer sales support payments that are made entirely at the supplier's option, that are requested by the Group when a specific product is about to be sold to a specific customer and for which payment is only received after the sale has been completed. All customer sales support receipts received and receivable are deducted from cost of sales when the sale to the third party has been completed, i.e. when the customer sales support payment has been earned.

Supplier income receivable is netted off against trade payables when there is a legally binding arrangement in place and it is management's intention to do so, otherwise amounts are included in other receivables in the balance sheet.

Supplier income balances included within the Group balance sheet are as follows:

£m	2024	2023
Other receivables	**99.0**	104.0
Trade payables	**73.0**	82.0
Inventories	**(53.0)**	(52.0)
Net balance sheet position	**119.0**	134.0

14. Trade and other receivables

Accounting policy

Trade and other receivables

The Group's trade and other receivables at the balance sheet date comprise principally amounts receivable from the sale of goods, amounts due in respect of rebates in relation to unbilled work in progress and sundry prepayments.

Impairment of financial assets

Trade receivables are subject to the expected credit loss model in IFRS 9 – Financial Instruments. The Group applies the IFRS 9 – Financial Instruments simplified approach to measuring expected credit losses. This uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to engage in a repayment plan with the Group and the commencement of legal proceedings.

£m	2024	2023
Current:		
Trade receivables	**598.1**	547.1
Allowance for doubtful debts	**(29.8)**	(21.5)
	568.3	525.6
Other receivables	**111.8**	129.2
Prepayments and accrued income	**80.4**	34.8
Total current trade and other receivables	**760.5**	689.6
Non-current:		
Prepayments	**15.3**	14.2
Total non-current trade and other receivables	**15.3**	14.2

The Directors consider that the only class of asset containing material credit risk is trade receivables. The average credit term taken for sales of goods is 59 days (2023: 56 days). No interest is charged on the trade receivable from the date of the invoice until the date the invoice is classified as overdue according to the trading terms agreed between the Group and the customer. Thereafter, the Group retains the right to charge interest at 4% p.a. (2023: 4%) above the clearing bank base rate on the outstanding balance.

The increase in the non-current prepayments balance reflects supplier licence fees and implementation costs incurred in respect of the Group's technology upgrade programmes.

Movement in the allowance for doubtful debts

£m	2024	2023
At 1 January	**21.5**	17.7
Amounts written off and adjusted for during the year	**(8.4)**	(13.0)
Charge for impairment losses for trade receivables	**16.7**	16.8
At 31 December	**29.8**	21.5

Expected credit loss assessment

Loss rates are based on actual credit loss experience over the past seven years and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables as at 31 December 2024.

£m	Gross carrying amount	Weighted average loss rate	Net loss allowance	Credit impaired
Current (not past due)	**530.7**	**0.8%**	**(3.7)**	**No**
Days overdue:				
1–30	**24.2**	**7.2%**	**(1.5)**	**No**
31–60	**8.5**	**19.7%**	**(1.4)**	**No**
61–90	**3.9**	**28.0%**	**(0.9)**	**No**
91–120	**1.4**	**53.3%**	**(0.6)**	**No**
More than 120	**29.4**	**88.6%**	**(21.7)**	**Yes**
	598.1		**(29.8)**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

ASSETS AND LIABILITIES CONTINUED

14. Trade and other receivables continued

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables as at 31 December 2023.

£m	Gross carrying amount	Weighted average loss rate	Net loss allowance	Credit impaired
Current (not past due)	506.8	0.8%	(3.5)	No
Days overdue:				
1–30	10.6	6.8%	(0.6)	No
31–60	3.5	15.0%	(0.4)	No
61–90	1.5	25.0%	(0.3)	No
91–120	0.7	48.3%	(0.3)	No
More than 120	24.0	85.7%	(16.4)	Yes
	547.1		(21.5)	

15. Provisions

Accounting policy

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation because of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet dates, and are discounted to present value.

Should a provision ultimately prove to be unnecessary then it is credited back into the income statement. Where the provision was originally established as an adjusting item, any significant release is shown as an adjusting credit.

The Group has a number of vacant and partly sublet leased properties. Where necessary a provision has been made for the residual commitments, after taking into account existing and anticipated subtenant arrangements. The Group recognises provisions for the cost of reinstating certain Group properties at the end of their lease term, based on the conditions set out in the terms of the individual leases. The timing of the outflows will match the ends of the relevant leases, which range from two to 25 years.

It is Group policy to self-insure using policies with a high excess against claims arising in respect of damage to third party assets, or due to employers or public liability claims. Whilst the Group does not have a contractual right to defer payment, the nature of insurance claims means they may take some time to be settled. The insurance claims provision represents management's best estimate, based upon external advice of the value of outstanding claims against it where the final settlement date is uncertain, in line with IAS 37.

£m	Property	Insurance	Restructuring	Total
At 1 January 2023	12.4	19.0	–	31.4
Charge to income statement	8.3	7.7	4.9	20.9
Utilisation of provision	(3.6)	(5.6)	–	(9.2)
At 31 December 2023	17.1	21.1	4.9	43.1
Charge to income statement	17.5	3.1	17.2	37.8
Utilisation of provision	(6.4)	(4.3)	(9.2)	(19.9)
At 31 December 2024	**28.2**	**19.9**	**12.9**	**61.0**
Included in current liabilities	6.6	19.9	12.9	39.4
Included in non-current liabilities	21.6	–	–	21.6
	28.2	19.9	12.9	61.0

The restructuring provision relates to the support functions and supply chain restructuring activities treated as adjusting items and discussed note 3. It excludes property-related provisions and inventory amounts which are separately classified.

The following table details the Group's liquidity analysis of its provisions, based on the undiscounted net cash outflows. The impact of discounting is not material for the Group's provisions.

£m	0–1 year	1–2 years	2–5 years	5+ years	Total
2024:					
Property	6.6	7.5	5.9	8.2	28.2
Insurance	19.9	–	–	–	19.9
Restructuring	12.9	–	–	–	12.9
	39.4	7.5	5.9	8.2	61.0
2023:					
Property	13.3	1.4	1.2	1.2	17.1
Insurance	21.1	–	–	–	21.1
Restructuring	4.9	–	–	–	4.9
	39.3	1.4	1.2	1.2	43.1

16. Deferred tax

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior reporting periods.

£m (Asset)/liability:	At 1 January 2024	Recognised in income	Recognised in equity	Recognised in other comprehensive income	At 31 December 2024
Trading losses	(18.0)	0.5	–	–	(17.5)
Deferred tax asset	(18.0)	0.5	–	–	(17.5)
Capital allowances	21.1	(9.7)	–	–	11.4
Revaluation of property	2.9	–	(0.2)	–	2.7
Share-based payments	(2.9)	0.8	(0.1)	–	(2.2)
Provisions	4.4	0.3	–	–	4.7
Property assets acquired in business combinations	8.8	(0.8)	–	–	8.0
Brand	21.8	(6.5)	–	–	15.3
Pension scheme asset	25.1	(5.4)	–	9.5	29.2
Deferred gains on property disposals	29.3	(0.7)	–	–	28.6
IFRS 16 lease liability	(151.0)	(12.7)	–	–	(163.7)
IFRS 16 right-of-use asset	132.6	0.9	–	–	133.5
Cash flow hedge	0.7	–	–	0.1	0.8
Deferred tax liability	92.8	(33.8)	(0.3)	9.6	68.3
Net deferred tax	74.8	(33.3)	(0.3)	9.6	50.8

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For the year ended 31 December 2024

ASSETS AND LIABILITIES CONTINUED

16. Deferred tax continued

£m (Asset)/liability:	At 1 January 2023	Recognised in income	Recognised in equity	Recognised in other comprehensive income	At 31 December 2023
Trading losses	(15.0)	(3.0)	–	–	(18.0)
Deferred tax asset	(15.0)	(3.0)	–	–	(18.0)
Capital allowances	8.5	12.6	–	–	21.1
Revaluation of property	3.4	–	(0.5)	–	2.9
Share-based payments	(3.5)	0.7	(0.1)	–	(2.9)
Provisions	4.8	(0.4)	–	–	4.4
Property assets acquired in business combinations	9.3	(0.5)	–	–	8.8
Brand	25.0	(3.2)	–	–	21.8
Pension scheme asset	33.9	1.4	–	(10.2)	25.1
Deferred gains on property disposals	31.1	(1.8)	–	–	29.3
IFRS 16 – Lease Liability	(130.5)	(20.5)	–	–	(151.0)
IFRS 16 – Right-of-Use Asset	112.9	19.7	–	–	132.6
Cash flow hedge	1.1	–	–	(0.4)	0.7
Deferred tax liability	96.0	8.0	(0.6)	(10.6)	92.8
Net deferred tax	81.0	5.0	(0.6)	(10.6)	74.8

The deferred tax asset in respect of trading losses primarily relates to the Toolstation Netherlands business. An element of the deferred tax asset is recognised in respect of losses of £3.0m (2023: £7.0m) in the Group's other European Toolstation businesses to offset a deferred tax liability of the same value arising in these businesses. No deferred tax asset has been recognised on the remaining losses of £21.7m (2023: £76.5m) in the Group's other European Toolstation businesses as there is currently insufficient evidence that these losses would be utilised. The value of unrecognised losses has decreased from the position as at 31 December 2023 following the cessation of the operations of the Group's Toolstation France business.

The Group considers it is appropriate to recognise a deferred tax asset on unused trading losses in Toolstation Netherlands as forecasts, based on the existing Netherlands store network and the store maturity profile of Toolstation stores in the UK and the Netherlands, indicate that the business will be able to fully utilise these losses against future profits within a measurable time frame.

17. Trade and other payables

Accounting policy

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs and are measured at amortised cost. The Directors consider that the carrying amount of trade payables approximates to their fair value. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

£m	2024	2023
Trade payables	**532.9**	576.3
Other taxation and social security	**79.0**	48.6
Other payables	**92.8**	76.9
Accruals and deferred income	**133.5**	93.6
Trade and other payables	**838.2**	795.4

Included in trade payables at 31 December 2024 are amounts of £88.4m (2023: £91.3m) which are due for settlement under supplier financing arrangements with third-party banks, of which suppliers had received payments for £57.5m (2023: £55.3m). Suppliers choose to enter into these arrangements which provide access to the option of early settlement of invoices at interest rates based on Travis Perkins' credit rating. If suppliers do not elect for early payment, invoices are settled on the date agreed in the existing payment terms. In some cases, Travis Perkins has agreed extensions to payment terms with suppliers who regularly access the scheme, with the longest payment terms 107 days (2023: 107 days), an extension of 45 days (2023: 45 days). The total net amount outstanding where terms have been extended at 31 December 2024 was £9.7m (2023: £10.1m). Liabilities that are part of the arrangement had a range of payment dates of 52 – 107 days with trade payables that are not part of an arrangement having a range of 45 – 75 days (2023: 52 – 107 days compared to 45 – 75 days). These arrangements do not provide the Group with a significant benefit of additional financing and have been put in place for the benefit of the Group's suppliers, providing them with access to cost-efficient third-party funding. As such, outstanding balances are classified as trade payables and form part of the operating cash flows movement in the consolidated cash flow statement. There were no non-cash transfers from trade payables to finance payables in 2024 (2023: none). There are no significant judgements applied in the calculation of supplier finance balances.

18. Pension arrangements

The Group has a number of historical defined benefit pension schemes, all of which are closed to new members and future accruals. The Group operates four final salary schemes being The Travis Perkins Pensions and Dependants' Benefit Scheme ("the TP DB scheme"), the BSS Defined Benefit Scheme ("the BSS DB Scheme"), the immaterial Platinum pension scheme and the immaterial BSS Ireland Defined Benefit Scheme. The reconciliations and disclosures are presented as an aggregation of all schemes as each scheme is subject to similar risk characteristics.

Accounting policy

The cost of providing benefits under defined benefit pension schemes is determined using the projected unit credit method with actuarial valuations being carried out at the end of each reporting period. Remeasurement comprising actuarial gains and losses, the effects of asset ceilings and minimum funding payments and the return on scheme assets (excluding interest) are recognised immediately in the balance sheet with a charge or credit to the statement of comprehensive income. Remeasurement recorded in the statement of comprehensive income is not recycled. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Net interest expense or income is recognised within finance costs.

a. Expected future cash flows

The Directors have agreed with the BSS DB Scheme's Trustees and the TP DB Scheme's Trustees that, following the elimination of the deficits in these schemes, no further contributions from the Group are currently required. Both schemes fund their management and administrative expenses.

b. Balance sheet position and movements during the year

The amount included in the balance sheet arising from the Group's obligations in respect of all of its defined benefit schemes and the movements during the year:

	2024			2023		
£m	**Gross assets**	**Gross obligations**	**Net**	Gross assets	Gross obligations	Net
Gross pension asset as at 1 January	**1,096.9**	**(996.3)**	**100.6**	1,097.4	(961.5)	135.9
Amounts recognised in income:						
Current service costs and administration expenses	**(3.0)**	**(0.1)**	**(3.1)**	(2.3)	–	(2.3)
Interest income/(interest cost)	**48.7**	**(44.2)**	**4.5**	51.5	(45.1)	6.4
Other movements:						
Contributions from sponsoring companies	**0.4**	**–**	**0.4**	1.4	–	1.4
Foreign exchange	**(0.5)**	**0.4**	**(0.1)**	0.2	(0.1)	0.1
Withdrawal of assets	**(23.2)**	**–**	**(23.2)**	–	–	–
Benefits paid	**(49.8)**	**49.8**	**–**	(44.1)	44.1	–
Balance sheet reclassifications	**–**	**2.7**	**2.7**	–	–	–
Amounts recognised in other comprehensive income:						
Return on plan assets (excluding amounts in net interest)	**(98.4)**	**–**	**(98.4)**	(7.2)	–	(7.2)
Actuarial loss from changes in demographic assumptions	**–**	**(4.7)**	**(4.7)**	–	8.6	8.6
Actuarial gain from changes in financial assumptions	**–**	**100.4**	**100.4**	–	(20.4)	(20.4)
Actuarial gain from experience adjustments	**–**	**37.8**	**37.8**	–	(21.9)	(21.9)
Gross pension asset as at 31 December	**971.1**	**(854.2)**	**116.9**	1,096.9	(996.3)	100.6

The asset valuation of £971.1m (2023: £1,096.9m) at 31 December 2024 consists of the TP DB Scheme £738.2m (2023: £843.1m) and the BSS DB Scheme £232.9m (2023: £253.8m). The obligation valuation of £854.2m (2023: £996.3m) consists of the TP DB Scheme £645.1m (2023: £755.8m) and the BSS DB

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Scheme £209.1m (2023: £240.5m).

ASSETS AND LIABILITIES CONTINUED

18. Pension arrangements continued

b. Balance sheet position and movements during the year continued

The actual loss on scheme assets of £49.7m (2023: gain of £44.3m) is represented by the interest income and 'return on plan assets (excluding amounts net interest)' figures above.

The withdrawal of assets represents the unwind of a Group-controlled special purpose vehicle ("SPV") used to fund the historical deficit in the TP DB Scheme. See note 18(d)(i) for more information.

The deferred tax liability of £29.2m (2023: £25.1m) has been recognised at the standard rate of corporation tax, as this rate best reflects the rate at which the liability will unwind. The pension surplus, net of deferred tax, as at 31 December 2024 is £87.7m (2024: £75.5m).

There are no restrictions on the current realisability of the pension surplus. The Group has an explicit right to a surplus in respect of the TP DB Scheme and, based on the operation of trust law in a winding up of the BSS DB Scheme following a gradual settlement, has an unconditional right to receive any surplus in the BSS DB Scheme.

c. Defined benefit scheme obligations

i. Valuation of scheme obligations

Full actuarial valuations of the TP DB scheme and the BSS DB scheme have been carried out as at 30 September 2023. The IAS 19 valuations have been based upon the results of the 30 September 2023 valuations, updated to 31 December 2024 by a qualified actuary.

The defined benefit pension schemes expose the Group to actuarial risks such as investment risk, interest rate risk and longevity risk. A summary of the risks and the management of those risks is given below and continued overleaf.

Investment risk	The present value of the defined benefit liabilities of the schemes is calculated using a discount rate predetermined by reference to high-quality corporate bond yields. If the return on scheme assets is below this rate it may create a plan deficit.
Interest risk	A decrease in corporate bond yields will increase the schemes' liabilities, but the effect will be partially offset by an increase in the return on the schemes' bond and gilt assets.
Longevity risk	The present value of the liabilities of the schemes is calculated by reference to the best estimate of mortality of pension scheme members both during and after their employment. An increase in the life expectancy of the schemes' members will increase the schemes' liabilities.

ii. Major actuarial assumptions

	At 31 December 2024	At 31 December 2023
Rate of increase of pensions in payment (post 2006 entitlement)	**2.95%**	2.85%
Discount rate	**5.50%**	4.55%
Inflation assumption – RPI	**3.05%**	2.95%
Inflation assumption – CPI	**2.55%**	2.45%

The yield curve used in setting the discount rate, which includes bonds with an average AA rating and excludes bonds which are sub-sovereign or issued by universities to reflect the credit risk of the defined benefit schemes. In respect of longevity, the valuation adopts the S3PA year of birth tables with improvements in life expectancy to continue in the medium term, with base year appropriate to the member's date of birth.

The weighted average life expectancy of 65-year-old members for the mortality tables used to determine pension liabilities at 31 December 2024 was 21.6 years for men and 23.8 years for women (2023: 21.1 years for men and 23.2 years for women).

iii. Maturity profile of obligations

The weighted average duration of the obligations of the defined benefit pension schemes is 12.5 years, with approximately 90% of the obligations expected to mature by 2060 and the benefits to be paid on a broadly straight-line basis over the period to 2060.

iv. Sensitivities

Key estimate over pension assumptions

The Group has chosen to adopt assumptions that the Directors believe are generally in line with comparable companies. If the difference between actual inflation is greater than assumed, or if long-term interest rates are lower than assumed, or if the average life expectancy of pensioners increases, then the pension surplus could be materially greater/lower than currently stated in the balance sheet.

The estimated effects of changing the key assumptions (discount rate, inflation and life expectancy) on the IAS 19 – Employee Benefits balance sheet position as at 31 December 2024 is given below.

£m Assumption		TP & BSS Schemes Consolidated
Discount rate	Increase of 0.25%	(24.7)
	Decrease of 0.25%	25.6
Inflation	Increase of 0.25%	14.8
	Decrease of 0.25%	(15.0)
Longevity	Increase of 1 year	27.0
	Decrease of 1 year	(27.7)

d. Scheme assets

i. Scheme assets and investment strategy

The assets of the TP DB Scheme and the BSS DB Scheme are held separately from those of the Group in funds under the control of the schemes' Trustees.

In June 2010, an agreement was reached with the Trustees of the TP DB scheme to fund £34.7m of the funding deficit using a Group-controlled special purpose vehicle ("SPV"). The pension scheme is no longer in a funding deficit so in December 2024 the Trustees agreed to remove the SPV structure. The asset previously recognised as part of the TP DB scheme's assets and the Group's liability have both been derecognised as a result of this. The pension scheme continues to hold charges over certain of the properties previously held in the SPV structure.

The investment strategy for the UK schemes are controlled by the Trustee in consultation with the Company. The scheme assets do not include any of the Group's own financial instruments. In accordance with the schemes' derisked investment strategy, a high proportion of the largest two pension schemes' assets are invested in gilts and corporate bonds ("liability-driven investments").

All fair values are provided by the fund managers. Where available, the fair values are quoted prices (e.g. listed equity, sovereign debt and corporate bonds). Unlisted investments are included at values provided by the fund manager in accordance with relevant guidance. Other significant assets are valued based on observable inputs such as yield curves. The liability-driven investments, which comprise fixed-interest and index-linked gilts, futures, interest and inflation rate swaps, repurchase agreements and liquidity funds, are all daily priced and traded.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The Company and pension trustees are currently considering the implications of the case for the TP DB Scheme and the BSS DB scheme. The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered, and at this stage the directors do not consider it necessary to make any adjustments as a result of the Virgin Media case.

ii. Fair value of scheme assets

The major categories and fair values of scheme assets at the end of the reporting period for each category are as follows:

£m	At 31 December 2024	At 31 December 2023
Level 1:		
Cash	**71.8**	36.3
Level 2:		
Equities	**0.9**	0.8
Secured finance	**34.1**	37.9
Corporate bonds	**522.6**	510.5
Diversified growth fund	**1.4**	1.5
Liability driven investments	**876.6**	870.4
Repurchase agreements	**(633.8)**	(500.7)
Level 3:		
SPV asset	**–**	23.2
Secured finance income fund	**97.5**	117.0
	971.1	1,096.9

e. Defined contribution schemes

The Group operates two defined contribution schemes for all qualifying colleagues. The pension cost, which represents contributions payable by the Group, amounted to £19.0m in the year (2023: £19.9m).

f. Pension scheme contributions for the year

The total charge to the income statement disclosed in note 32 of £22.1m (2023: £21.9m) comprises defined benefit scheme current service costs of £3.1m (2023: £2.3m) and £19.0m (2023: £19.9m) of contributions payable to the defined contribution schemes.

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CAPITAL

19. Share capital and reserves

Accounting policy

Equity instruments represent the ordinary share capital of the Group and are recorded at the proceeds received, net of directly attributable incremental issue costs.

Consideration paid by the Group for its own shares is deducted from total shareholders' equity. Where such shares vest to colleagues under the terms of the Group's share incentive schemes or the Group's Sharesave schemes or are sold, any consideration received is included in shareholders' equity.

a. Share capital

	Authorised, issued and fully paid	
Ordinary shares	No.	£m
At 1 January and 31 December 2024	212,509,334	23.8

The Company has one class of ordinary share that carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

b. Own shares

No.	2024	2023
At 1 January	**1,668,682**	2,596,684
Reissued	**(476,499)**	(928,002)
At 31 December	**1,192,183**	1,668,682

The own shares are held by the Employee Share Ownership Trust to satisfy options under the Group's share option schemes. None of the own shares have been allocated to grants of executive options and all rights attaching to the shares are suspended until the shares are reissued.

c. Reserves

A description of the nature and purpose of each reserve is given below:

- The share premium represents the amounts above the nominal value received for shares sold.
- The cash flow hedge reserve represents the cumulative gain or loss on the fair value of effective hedging instruments used in cash flow hedges which have not yet been reclassified to profit or loss.
- The merger reserve represents the premium on equity instruments issued as consideration for the acquisition of BSS.
- The revaluation reserve represents the revaluation surplus that arose from property revaluations in 1999 and prior years.
- The own shares reserve represents the cost of shares purchased in the market and held by the Employee Share Ownership Trust to satisfy options under the Group's share option schemes.
- The foreign exchange reserve represents the exchange differences recognised on translation of the assets and liabilities of the operations that have a functional currency different from the Group.
- Other reserves relates to a capital redemption reserve arising as a result of the share buybacks and the subsequent cancellation of shares.
- Retained earnings represents cumulative results for the Group less cumulative dividends paid.

20. Earnings per share

a. Basic and diluted earnings per share

£m	2024	2023 (re-presented)
Profit/(loss) attributable to the owners of the parent		
– from continuing operations	**(40.6)**	89.5
– from discontinued operations	**(36.8)**	(51.4)
Weighted average number of shares for the purposes of basic earnings per share	**211,106,493**	210,530,726
Dilutive effect of share options on potential ordinary shares	**3,794,915**	3,616,786
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**214,901,408**	214,147,512
Earnings/(loss) per share		
– from continuing operations	**(19.2)p**	42.5p
– from discontinued operations	**(17.4)p**	(24.4)p
– total	**(36.6)p**	18.1p
Diluted earnings/(loss) per share		
– from continuing operations	**(19.2)p**	41.8p
– from discontinued operations	**(17.4)p**	(24.0)p
– total	**(36.6)p**	17.8p

A total of 159,768 share options (2023: 620,310 share options) had an exercise price in excess of the average market value of the shares during the year. As a result, these share options were excluded from the calculation of diluted earnings per share.

b. Adjusted earnings per share

Adjusted earnings per share is calculated by excluding the effect of adjusting items, the amortisation of acquired intangible assets from earnings and the loss from discontinued operations.

£m	2024	2023 (re-presented)
(Loss)/earnings for the purposes of earnings per share	**(77.4)**	38.1
Adjusting items	**139.1**	26.9
Amortisation of acquired intangible assets	**10.4**	10.5
Tax on adjusting items	**(29.0)**	(9.7)
Tax on amortisation of acquired intangible assets	**(2.6)**	(2.6)
Loss from discontinued operations	**36.8**	51.4
Earnings for adjusted earnings per share	**77.3**	114.6
Adjusted earnings per share	**36.6p**	54.4p

21. Dividends

Accounting policy

Dividends proposed by the Board of Directors and unpaid at the period end are not recognised in the financial statements until they have been approved by shareholders at the Annual General Meeting.

Amounts were recognised in the financial statements as distributions to equity shareholders as follows:

£m	2024	2023
Final dividend for the year ended 31 December 2023 of 5.5 pence (2022: 26.5 pence) per ordinary share	**11.6**	55.8
Interim dividend for the year ended 31 December 2024 of 5.5 pence (2023: 12.5 pence) per ordinary share	**11.6**	26.3
Total dividend recognised during the year	**23.2**	82.1

The Directors are recommending a final dividend of 9.0 pence in respect of the year ended 31 December 2024. The anticipated cash payment in respect of the proposed final dividend is £19.1m (2023: £11.7m).

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CAPITAL continued

22. Borrowings

Accounting policy

Interest-bearing bank loans and overdrafts, loan notes and other loans are recognised in the balance sheet at amortised cost. Finance charges associated with arranging non-equity funding are recognised in the income statement over the life of the facility. All other borrowing costs are recognised in the income statement in accordance with the effective interest rate method.

A summary of the Group's objectives, policies, procedures and strategies with regard to financial instruments and capital management can be found in the Strategic Report on page 24. At 31 December 2024, all borrowings were denominated in sterling (2023: sterling).

a. Summary

£m	2024	2023
Liability to pension scheme	–	24.6
Bonds	**250.0**	250.0
Term loan	**75.0**	75.0
Senior unsecured notes	**100.0**	100.0
Overdraft	**13.2**	–
Finance charges netted off borrowings	**(3.2)**	(4.5)
	435.0	445.1
Current liabilities	**13.2**	–
Non-current liabilities	**421.8**	445.1
	435.0	445.1

The Group's term loan, senior unsecured notes and committed revolving credit facility are subject to two financial covenants:

- Leverage: Net debt/Adjusted EBITDA < 4.0x.
- Interest cover: Adjusted operating profit/Net interest payable > 2.0x.

b. Analysis of other borrowings

£m	2024	2023
Borrowings repayable:		
On demand or within one year	**13.2**	–
More than one year, but not more than five years	**325.0**	325.0
More than five years	**100.0**	124.6
Gross borrowings	**438.2**	449.6
Unamortised fees	**(3.2)**	(4.5)
	435.0	445.1

c. Facilities

At 31 December 2024, the following facilities were available:

£m	2024	2023
Drawn facilities:		
£250m bond	**250.0**	250.0
£75m term loan	**75.0**	75.0
£100m senior unsecured notes	**100.0**	100.0
	425.0	425.0
Undrawn facilities:		
Five-year committed revolving credit facility	**375.0**	375.0
Bank overdrafts	**15.0**	15.0
	390.0	390.0

The disclosures in note 22(c) do not include leases or the effect of finance charges netted off bank debt.

The overdraft balance of £13.2m on 31 December 2024 formed part of the Group's notional cash pool and its aggregate cash position of £231.2m. The Group's £15.0m overdraft facility and the Group's £375.0m revolving credit facility were undrawn as at 31 December 2024.

d. Interest

The weighted average interest rates received on assets and paid on liabilities were as follows:

%	2024	2023
Assets:		
Short-term deposits	**5.0**	4.7
Liabilities:		
2026 £250m bond	**3.8**	3.8
£75m term loan	**4.6**	4.6
£100m senior unsecured notes	**6.2**	6.2
Bank loans and overdrafts	**6.0**	8.7

In respect of income earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date:

	2024		2023	
	Effective interest rate	**£m**	Effective interest rate	£m
Assets:				
Short-term deposits	**4.4%**	**200.0**	5.2%	101.5
Liabilities:				
2026 £250m bond	**3.8%**	**250.0**	3.8%	250.0
Term loan	**4.6%**	**75.0**	4.6%	75.0
Senior unsecured notes	**6.2%**	**100.0**	6.2%	100.0
		425.0		425.0

e. Fair values

The book values of financial assets and liabilities have been determined based on amortised cost. For the majority of these, the fair values are not materially different from their carrying amounts. Significant differences were identified for the Group's £250m of bonds as at 31 December 2024, where the assessed fair value based on quoted mid-market prices was £244.8m (2023: £250m of bonds with an assessed fair value of £236.9m).

Details of the fair values of derivatives are given in notes 27 and 28.

f. Guarantees and security

There are cross guarantees on the overdrafts between Group companies.

Travis Perkins Trading Company Limited, Travis Perkins (Properties) Limited, TP Property Company Limited, CCF Limited, Keyline Civils Specialist Limited, Toolstation Limited and The BSS Group Limited are guarantors of the following facilities advanced to Travis Perkins plc:

- £250m bond.
- £75m term loan.
- £100m senior unsecured notes.
- £375m revolving credit facility (2023: £375m).
- Currency derivatives (note 28).

The Group companies have entered into other guarantee and counter-indemnity arrangements in respect of guarantees issued in favour of Group companies by several banks amounting to approximately £31.8m (2023: £31.8m).

The interest rate swap is guaranteed by Travis Perkins Trading Company Limited, Travis Perkins (Properties) Limited, CCF Limited and Keyline Civils Specialist Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

CAPITAL CONTINUED

23. Net debt

Accounting policy

Cash and cash equivalents comprise cash balances and cash deposits with an original maturity of three months or less held by the Group and Company, net of overdrafts. The carrying amount of these assets approximates to their fair value.

Movement in net debt

Net debt is defined as the sum of current and non-current debt, less cash and cash equivalents.

£m	Cash and cash equivalents, including overdraft	Leases	Term loan	Senior unsecured notes	Liability to pension scheme	Total
At 1 January 2023	(223.2)	512.6	73.4	429.0	26.7	818.5
Additions to leases	–	185.5	–	–	–	185.5
Disposals of leases	–	(5.2)	–	–	–	(5.2)
Cash flow	91.7	(110.7)	–	(80.0)	(3.7)	(102.7)
Finance charges and fees	–	–	(1.9)	–	–	(1.9)
Discount unwind on liability to pension scheme	–	–	–	–	1.6	1.6
Discount unwind on lease liabilities	–	26.2	–	–	–	26.2
At 1 January 2024	**(131.5)**	**608.4**	**71.5**	**349.0**	**24.6**	**922.0**
Additions to leases	–	152.1	–	–	–	152.1
Disposals of leases	–	(8.6)	–	–	–	(8.6)
Cash flow	(99.7)	(127.4)	–	–	–	(227.1)
Finance charges and fees	–	–	0.9	0.4	–	1.3
Loan Settlement	–	–	–	–	(24.6)	(24.6)
Discount unwind on lease liabilities	–	30.1	–	–	–	30.1
31 December 2024	**(231.2)**	**654.6**	**72.4**	**349.4**	**-**	**845.2**

Cash and cash equivalents comprises short-term deposits of £200.0m (2023: £101.5m), cash of £44.4m (2023: £30.0m) and overdraft of £13.2m (2023: £nil). Net debt before lease liability was £190.6m (2023: £313.6m).

24. Cash flow metrics

a. Free cash flow

£m	2024	2023 (re-presented)
Adjusted operating profit	**151.8**	198.1
Less: Profit on disposal of properties	**(11.3)**	(15.1)
Adjusted operating profit excluding property profit	**140.5**	183.0
Share-based payments	**11.7**	14.6
Other net interest paid	**(19.5)**	(25.0)
Interest on lease liabilities	**(29.6)**	(25.6)
Income tax paid	**(20.9)**	(40.7)
Movement on working capital	**5.5**	(22.6)
Depreciation of property, plant and equipment	**79.8**	79.1
Amortisation and impairment of internally-generated intangibles	**3.6**	4.6
Capital expenditure excluding freehold purchases	**(63.8)**	(107.2)
Disposal of plant and equipment	**1.2**	2.0
Free cash flow	**108.5**	62.2

b. Cash conversion

£m	2024	2023 (re-presented)
Adjusted operating profit excluding property profit	**140.5**	183.0
Movement on working capital	**5.5**	(22.6)
Depreciation of property, plant and equipment	**79.8**	79.1
Amortisation and impairment of internally-generated intangibles	**3.6**	4.6
Share-based payments	**11.7**	14.6
Capital expenditure excluding freehold purchases	**(63.8)**	(107.2)
	177.3	151.5
Cash conversion	**126%**	83%

25. Net debt to adjusted EBITDA

Net debt to adjusted EBITDA is defined as the ratio of net debt (note 23) to earnings before interest, tax, depreciation, amortisation and adjusting items ("adjusted EBITDA") and is used in one of the Group's debt covenants.

£m	2024	2023
Operating profit	**2.3**	109.9
Depreciation and amortisation	**190.5**	186.5
Adjusting items	**139.1**	60.0
Adjusted EBITDA	**331.9**	356.4
Net debt	**845.2**	922.0
Net debt to adjusted EBITDA	**2.5x**	2.6x

In accordance with the Group's debt covenant definitions, the comparative year ended 31 December 2023 has not been re-presented for this APM to exclude the result of the Toolstation France business.

26. Return on capital ratios

Group return on capital employed is calculated as follows:

£m	2024	2023 (re-presented)
Operating profit	**2.3**	160.7
Amortisation of acquired intangible assets	**10.4**	10.5
Adjusting items	**139.1**	26.9
Adjusted operating profit	**151.8**	198.1
Opening net assets	**2,040.3**	2,102.2
Net pension surplus	**(75.5)**	(102.0)
Net debt	**922.0**	818.5
Opening capital employed	**2,886.8**	2,818.7
Closing net assets	**1,974.1**	2,040.3
Net pension surplus	**(87.7)**	(75.5)
Net debt	**845.2**	922.0
Closing capital employed	**2,731.6**	2,886.8
Average capital employed	**2,809.2**	2,852.8

Group return on capital employed is calculated as follows:

£m	2024	2023 (re-presented)
Adjusted operating profit	**151.8**	198.1
Average capital employed	**2,809.2**	2,852.8
Return on capital employed	**5.4%**	6.9%

RISK

27. Financial risk management

The overall aim of the Group's financial risk management policies is to minimise potential adverse effects on financial performance and net assets. The Group manages the principal financial and treasury risks within a framework of policies and operating parameters reviewed and approved annually by the Board of Directors. The Group does not enter into speculative transactions. The Group's risk management policy is further discussed on page 24. The Group's accounting policy for its cash flow hedges is set out in note 28.

a. Derivatives

During 2022 the Group obtained a 5-year term loan facility for £75m and at the same time entered into an equal interest rate swap arrangement to hedge the full variable component of the interest rate for the life of the instrument. The risk management objective is to hedge against the fair value of the variable interest rate element of the loan facility. The interest rate swap is a derivative measured at fair value and is designated in the hedging relationship in its entirety, therefore the hedging instrument is eligible for hedge accounting.

The Group has the following derivative financial instruments in the balance sheet:

£m	2024	2023
Non-current assets		
Interest rate swap – cash flow hedge	**3.3**	2.9
Total non-current derivative financial instrument assets	**3.3**	2.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

RISK continued

27. Financial risk management continued

a. Derivatives continued

The Group's hedging reserve relates to the following hedge instrument:

£m	Interest rate swaps
At 1 January 2023.	3.2
Change in fair value of hedging instrument recognised in OCI	(1.4)
Deferred tax	0.4
At 1 January 2024	2.2
Change in fair value of hedging instrument recognised in OCI	0.4
Deferred tax	(0.1)
At 31 December 2024	2.5

A net gain of £0.8m (2023: loss £0.2m) on foreign currency forwards not qualifying as hedges was recognised in the Group's profit and loss and included in other losses. Hedge effectiveness was determined at the inception of the swap arrangement and through prospective effectiveness assessments, to ensure that an economic relationship exists between the loan facility and the interest rate swap. As both the loan and interest rate swap have the same critical terms, with the value, term and payment timings aligned, there is no portion of the hedge which is considered to be ineffective.

Swaps currently in place cover 100% of the variable term loan principal outstanding. The fixed interest rate of the swap is 2.673%. The interest rate of the term loan consists of a variable element based on the Sterling Overnight Index Average ('SONIA') and a margin between 1.8% – 2.4%. The swap contracts require settlement of the net interest receivable or payable every 6 months and coincides with the dates on which payment is due on the underlying term loan.

The effects of the interest rate swaps of the Group's financial position and performance are as follows:

£m	2024	2023
Carrying amount (non-current assets)	**3.3**	2.9
Notional amount	**75.0**	75.0
Maturity date	**15 August 2027**	15 August 2027
Hedge ratio	**1:1**	1:1
Change in fair value of hedging instruments for the year	**0.4**	(1.4)
Weighted average hedged rate for the year	**5.1%**	4.6%

28. Financial instruments

Accounting policy

Investments and other financial assets classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income "FVOCI", or through profit or loss "FVTPL")
- Those to be measured at amortised cost

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTPL or at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in finance income or finance costs, together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the income statement.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains and losses in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in finance income or finance costs in the income statement as applicable. Impairment losses (and the reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

From 1 January 2018, the Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9 – Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to interest rate and foreign exchange risks arising from financing activities. The Group does not enter into speculative financial instruments. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for derivative trading purposes.

Derivative financial instruments are stated at fair value. The fair value of derivative financial instruments is the estimated amount the Group would receive or pay to transfer to a market participant the derivative at the balance sheet date, taking into account current interest and exchange rates and the current creditworthiness of the counterparties.

Where derivatives do not qualify for hedge accounting, any gains or losses on re-measurement are immediately recognised in the Statement of Comprehensive Income. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedge relationship and the items being hedged.

In order to qualify for hedge accounting, the Company is required to document from inception, the relationship between the item being hedged and the hedging instrument. The Company is also required to document and demonstrate an assessment of the relationship between the hedged item and the hedging instrument, which shows that the hedge will be highly effective on an on-going basis. This effectiveness testing is performed at each reporting date to ensure that the hedge remains highly effective.

Derivative financial instruments are classified as cash flow hedges when they hedge the Company's exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecasted transaction. The effective element of any gain or loss from re-measuring the derivative instrument is recognised directly in equity.

The associated cumulative gain or loss is removed from equity and recognised in the Statement of Comprehensive Income in the same period during which the hedged transaction affects the Statement of Comprehensive Income. The classification of the effective portion when recognised in the Statement of Comprehensive Income is the same as the classification of the hedged transaction. Any element of the re-measurement criteria of the derivative instrument which does not meet the criteria for an effective hedge is recognised immediately in the Statement of Comprehensive income.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting or is de-designated. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs or the original hedged item affects the Statement of Comprehensive Income. If a forecasted hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the Statement of Comprehensive Income.

Foreign currency forward contracts are marked-to-market at the balance sheet date, with any gains or losses being taken through the income statement. Derivatives embedded in commercial contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the underlying contracts, with unrealised gains or losses being reported in the income statement.

a. The carrying value of categories of financial instruments

£m	2024	2023
Financial assets:		
Mandatorily at FVTPL	**0.5**	–
Loans and receivables (including cash and cash equivalents) at amortised cost	**911.3**	786.3
Designated instrument-by-instrument as either FVTPL or FVOCI	**3.3**	2.9
	915.1	789.2
Financial liabilities:		
Mandatorily at FVTPL	**–**	0.4
Borrowings at amortised cost	**435.0**	445.1
Trade and other payables (including overdrafts) at amortised cost	**625.7**	653.2
	1,060.7	1,098.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

RISK CONTINUED

28. Financial instruments continued

a. The carrying value of categories of financial instruments continued

Loans and receivables exclude prepayments of £80.4m (2023: £34.8m). Trade and other payables exclude taxation and social security and accruals and deferred income totalling £212.5m (2023: £142.2m). The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk. The Group has considered the impact of credit risk on its financial instruments and because the counterparties are banks with strong credit ratings considers its impact to be immaterial. The issuer credit ratings of the banks where the Group's deposits are held ranges from A to AA- (S&P), A1 to Aa2 (Moody's), and A to AA- (Fitch).

b. Fair value of financial instruments

Financial assets and financial liabilities designated as FVTPL comprise foreign currency forward contracts and are measured using quoted forward exchange rates.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the year.

£m	2024	2023
Included in assets:		
Level 2: Foreign currency forward contracts at fair value through profit and loss	**0.5**	–
Level 2: Interest rate swap	**3.3**	2.9
Included in liabilities:		
Level 2: Foreign currency forward contracts at fair value through profit and loss	**–**	(0.4)

c. Interest risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts and forward interest rate contracts when appropriate. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through different interest rate cycles.

In 2022 the Group entered into an interest rate swap arrangement to hedge the variable interest rate risk on a £75m 5-year loan facility. The risk management objective is to hedge against the fair value of the variable interest rate element of the loan facility. The interest rate swap is a derivative measured at fair value and is designated in the hedging relationship in its entirety.

d. Currency forward contracts

The Group acquires goods for sale from overseas which, when not denominated in sterling, are paid for principally in US dollars and euros. The Group has entered into forward foreign exchange contracts (all of which are less than one year in duration) to buy US dollars and euros to hedge the exchange rate risk arising from these anticipated future purchases. At the balance sheet date the total notional value of contracts to which the Group was committed was €nil and US$24.0m (2023: €6.0m and US$21.5m). The fair value of these derivatives was £0.5m asset (2023: £0.4m liability). These contracts are not designated cash flow hedges and accordingly the fair value movement has been reflected in the income statement.

e. Interest rate sensitivity analysis

A sensitivity analysis has been determined based on the exposure to interest rates for both derivatives and non-derivative financial instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming that the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 1.0% increase or decrease is used when reporting interest rate risk internally to key management personnel.

At 31 December 2024 the Group had no floating rate liabilities except for its £75m 5-year term loan facility for which the Group entered into an interest rate swap arrangement to hedge the full variable component of the interest rate for the life of the instrument. There was £200m on short-term deposit at 31 December 2024 (2023: £101.5m). A 1.0% increase or decrease in interest rates, with all other variables held constant, would have the following impact on:

- Profit before taxation for the year ended 31 December 2024 would have increased or decreased by £2.0m (2023: increased or decreased by £1.0m) due to the short-term deposits.
- Net equity would have increased or decreased by £1.5m (2023: increased or decreased by £0.8m).

f. Liquidity analysis

The following table details the Group's liquidity analysis for its derivative financial instruments and other financial liabilities. The table has been drawn up based on the undiscounted net cash flows on the derivative instruments that settle on a net basis and the undiscounted gross cash flows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest and foreign currency rates as illustrated by the yield curves existing at the reporting date.

	2024				
£m	**0–1 year**	**1–2 years**	**2–5 years**	**5+ years**	**Total**
Total gross settled: Foreign exchange forward contracts	**(18.7)**	**–**	**–**	**–**	**(18.7)**
Total net settled: Interest rate swap – cash flow hedge	**1.1**	**0.9**	**0.7**	**–**	**2.7**
Total derivative financial instruments	**(17.6)**	**0.9**	**0.7**	**–**	**(16.0)**
Net settled:					
Borrowings	**(30.6)**	**(270.6)**	**(132.7)**	**(72.2)**	**(506.1)**
Trade and other payables at amortised cost	**(625.7)**	**–**	**–**	**–**	**(625.7)**
Leases	**(119.9)**	**(208.0)**	**(161.3)**	**(336.2)**	**(825.4)**
Total financial instruments	**(776.2)**	**(478.6)**	**(294.0)**	**(408.4)**	**(1,957.2)**

	2023				
£m	0–1 year	1–2 years	2–5 years	5+ years	Total
Total gross settled: Foreign exchange forward contracts	(22.9)	–	–	–	(22.9)
Total net settled: Interest rate swap – cash flow hedge	1.9	1.9	3.1	–	6.9
Total derivative financial instruments	(21.0)	1.9	3.1	–	(16.0)
Net settled:					
Borrowings	(24.9)	(24.9)	(366.2)	(143.9)	(559.9)
Trade and other payables at amortised cost	(653.2)	–	–	–	(653.2)
Leases	(108.9)	(101.1)	(237.8)	(316.6)	(764.4)
Total financial instruments	(787.0)	(126.0)	(604.0)	(460.5)	(1,977.5)

29. Impairment

Accounting policy

Impairment of tangible and intangible assets

The carrying amounts of the Group's tangible and intangible assets with a definite useful life are reviewed at each balance sheet date to determine whether there is any indication of impairment to their value. If such an indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. The Group's CGUs are the branches of its Merchanting and Toolstation businesses and the Staircraft business. The recoverable amount of an asset is the greater of its fair value less disposal cost and its value-in-use (the present value of the future cash flows that the asset is expected to generate). In determining value in use the present value of future cash flows is discounted using a pre-tax discount rate that reflects current market assessments of the time-value of money in relation to the period of the investment and the risks specific to the asset concerned.

Where the carrying value exceeds the recoverable amount a provision for the impairment loss is established with a charge being made to the income statement. When the reasons for an impairment no longer exist the impairment is reversed in the income statement up to the net book value that the relevant asset would have had if it had not been impaired and if it had been depreciated, except in respect of goodwill for which impairments are not reversed.

For intangible assets that have an indefinite useful life the recoverable amount is estimated on an annual basis.

a. Measuring recoverable amounts

The recoverable amounts of the goodwill and other non-monetary assets with indefinite useful lives are determined for all CGUs and CGU groupings from value-in-use calculations, except for the Toolstation Benelux CGU grouping and the Staircraft CGU, where fair value less cost of disposal ("FVLCD") calculations have been used. The Toolstation Benelux FVLCD model is a discounted cash flow model and the Staircraft FVLCD model is an EBITDA multiple model. The different FVLCD methods for Toolstation Benelux and Staircraft reflect Toolstation Benelux being a high-growth loss-making business and Staircraft being a relatively mature business. The valuations are considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

The key financial assumptions for the value-in-use models and the Toolstation Benelux discounted cash flow model are those regarding the discount rate and the terminal growth rate. The key operating assumptions for these models are sales growth and operating margin percentage. The key assumption for the Staircraft CGU calculation is that a market participant would use an EBITDA multiple of 8x. Management estimates pre-tax discount rates that reflect current market assessments of the time-value of money and the risks specific to the CGU groupings that are not reflected in the cash flow projections.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

RISK CONTINUED

29. Impairment continued

In developing these assumptions, management has considered the possible impacts of climate risks. This has included consideration of the impact of climate risks on the Group's required capital expenditure, on energy costs directly in the business and the supply chain and the impact of the changes on the Group's markets and customers.

Key financial assumptions

The key financial assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key financial assumptions represent management's assessment of current market conditions and future trends and have been based on historical data from both external and internal sources.

	2024	2023
Pre-tax discount rate	**11.7% – 12.9%**	12.1% – 13.3%
Terminal growth rate	**1.6% – 2.0%**	2.0%

The pre-tax discount rate used in the estimation of the recoverable amount for the Travis Perkins General Merchant and CCF CGU groupings was 12.9% and for the Toolstation Benelux CGU grouping was 11.7%.

Management determined the values assigned to these financial assumptions as follows:

- Pre-tax discount rates: These are calculated by reference to the weighted average cost of capital ("WACC") of the Group and reflect specific risks relating to the Group's industries and the countries in which the Group operates. The pre-tax discount rate is adjusted for risks not adjusted for in the cash flow forecasts, including risks related to the industry of each CGU.
- Terminal growth rate: This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. For the UK CGUs, this represents the forecast inflation growth for the final year considered in the Bank of England's long-term inflation target. For Toolstation Benelux, this represents the GDP growth forecast for the Netherlands in the final available forecast year in the IMF's World Economic Outlook Database.

Key operating assumptions

Cash flow forecasts are derived from the most recent Board-approved strategic plans, updated for changes in current trading conditions and adjusted for risks relevant to the cash flows. The key operating assumptions used in the estimation of future cash flows for the UK CGUs and CGU groupings are:

- Sales growth rates on which the approved corporate plans are based and which are derived from a variety of sources that provide market volume forecasts, including construction and consumer outlook reports, current and forecast housing-market transaction numbers and mortgage-approval levels. The Directors consider this to be the principal operating assumption as it determines management's approach to the interlinked factors underlying the operating margin percentage.
- Operating margin percentages are forecast in the context of the sales growth assumptions and are based on historical experience of operating margins, adjusted for the impact of changes to product costs and cost-saving initiatives.

For the less-mature Toolstation Benelux CGU grouping, the key operating assumption is future sales growth. This assumption is set in the context of the store opening profile and historical data from the Toolstation UK and Toolstation Benelux businesses on the store maturity profile.

Cash flows beyond the strategic plan periods (2029 and beyond for the UK CGUs and 2030 and beyond for the Toolstation Benelux CGU) have been determined using the terminal growth rate. The longer period used in the FVLCD model for the Toolstation Benelux CGU is consistent with market practice for valuing high-growth loss-making businesses. Corporate costs are allocated to CGUs on a pro-rata basis per each CGU's sales.

Results

The recoverable amount of goodwill and intangible assets with indefinite useful lives was in excess of their book value in all CGUs and CGU groupings and therefore no impairments have been recognised in respect of these CGUs and CGU groupings, except for the Staircraft CGU in respect of which a £32.7m impairment charge has been recognised.

Indications of impairment were identified for some Merchanting branches, each of which is a CGU, and as a result of the impairment reviews performed for these branches an impairment charge of £62.7m has been recognised, principally in respect of certain Travis Perkins General Merchant and CCF branches. All these impairments relate to the Merchanting segment. The annual impairment reviews for branches in the Group's other businesses did not result in any impairments.

In 2023 an impairment charge of £33.1m was recognised in respect of the Toolstation France CGU grouping and of £7.6m in respect of certain Benchmarx branches.

There are no reasonably possible changes in the key assumptions used in the impairment reviews that would cause the recoverable amounts to be lower than the carrying amounts except in respect of the Toolstation Benelux, Travis Perkins General Merchant and CCF CGU groupings. Sensitivity disclosures are provided for these CGU groupings.

Staircraft impairment

Following the annual impairment review of goodwill and intangible assets, an impairment of £32.7m has been recognised in respect of the Staircraft CGU. Trading conditions in its market have been challenging and as a consequence a lower EBITDA figure has been used in the FVLCD calculation. This impairment charge relates to £1.9m of right-of-use assets, £3.6m of tangible fixed assets, £23.8m of goodwill and £3.4m of other acquisition-related intangible fixed assets. The recoverable amount of these fixed assets relating to the Staircraft business is now £22.0m. There are no reasonably possible changes in the assumptions used in this impairment review that would result in a materially different impairment charge.

Branch impairments

The impairment reviews for branches in the Merchanting businesses have resulted in an impairment charge of £62.7m being recognised. This charge consists of £49.5m in respect of Travis Perkins General Merchant branches, £7.5m in respect of CCF branches and £5.7m in respect of other Merchanting CGUs. It reflects the challenging trading conditions and extended period of low market volumes in the UK construction sector. The impairment charge relates to £26.7m of right-of-use assets and £36.0m of tangible fixed assets. The remaining carrying value of assets related to the branches subject to an impairment charge is £308.7m.

Sensitivity disclosures

The recoverable amounts calculated in the impairment reviews of the Travis Perkins General Merchant, CCF and Toolstation Benelux CGU groupings exceeded the carrying amounts as below.

	Carrying amount	Headroom
Travis Perkins General Merchant	**1,188.4**	**182.5**
CCF	**113.1**	**46.8**
Toolstation Benelux	**126.1**	**25.4**

Whilst the Directors believe the assumptions are realistic, there are reasonably possible changes in the key assumptions that would cause the recoverable amounts of these CGUs to be lower than the carrying amounts. The key variables applied to the value-in-use calculations for Travis Perkins General Merchant and CCF and the fair value less cost of disposal calculation for Toolstation Benelux, and the value at which the recoverable amount would be equal to the carrying amount for each CGU, were:

	Travis Perkins General Merchant		CCF		Toolstation Benelux	
	Assumption	Sensitivity	Assumption	Sensitivity	Assumption	Sensitivity
Pre-tax discount rate	12.9%	14.5%	12.9%	16.7%	11.7%	13.2%
Average sales growth	3.5%	3.3%	7.4%	7.2%	13.8%	12.4%
Operating margin	6.0%	4.9%	3.3%	2.3%	n/a	n/a

The average sales growth assumptions, which are compound annual growth rates, reflect an expectation that the significant reduction in construction market volumes in the UK and in the Netherlands since 2021 will be partially reversed over the forecast period. The operating margin figure disclosed is for the terminal year of the relevant model. The models are not sensitive to reasonably possible changes to the operating margin in years other than the terminal year. These impairment reviews are not sensitive to reasonably possible changes to the terminal growth rate. All other variables have been held equal.

There are no reasonably possible changes in the assumptions used in the impairment reviews of Staircraft and the Merchanting branches that would result in a materially different impairment charge.

Key estimates over assumptions used in value-in-use calculations

In testing for impairment, the recoverable amount of the Toolstation Benelux CGU has been determined by reference to the FVLCD of the CGU grouping. The recoverable amounts of the Travis Perkins General Merchant and CCF CGU groupings have been determined by reference to their value-in-use. In producing these estimates, the Directors have made certain estimates concerning discount rates, future cash flows and the future development of the businesses that are consistent with the 2024 strategic plans and the businesses' 2025 budgets. Whilst the Directors consider the assumptions to be realistic, should actual results, including those for future sales growth, be different from expectations, for instance due to a worsening of the British economy (or the Dutch or Belgian economy in the case of the Toolstation Benelux CGU), then it is possible that the value of goodwill and other intangible and tangible assets included in the balance sheet could become impaired or the impairment charge could be different. The range of reasonably possible outcomes includes the impairment charges detailed in the scenarios in the table below.

CGU or CGU grouping	**Carrying value of assets (£m)**	**Reasonably possible scenario**	**Impairment charge in the scenario (£m)**
Toolstation Benelux	126.1	Pre-tax discount rate is 100bps higher and sales are cumulatively 10% lower over the period of the modelled cash flows	18.2
Travis Perkins General Merchant	1,188.4	Post-tax discount rate is 100bps higher, sales are up to 5% lower during the period of the modelled cash flows and the operating margin in the terminal year is 50bps lower	99.3
CCF	113.1		1.0

30. Capital commitments

£m	**2024**	2023
Contracted for but not provided in the accounts	**26.4**	9.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
For the year ended 31 December 2024

RISK CONTINUED

31. Business combinations and disposals

Accounting policy

All business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary comprises the:

- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interests issued by the Group
- Fair value of any asset or liability resulting from a contingent consideration arrangement
- Fair value of any pre-existing equity interest in the subsidiary

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 – Business Combinations are recognised at their fair value at the acquisition date except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 – Income Taxes and IAS 19 – Employee Benefits respectively
- Liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 – Share-based Payments

Liabilities for contingent consideration are classified as fair value through profit and loss.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred. Where a business combination is achieved in stages, the Group's previously-held interest in the acquired entity is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in the income statement.

PEOPLE

32. Staff costs

a. Average number of persons employed

The average monthly number of persons employed (including Executive Directors):

No.	2024	2023
Sales and distribution	**16,243**	17,703
Administration	**1,351**	1,469
	17,594	19,172

The average monthly number of persons employed (including Executive Directors) in 2023 excluding the discontinued operations was 18,831.

b. Aggregate remuneration

£m	2024	2023 (re-presented)
Wages and salaries	**565.1**	576.5
Social security costs	**52.5**	55.5
Pension costs (note 18)	**22.1**	21.9
Share-based payments (note 33)	**11.7**	14.6
	651.4	668.5

Director's remuneration, including pension contributions and Long-Term Incentive plan awards, is set out in the Single Total Figure of Remuneration table in the Directors' Remuneration report on pages 101 to 102.

The total amounts received or receivable by Directors under long-term incentive schemes in respect of qualifying service in the year is £1,000 (2023: £81,000). The aggregate of gains made by the Directors in the year on the exercise of share options equated to £nil (2023: £nil). Details with respect to share options exercised in the year are set out on page 109.

33. Share-based payments

Accounting policy

The Group issues equity-settled share-based payments to colleagues: long-term incentives, executive share options and Save As You Earn ("SAYE"). These payments are measured at fair value at the date of grant using the Black-Scholes option-pricing model taking into account the terms and conditions upon which the options were granted. The cost of equity-settled awards is recognised on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest.

a. Fair value of options

The Black-Scholes option-pricing model is used to calculate the fair value of the options and the amount to be expensed. The probability of the performance conditions being achieved was included in the fair-value calculations. The inputs into the model for options granted in the year expressed as weighted averages are as follows:

	2024		2023	
	SAYE	Nil-price options	SAYE	Nil-price options
Share price at grant date (pence)	**729.0**	**729.0**	828.6	828.6
Option exercise price (pence)	**724.0**	**–**	690.0	–
Volatility (%)	**32.4%**	**37.7%**	35.6%	40.4%
Option life (years)	**3.3**	**2.6**	3.4	3.0
Risk-free interest rate (%)	**4.0%**	**4.4%**	4.4%	3.4%
Expected dividends as a dividend yield (%)	**2.1%**	**3.3%**	4.4%	4.0%

Volatility is based on historic share prices over a period equal to the vesting period. Option life used in the model has been based on options being exercised in accordance with historical patterns. For executive share options the vesting period is three years.

If options remain unexercised after a period of ten years from the date of grant, these options expire. Options are forfeited if the colleague leaves the Group before options vest. SAYE options vest after three or five years and expire three and a half or five and a half years after the date of grant.

The risk-free interest rate of return is the yield on zero-coupon UK Government bonds on a term consistent with the vesting period. Dividends used are based on actual dividends where data is known and future dividends estimated using a dividend cover of three times (within the Board's target range).

The expected life of options used in the model has been adjusted, based upon management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations.

There are no cash-settled share schemes. All share schemes are equity-settled.

b. Income statement charge and shares granted

A description of the share schemes operated by the Group is contained in the remuneration report on page 90. The estimated fair values of the shares under option granted under the Group's share schemes in 2024 are as follows:

Share scheme	Grant date	Fair value for the Group £m
Restricted Share Plan (nil-price options)	16 April 2024	5.5
Buyout Award	25 April 2024	1.0
Restricted Share Plan (nil-price options)	16 September 2024	1.4
Save As You Earn	26 September 2024	3.6

c. Share options for the Group

The number and weighted average exercise price of share options is as follows:

	The Group					
	2024			2023		
In thousands of options	Weighted average exercise price (pence)	Number of options	Number of nil price options	Weighted average exercise price (pence)	Number of options	Number of nil price options
Outstanding at the beginning of the year	**527**	**5,132**	**2,229**	823	5,276	2,568
Forfeited during the year	**542**	**(1,644)**	**(481)**	652	(2,649)	(279)
Exercised during the year	**706**	**(19)**	**(458)**	747	(4)	(925)
Granted during the year	**724**	**1,040**	**1,066**	690	2,509	865
Outstanding at the end of the year	**474**	**4,509**	**2,356**	527	5,132	2,229
Exercisable at the end of the year	**547**	**39**	**75**	352	201	417

The weighted-average share price on the date of exercise of options exercised in the period was 896 pence (2023: 921 pence).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

PEOPLE continued

33. Share-based payment continued

Details of the options outstanding at 31 December are as follows:

	2024			2023		
	Executive options	**SAYE**	**Nil price options**	Executive options	SAYE	Nil price options
Range of exercise prices (pence)	**898 – 1,958.0**	**690 – 1,411.0**	**–**	898 – 1,958	690 – 1,411	–
Weighted average exercise price (pence)	**1,304**	**717**	**–**	1,328	749	–
Number of shares (thousands)	**14**	**4,530**	**2,349**	3	5,132	2,226
Weighted average expected remaining life (years)	**–**	**2.1**	**1.6**	–	2.7	1.8
Weighted average contractual remaining life (years)	**–**	**2.6**	**11.6**	–	3.2	8.6

d. Impact of vesting and exercise

If all SAYE shares are acquired on the first possible day, 4.5m of shares will be issued for a consideration of £32.1m in the years below:

	2025		2026		2027		2028		2029	
	No. m	£m	No. m	£m	No. m	£m	No. m	£m	No. m	£m
Options	0.5	0.0	0.6	0.0	0.8	0.0	0.1	0.0	0.0	0.0
SAYE	1.5	10.5	1.4	9.9	1.1	8.2	0.4	2.6	0.1	0.9

The table above shows theoretical amounts. For the Group to receive the cash indicated in the periods shown, the following must occur:

- All performance conditions on executive share options must be fully met.
- Options must be exercised on the day they vest (option holders generally have a seven year period post vesting to exercise the option).
- The share price at the exercise date for SAYE options must exceed the exercise price and every holder must exercise.
- All option/SAYE holders must remain with the Group, or leave on good terms.

If none of the requirements are met then the Group will receive no consideration.

34. Key management personnel

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 – Related Party Disclosures.

£m	**2024**	2023
Short-term employee benefits	**10.9**	9.9
Post-employment benefits	**0.5**	0.5
Share-based payments	**3.8**	5.2
	15.2	15.6

35. Related party transactions

The Group has a related party relationship with its subsidiaries, its Directors and with its pension schemes (note 18). Transactions between Group companies, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

OTHER

36. Impact of new standards and interpretations

A number of new or amended standards became applicable for the current reporting period and as a result the Group has applied the following standards:

- Classification of liabilities as current or non-current, and non-current Liabilities with covenants (amendments to IAS 1 – presentation of Financial Statements).
- Lease liability in a sale-and-leaseback (amendments to IFRS 16 – Leases).
- Supplier finance arrangements (amendment to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures).

The above requirements did not have a material impact on the Group and have been adopted without restating comparatives.

At the date of the approval of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue, but not yet effective:

- IFRS 18 – Presentation and disclosure in financial statements.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures.
- Amendments to IAS 21 – Lack of exchangeability.
- Annual improvements to IFRS – Volume 11
- Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments and contracts referencing nature-dependent electricity

Based on their initial assessment, the Directors anticipate that adoption of these standards and interpretations in future periods will not have a material impact on the financial statements of the Group.

COMPANY BALANCE SHEET

As at 31 December 2024

£m	Notes	2024	2023
Assets			
Non-current assets			
Tangible assets		**–**	0.1
Investment in subsidiaries	2	**2,416.7**	1,921.9
Derivative financial instruments	9	**3.8**	2.9
Total non-current assets		**2,420.5**	1,924.9
Current assets			
Debtors	4	**200.5**	644.0
Cash and cash equivalents, excluding bank overdrafts		**201.1**	108.9
Total current assets		**401.6**	752.9
Total assets		**2,822.1**	2,677.8
Equity and liabilities			
Capital and reserves			
Issued capital		**23.8**	23.8
Share premium account		**545.6**	545.6
Cash flow hedge reserve		**2.5**	2.9
Merger reserve		**326.5**	326.5
Own shares		**(7.2)**	(14.1)
Other reserves		**1.4**	1.4
Accumulated profits		**1,269.6**	1,317.2
Total equity	5	**2,162.2**	2,203.3
Non-current liabilities			
Interest-bearing loans and borrowings	6	**421.8**	420.5
Total non-current liabilities		**421.8**	420.5

£m	Notes	2024	2023
Current liabilities			
Interest-bearing loans and borrowings	6	**13.2**	–
Derivative financial instruments	9	**–**	0.4
Amounts due to subsidiaries	7	**209.2**	36.1
Other creditors	10	**15.7**	17.5
Total current liabilities		**238.1**	54.0
Total liabilities		**659.9**	474.5
Total equity and liabilities		**2,822.1**	2,677.8

The Company's profit for the year was £28.8m (2023: £297.1m), and total comprehensive income for the year was £28.5m (2023: £295.7m).

The accompanying notes form an integral part of these financial statements.

The financial statements of Travis Perkins plc, registered number 824821, were approved by the Board of Directors on 31 March 2025 and signed on its behalf by:

Geoff Drabble
Chair

Duncan Cooper
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

£m	Share capital	Share premium	Merger reserve	Hedging reserve	Own shares	Other	Retained earnings	Total equity
At 1 January 2023	23.8	545.6	326.5	4.3	(34.3)	1.4	1,107.8	1,975.1
Profit and total comprehensive income for the year	–	–	–	(1.4)	–	–	297.1	295.7
Dividends	–	–	–	–	–	–	(82.1)	(82.1)
Own shares movement	–	–	–	–	20.2	–	(20.2)	–
Equity-settled share-based payments net of tax	–	–	–	–	–	–	14.6	14.6
At 31 December 2023	**23.8**	**545.6**	**326.5**	**2.9**	**(14.1)**	**1.4**	**1,317.2**	**2,203.3**
Profit and total comprehensive income for the year	**–**	**–**	**–**	**0.3**	**–**	**–**	**(28.8)**	**(28.5)**
Dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(23.2)**	**(23.2)**
Sale of own shares	**–**	**–**	**–**	**–**	**0.1**	**–**	**–**	**0.1**
Own shares movement	**–**	**–**	**–**	**–**	**6.8**	**–**	**(6.8)**	**–**
Equity-settled share-based payments net of tax	**–**	**–**	**–**	**–**	**–**	**–**	**11.7**	**11.7**
Exercise of options over non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**(1.2)**	**(1.2)**
Reclassifications	**–**	**–**	**–**	**(0.7)**	**–**	**–**	**0.7**	**–**
At 31 December 2024	**23.8**	**545.6**	**326.5**	**2.5**	**(7.2)**	**1.4**	**1,269.6**	**2,162.2**

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

For the year ended 31 December 2024

GENERAL INFORMATION

Overview

Travis Perkins plc is the ultimate parent of the Travis Perkins plc Group ("the Group"). The nature of the Group's operations and its principal activities are set out in the Strategic report on pages 2 to 70. The Company is incorporated and is domiciled in the United Kingdom as a public limited company under the Companies Act 2006. The address of the registered office is Lodge Way House, Lodge Way, Harlestone Road, Northampton NN5 7UG.

These financial statements are presented in pounds sterling, the currency of the primary economic environment in which the Group operates.

Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 and as such these financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

As permitted by section 408 of the Companies Act 2006, the income statement of the Company has not been presented.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of IFRS 2 "Share-based Payment" in respect of Group settled share-based payments;
- The requirements of IFRS 7 "Financial Instruments: Disclosures".
- The requirements of paragraphs 91 to 99 of IFRS 13 "Fair Value Measurement".
- The requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of paragraph 79(a)(iv) of IAS 1.
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 "Presentation of Financial Statements".
- The requirements of IAS 7 "Statement of Cash Flows".
- The requirements of paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Error".
- The requirements of paragraphs 17 and 18A of IAS 24 "Related Party Disclosures".
- The requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 - Impairment of Assets.

Where required, equivalent disclosures are given in the consolidated financial statements of Travis Perkins plc.

Basis of preparation

The financial statements have been prepared on the historical cost basis, except that derivative and other financial instruments and contingent consideration arising from business combinations are stated at fair value through profit and loss and also designated financial instruments are stated at fair value through other comprehensive income.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates ruling on the date of the transaction.

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Going concern

After reviewing the Group's forecasts and risk assessments and making other enquiries, the Board has formed the judgement at the time of approving the financial statements that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the 12 months from the date of signing this Annual Report and Accounts. For this reason the Board continues to adopt the going concern basis in preparing the financial statements.

In arriving at their opinion the Directors considered:

- The Group's cash flow forecasts and revenue projections.
- The impact on trading performance of severe but plausible downside scenarios. Key assumptions include significant reductions in revenue, removal of property profits and limited reductions in fixed overheads, as well as mitigating actions such as delayed capital expenditure, reduced overhead investment and dividend suspension.
- The committed debt facilities available to the Group and the covenants thereon.
- The Group's debt maturity profile and the successful issuance of £125m of new debt in March 2025.
- The Group's robust policy towards liquidity and cash flow management.
- The Group's ability to successfully manage the principal risk and uncertainties outlined on pages 59 to 69 during periods of uncertain economic outlook and challenging macroeconomic conditions.

The downside scenarios tested, outlining the impact of severe but plausible adverse scenarios based on a severe recession and housing market weakness, show that there is sufficient headroom for liquidity and covenant compliance purposes for at least the next 12 months from the date of approval of these financial statements.

Significant accounting policies

The principal accounting policies adopted in preparing the financial statements are provided throughout the notes to the financial statements.

Standards issued but not yet effective

New standards, amendments and interpretations which are in issue but not yet effective are not expected to have a material impact on the Company's financial statements.

1. Income statements disclosures

The audit fee for the Company and the consolidated financial statements is disclosed in note 4(b) of the Group consolidated financial statements. Fees payable to KPMG LLP for audit and non-audit services to the Company are not required to be disclosed because the Group financial statements disclose such fees on a consolidated basis. Details of the Company's policy on the use of auditors for non-audit services, the reasons why the auditor was used rather than another supplier and how the auditor's independence and objectivity were safeguarded are set out in the Audit Committee Report

Staff costs (including Directors):

£m	2024	2023
Wages and salaries	**5.7**	6.5
Social security costs	**0.7**	0.9
Other pension costs	**0.2**	0.2
Share-based payments (note 12)	**4.3**	5.4
	10.9	13.0

The average monthly number of persons employed including Directors during the year was 50 (2023: 51).

2. Investments in subsidiaries

Accounting policy

Investments in subsidiaries are carried at cost less impairment.

£m	2024	2023
Cost		
At 1 January	**3,147.8**	3,003.6
Additions	**494.8**	144.2
At 31 December	**3,642.6**	3,147.8
Provision for impairment		
At 1 January	**(1,225.9)**	(1,135.0)
Impairment charge	**–**	(90.9)
At 31 December	**(1,225.9)**	(1,225.9)
Net book value at 31 December	**2,416.7**	1,921.9

The additions to investments in 2024 represent the capitalisation of intercompany loans as part of the Group's ongoing project to simplify its legal structure.

The impairment charge in 2023 relates to the Company's investment in Travis Perkins Finance Company Limited and followed the payment of intercompany dividends in 2023 which resulted in a reduction in the subsidiary's net assets below the carrying amount of the investment held by the Company. Accordingly an impairment loss was recognised.

As the carrying amount of the net assets of the Company was more than its market capitalisation as at 31 December 2024, the Directors have carried out an impairment review of the Company's investments and concluded that the investments are not impaired. The investment balance principally relates to the Company's investment in Travis Perkins Group Holdings Limited, which indirectly holds all of the Group's operating businesses.

A full listing of all related undertakings is provided in note 11.

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

3. Deferred tax

£m (Asset)/liability:	At 1 Jan 2024	Recognised in income	Recognised in equity	Recognised in other comprehensive income	At 31 Dec 2024
Share-based payments	(2.0)	0.6	(0.1)	–	(1.5)
Cash flow hedge	0.7	–	–	0.1	0.8
Other timing differences	(0.2)	–	–	–	(0.2)
	(1.5)	0.6	(0.1)	0.1	(0.9)

£m (Asset)/liability:	At 1 Jan 2023	Recognised in income	Recognised in equity	Recognised in other comprehensive income
Share-based payments	(0.7)	(1.3)	–	–
Cash flow hedge	1.1	–	–	(0.4)
Other timing differences	(0.3)	0.1	–	–
	0.1	(1.2)	–	(0.4)

4. Debtors

Accounting policy

Debtors are originally recognised at fair value. Subsequent to the initial recognition they are measured at amortised cost using the effective interest rate method.

£m	2024	2023
Current:		
Amounts owed by subsidiaries	155.9	572.4
Other financial assets – loan notes	1.7	1.7
Other debtors	42.9	69.9
	200.5	644.0

Amounts owed by subsidiaries include loans and other balances. The loans are interest-free and repayable on demand.

5. Share capital and reserves

Accounting policy

Equity instruments represent the ordinary share capital of the Company and are recorded at the proceeds received, net of directly attributable incremental issue costs.

a. Share capital

Ordinary shares of 11.2p (authorised, issued and fully paid)	No.	£m
At 1 January and December 2024	212,509,334	23.8

The Company has one class of ordinary share that carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. See Group note 19 for the explanation of movements in share capital and own shares.

b. Own shares

	2024	2023
At 1 January	1,668,682	2,596,684
Reissued	(476,499)	(928,002)
At 31 December	1,192,183	1,668,682

The own shares held by the Employee Share Ownership Trust are to satisfy options under the Group's share option schemes. None of the own shares have been allocated to grants of executive options and all rights attaching to the shares are suspended until the shares are reissued.

c. Reserves

A description of the nature and purpose of each reserve is given below:

- The share premium represents the amounts above the nominal value received for shares sold.
- The cash flow hedge reserve represents the cumulative gain or loss on the fair value of effective hedging instruments used in cash flow hedges which have not yet been reclassified to profit or loss.
- The merger reserve represents the premium on equity instruments issued as consideration for the acquisition of BSS.
- The own shares reserve represents the cost of shares purchased in the market and held by the Employee Share Ownership Trust to satisfy options under the Group's share option schemes.
- Retained earnings represents cumulative results for the Company.

Distributable reserves

The distributable reserves accessible to the Company broadly approximate its accumulated profits. When required the Company can receive dividends from its subsidiaries to increase the available distributable reserves.

6. Interest bearing loans and borrowings

Accounting policy

Interest-bearing bank loans and overdrafts, loan notes and other loans are recognised in the balance sheet at amortised cost. Finance charges associated with arranging non-equity funding are recognised in the income statement over the life of the facility. All other borrowing costs are recognised in the income statement in accordance with the effective interest rate method.

£m	2024	2023
Bonds	**250.0**	250.0
Finance charges netted off borrowings	**(3.2)**	(4.5)
Term loan	**75.0**	75.0
Senior unsecured notes	**100.0**	100.0
Overdrafts	**13.2**	–
	435.0	420.5
Current liabilities	**13.2**	–
Non-current liabilities	**421.8**	420.5
	435.0	420.5

£m	2024	2023
Borrowings repayable:		
On demand or within one year	**13.2**	–
More than one year, but not more than five years	**325.0**	325.0
More than five years	**100.0**	100.0
Gross borrowings	**438.2**	425.0
Unamortised fees	**(3.2)**	(4.5)
	435.0	420.5

At 31 December 2024 all borrowings were denominated in sterling (2023: sterling).

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date.

	2024		2023	
	Effective interest rate	£m	Effective interest rate	£m
Assets:				
Short-term deposits	**4.4%**	**200.0**	5.2%	101.5
Liabilities:				
2026 £250m bond	**3.8%**	**250.0**	3.8%	250.0
£75m term loan	**4.6%**	**75.0**	4.6%	75.0
£100m senior unsecured notes	**6.2%**	**100.0**	6.2%	100.0
		425.0		425.0

Details of the bonds, term loan and senior unsecured notes are given in note 22 to the consolidated financial statements.

7. Amounts due to subsidiary undertakings

£m	2024	2023
Amounts due to subsidiary undertakings – current	**209.2**	36.1
	209.2	36.1

Amounts due to subsidiary undertakings relate to loans and other balances. These loans are interest-free.

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

8. Financial risk management

For more details of the Group's hedging instruments see notes 27 and 28 of the Group financial statements.

£m	2024	2023
Non-current assets		
Interest rate swap – cash flow hedge	**3.3**	2.9
Total non-current derivative financial instrument assets	**3.3**	2.9

The Company's hedging reserve relates to the following hedge instrument:

£m	Interest rate swaps
At 1 January 2023	3.2
Change in fair value of hedging instrument recognised in OCI	(1.4)
Deferred tax	0.4
At 1 January 2024	**2.2**
Change in fair value of hedging instrument recognised in OCI	**0.4**
Deferred tax	**(0.1)**
At 31 December 2024	**2.5**

The following amounts were recognised in the Group's profit and loss:

£m	2024	2023
Net loss on foreign currency forwards not qualifying as hedges included in other gains	**0.8**	–

£m	2024	2023
Carrying amount (non-current assets)	**3.3**	2.9
Notional amount	**75.0**	75.0
Maturity date	**15 August 2027**	15 August 2027
Hedge ratio	**1:1**	1:1
Change in fair value of hedging instruments for the year	**0.4**	4.3
Weighted average hedged rate for the year	**5.1%**	4.6%

9. Financial instruments

For the full details of the cash flow hedging instrument and the resulting accounting policy, see notes 27 and 28 of the Group accounts.

a. The carrying value of categories of financial instruments

£m	2024	2023
Financial assets:		
Mandatorily at FVTPL	**0.5**	–
Loans and receivables (including cash and cash equivalents) at amortised cost	**399.9**	686.1
Designated instrument-by-instrument as either FVTPL or FVOCI	**3.3**	2.9
	403.7	689.0
Financial liabilities:		
Mandatorily at FVTPL	**–**	0.4
Borrowings (note 6)	**435.0**	420.5
Trade and other payables at amortised cost	**220.2**	44.2
	655.2	465.1

b. Liquidity analysis

The following table details the Company's liquidity analysis for its derivative financial instruments and other external financial liabilities. The table has been drawn up based on the undiscounted net cash flows on the derivative instruments that settle on a net basis and the undiscounted gross cash flows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest and foreign currency rates as illustrated by the yield curves existing at the reporting date.

	2024				
£m	**0–1 year**	**1–2 years**	**2–5 years**	**5+ years**	**Total**
Total gross settled: Foreign exchange forward contracts	**(18.7)**	**–**	**–**	**–**	**(18.7)**
Total net settled: Interest rate swap – cash flow hedge	**1.1**	**0.9**	**0.7**	**–**	**2.7**
Total derivative financial instruments	**(17.6)**	**0.9**	**0.7**	**–**	**(16.0)**
Net settled:					
Borrowings	**(30.6)**	**(270.6)**	**(132.7)**	**(72.2)**	**(506.1)**
Trade and other payables at amortised cost	**(220.2)**	**–**	**–**	**–**	**(220.2)**
Total financial instruments	**(250.8)**	**(270.6)**	**(132.7)**	**(72.2)**	**(726.3)**

	2023				
£m	0–1 year	1–2 years	2–5 years	5+ years	Total
Total gross settled: Foreign exchange forward contracts	(22.9)	–	–	–	(22.9)
Total net settled: Interest rate swap – cash flow hedge	1.9	1.9	3.1	–	6.9
Total derivative financial instruments	(21.0)	1.9	3.1	–	(16.0)
Net settled:					
Borrowings	(20.9)	(20.8)	(353.5)	(143.9)	(539.1)
Trade and other payables at amortised cost	(47.4)	–	–	–	(47.4)
Total financial instruments	(68.3)	(20.8)	(353.5)	(143.9)	(586.5)

10. Other creditors

Accounting policy

Other creditors are measured at amortised cost. The Company has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

£m	**2024**	2023
Other creditors	**11.0**	8.1
Accruals	**4.7**	9.4
	15.7	17.5

11. Related undertakings

The registered office of all subsidiary undertakings is Lodge Way House, Lodge Way, Harlestone Road, Northampton NN5 7UG except for companies with a superscript where the registered office is given after the list of subsidiary companies and investments.

Active subsidiary companies (100% ownership and UK registered)

CCF Limited
Independent Construction Technologies Limited*[3]
Keyline Civils Specialist Limited[2]
Staircraft Group Limited[1]
The BSS Group Limited
The Cobtree Scottish Limited Partnership[1]
Tools & Fasteners Solutions Limited
Toolstation Holdings Limited
Toolstation Limited[1]
TP Property Company Limited
Travis Perkins Group Holdings Limited
Travis Perkins (Properties) Limited
Travis Perkins Finance Company Limited*[3]
Travis Perkins Leasing Company Limited*[3]
Travis Perkins P&H Group Holdings Limited
Travis Perkins Trading Company Limited
Wickes Properties Limited*[3]

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2024

11. Related undertakings continued

Dormant & non-trading subsidiary companies (100% ownership and UK registered)

Benchmarx Kitchens and Joinery Limited
British Steam Specialties (International) Limited (The)
BSS (UK) Limited
BSS GPS Trustee Limited
Builders Mate Limited
Cobtree Nominees Limited
E. East & Son Limited
JS Towell Limited*[3]
MD-DOR3 Limited*[3]
MD-DOR4 Limited
Monteith Building Services Limited*[4]
P. H. Properties Limited*[3]
P.T.S. Plumbing Trade Supplies Limited*[3]
Terant Supplies Limited
Tile It All (UK) Limited*[3]
The BSS EBT Company Limited*[3]
Tile Giant Holdings Limited
TP Directors Ltd
TP General Partner (Scotland) Limited[1]
TPG Management Services Limited
Travis Group Limited
Travis & Arnold Limited
Travis Perkins Capital Partner Limited
Travis Perkins Financing Company No.3 Limited
Travis Perkins Merchant Holdings Limited
Tricom Group Limited*[3]

* companies in voluntary liquidation.

Other subsidiary companies (100% ownership and non-UK registered)

Company Name	Registered	% Ownership	Status
BSS (Ireland) Limited[5]	Ireland	100	Active
Toolexpert Benelux BV[6]	Netherlands	97	Active
Toolstation BV[6]	Netherlands	97	Active
Toolstation NV/SA[7]	Belgium	97	Active
Toolstation Europe BV[6]	Netherlands	97	Active
Toolstation Europe Limited	United Kingdom	97	Active
Toolstation Netherlands BV[8]	Germany	97	Dormant
Toolstation SAS[9]	Netherlands	97	Active
Travis Perkins Hong Kong Limited[10]	France	97	Active
Travis Perkins Sourcing (Shanghai) Ltd[11]	Hong Kong	100	Active

Investments

Company Name	Registered	% ownership	Status
Hermitage Park Management Company Limited[12]	United Kingdom	25	Active

Registered offices (not Lodge Way House)

1 Ryehill House, Ryehill Close, Lodge Farm Industrial Estate, Northampton, England, NN5 7UA, United Kingdom
2 50 Mauchline Street, Glasgow, G5 8HQ, United Kingdom
3 C/O Forvis Mazars LLP, 1st Floor Two Chamberlain Square, Birmingham, B3 3AX, United Kingdom
4 C/O Forvis Mazars LLP, Restructuring Services Apex 2, 97 Haymarket Terrace, Edinburgh, EH12 5HD, United Kingdom
5 White Heather Industrial Estate, South Circular Road, Dublin, 8, Ireland
6 Brandpuntlaan Zuid 12, 2665NZ, Bleiswijk, Netherlands
7 Boomsesteenweg 58, 2630 Aarlselaar, Belgium
8 Regus Building, Kranhaus 1, Business Centre GmbH Co KG, Im Zollhafen 18, 50678 Koln, Germany
9 61 Route de Grenoble, 69800 Saint Priest, Lyon, France
10 Suite 2401, 24/F, China Insurance Group Building, 141 Des Voeux Road, Central, Hong Kong
11 Building No.17, No. 800 Changde Road, JingAn District, Shanghai 200040, China
12 C/O Bruton Knowles LLP, 2 Paris Parklands, Railton Road, Guildford, Surrey, GU2 9JX, United Kingdom

12. Share-based payments

The Company operates a number of share incentive plans. A description of the share schemes operated by the Group, including that of the Company, is contained in the remuneration report on pages 90 to 93 and page 106 to 110 and in note 33 to the consolidated financial statements.

13. Related party transactions

The Company has a related party relationship with its subsidiaries, its Directors and with its pension schemes. In addition the remuneration of the Directors, and the details of their interests in the share capital of the Company are provided in the audited part of the remuneration report on pages 102 to 110. Other than the payment of remuneration there have been no related party transactions with Directors.

Details of balances outstanding with subsidiary companies are shown in notes 4 and 7 and in the balance sheet on page 172.

FIVE-YEAR SUMMARY

CONSOLIDATED INCOME STATEMENT

	2024 £m	2023 (re-presented)* £m	2022 £m	2021 £m	2020 £m
Revenue	**4,607.4**	4,837.1	4,994.8	4,568.7	3,697.5
Operating profit before amortisation and adjusting items	**151.8**	198.1	295.3	352.8	128.3
Amortisation	**(10.4)**	(10.5)	(10.5)	(11.1)	(8.6)
Adjusting items – operating	**(139.1)**	(26.9)	–	6.8	(92.7)
Operating profit	**2.3**	160.7	284.8	348.5	27.0
Share of associates' results	**–**	–	–	–	0.1
Net finance costs	**(40.7)**	(39.3)	(39.8)	(42.9)	(47.4)
(Loss)/profit before tax	**(38.4)**	121.4	245.0	305.6	(20.3)
Adjusting items – deferred tax	**–**	–	–	(4.7)	(9.0)
Income tax expense	**(2.2)**	(31.9)	(52.8)	(60.1)	(5.8)
Net (loss)/profit from continuing operations	**(40.6)**	89.5	192.2	240.8	(35.1)
Net (loss)/profit from discontinued operations	**(36.8)**	(51.4)	–	38.1	13.2
(Loss)/profit for the period	**(77.4)**	38.1	192.2	278.9	(21.9)
Basic (loss)/earnings per share from continuing operations	**(19.2)p**	42.5p	90.8p	103.9p	(14.3p)
Basis (loss)/earnings per share from discontinued operations	**(17.4)p**	(24.4)p	–	16.4p	5.3p
Adjusted earnings per share	**36.6p**	54.4p	94.6p	107.3p	21.0p
Dividend declared per ordinary share	**14.5p**	18.0p	39.0p	73.0p	–
Number of branches at 31 December (includes branches of associates)	**1,421**	1,507	1,484	1,513	1,389
Average number of colleagues	**17,594**	18,831	19,956	18,833	17,512

* The comparative numbers prior to 2023 are not re-presented for discontinued operations related to Toolstation Europe France.

FIVE-YEAR SUMMARY CONTINUED

CONSOLIDATED FREE CASH FLOW STATEMENT

£m	**2024 £m**	2023 (re-presented)* £m	2022 £m	2021 £m	2020 £m
Adjusted operating profit	**151.8**	198.1	295.3	352.8	128.3
Less: Profit on disposal of properties	**(11.3)**	(15.1)	(25.3)	(48.9)	(9.2)
Adjusted operating profit excluding property profit	**140.5**	183.0	270.0	303.9	119.1
Depreciation of property, plant and equipment	**79.8**	79.1	73.6	69.2	60.0
Amortisation of internally generated intangibles	**3.6**	4.6	6.5	9.7	11.5
Share-based payments	**11.7**	14.6	17.0	19.1	12.2
Movement on working capital	**5.5**	(22.6)	(76.5)	(151.8)	197.4
Other net interest paid	**(19.5)**	(25.0)	(16.9)	(13.6)	(28.3)
Interest on lease liabilities	**(29.6)**	(25.6)	(21.5)	(21.2)	(21.3)
Income tax paid	**(20.9)**	(40.7)	(57.6)	(59.9)	(27.6)
Capital expenditure excluding freehold purchase	**(63.8)**	(107.2)	(110.0)	(95.0)	(87.1)
Disposal of plant and equipment	**1.2**	2.0	10.1	4.4	5.4
Free cash flow	**108.5**	62.2	94.7	64.8	241.3

* The comparative numbers prior to 2023 are not re-presented for discontinued operations related to Toolstation Europe France.

CONSOLIDATED BALANCE SHEET

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Assets					
Non-current assets					
Property, plant and equipment	**771.1**	848.4	847.3	800.1	830.4
Goodwill and other intangible assets	**908.2**	947.8	974.9	978.7	1,670.5
Right-of-use assets	**545.4**	530.4	451.7	439.8	1,145.5
Other receivables	**15.3**	14.2	17.2	0.7	–
Retirement benefit asset	**116.9**	100.6	135.9	275.8	178.4
Other investments	**–**	–	–	–	9.2
Derivative financial instruments	**3.3**	2.9	4.3	–	–
Deferred tax asset	**17.5**	18.0	15.0	13.9	–
Current assets					
Inventories	**648.6**	727.6	727.8	724.4	840.7
Trade and other receivables	**760.5**	689.6	725.9	706.7	892.7
Tax debtor	**–**	14.5	0.7	–	6.5
Derivative financial instruments	**–**	–	–	0.2	–
Cash and cash equivalents	**244.4**	131.5	235.7	459.8	505.6
Total assets	**4,031.2**	4,025.5	4,136.4	4,400.1	6,079.5
Capital and reserves					
Issued capital	**23.8**	23.8	23.8	25.2	25.2
Share premium account	**545.6**	545.6	545.6	545.6	545.6
Merger reserve	**326.5**	326.5	326.5	326.5	326.5
Own shares	**(7.2)**	(14.1)	(34.3)	(61.4)	(39.5)
Other reserves	**19.5**	23.5	27.4	14.6	15.5
Accumulated profits	**1,065.9**	1,135.0	1,213.2	1,387.3	1,840.5
Total equity	**1,974.1**	2,040.3	2,102.2	2,237.8	2,713.8

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Non-current liabilities					
Interest-bearing loans and borrowings	**421.8**	445.1	349.1	575.2	575.7
Lease liability	**560.1**	518.8	438.3	414.7	1,168.3
Long-term provisions and other payables	**21.6**	3.8	4.9	6.8	21.9
Deferred tax liabilities	**68.3**	92.8	96.0	140.4	77.2
Current liabilities					
Interest-bearing loans and borrowings		–	192.5	–	–
Lease liability	**94.5**	89.6	74.3	74.5	158.8
Overdraft	**13.2**	–	–	–	–
Derivative financial instruments	**–**	0.4	0.2	–	1.6
Trade and other payables	**838.2**	795.4	852.4	921.1	1,304.2
Tax liabilities	**–**	–	–	0.4	–
Short-term provisions	**39.4**	39.3	26.5	29.2	58.0
Total liabilities	**2,057.1**	1,985.2	2,034.2	2,162.3	3,365.7
Total equity and liabilities	**4,031.2**	4,025.5	4,136.4	4,400.1	6,079.5

OTHER INFORMATION

Contents

ESG DATA REPORT (INCLUDING SASB DATA)

	Unit of Measure	SASB reference	2024	2023	2022	2021	2020
Energy and fuel							
Total energy consumed	kWh	N/A (SECR compliance)	**276,611,054**	311,809,636	322,116,912	364,826,976	339,716,233
Total UK energy consumed	kWh		**267,508,323**	306,260,839	313,744,004	358,494,358	334,383,277
Total Non-UK energy consumed	kWh		**9,102,731**	5,548,797	8,372,908	6,332,618	5,332,957
Total energy consumed	Gigajoules (GJ)	CG-MR-1.30a.1	**995,792**	1,122,515	1,080,095	1,313,377	1,222,978
Grid energy	%	CG-MR-1.30a.1	**35.98**	34.58	34.67	28.35	33.35
Renewable energy	%	CG-MR-1.30a.1	**23.84**	21.85	23.50	5.83	0
Fuel consumption	Litres	N/A	**17,054,583**	19,600,396	20,680,219	22,650,200	21,430,651
Waste							
Non-hazardous waste	Tonnes	N/A	**26,624**	28,149	27,238	28,175	18,946
Hazardous waste	Tonnes	N/A	**143**	252	297	229.0	236
Landfilled waste	Tonnes	N/A	**508**	1,075	1,622	1,492	1,353
Recycled waste	Tonnes	N/A	**10,290**	10,837	8,656	10,084	9,614
Incinerated waste	Tonnes	N/A	**15,969**	16,237	16,960	16,829	8,216
Total waste	Tonnes	N/A	**26,767**	28,401	27,535	28,404	19,182
Data Security							
Data breaches	#	CG-MR-230a.2	**0**	0	0	0	1
Involving Personally Identifiable Information ("PII")	%	CG-MR-230a.2	**0**	0	0	0	100
Customers affected	#	CG-MR-230a.2	**0**	0	0	0	9
Description of approach to identifying and addressing data security risks	Text	CG-MR-230a.1	"See text on page 187"				
Labour practices							
Average hourly wage	£	CG-MR-310a.1	**13.81**	13.21	13.54	12.8	12.4
In-branch colleagues earning minimum wage by region	%	CG-MR-310a.1	**0.0%**	0.0%	0.0%	0.7%	7.4%
Voluntary turnover rate for in-branch colleagues	Rate	CG-MR-310a.2	**15.60%**	17.3%	20.6%	19.6%	10.7%
Involuntary turnover rate for in-branch colleagues	Rate	CG-MR-310a.2	**6.10%**	7.1%	5.7%	4.2%	9.9%
Total amount of monetary losses as a results of legal proceedings associated with labour law violations	£m	CG-MR-310a.3	**0.0**	0.0	0.0	0.0	0.0

ESG DATA REPORT (INCLUDING SASB DATA) CONTINUED

	Unit of Measure	SASB reference	2024	2023	2022	2021	2020
Workforce diversity and inclusion							
Gender							
Management							
Female	%	CG-MR-330a.1	**22.6%**	21.6%	23.6%	20.6%	18.3%
Male	%	CG-MR-330a.1	**77.4%**	78.4%	76.4%	79.4%	81.7%
Not available or Not disclosed	%	CG-MR-330a.1	**–**	0%	0%	0%	0%
All other employees							
Female	%	CG-MR-330a.1	**25.1%**	25.0%	25.6%	25.7%	20.7%
Male	%	CG-MR-330a.1	**74.9%**	75.0%	74.4%	74.3%	79.3%
Not available or Not disclosed	%	CG-MR-330a.1	**–**	0%	0%	0%	0%
Ethnic group							
Management							
Asian	%	CG-MR-330a.1	**2.3%**	2.4%	2.5%	1.9%	2.0%
Black or African American	%	CG-MR-330a.1	**0.5%**	0.7%	0.7%	0.5%	0.3%
Hispanic or Latino	%	CG-MR-330a.1	**0.9%**	0.9%	0.8%	0.9%	0.7%
White	%	CG-MR-330a.1	**76.2%**	80.0%	80.1%	82.5%	85.9%
Other	%	CG-MR-330a.1	**0.2%**	0.3%	0.3%	0.4%	0.5%
Not available or Not disclosed	%	CG-MR-330a.1	**19.9%**	15.7%	15.7%	13.7%	10.7%
All other employees							
Asian	%	CG-MR-330a.1	**3.2%**	2.7%	2.5%	2.6%	2.0%
Black or African American	%	CG-MR-330a.1	**1.8%**	1.3%	1.2%	1.0%	0.7%
Hispanic or Latino	%	CG-MR-330a.1	**1.8%**	1.5%	1.5%	1.6%	1.4%
White	%	CG-MR-330a.1	**62.7%**	64.0%	65.1%	64.3%	67.8%
Other	%	CG-MR-330a.1	**5.8%**	2.5%	0.5%	0.7%	0.7%
Not available or Not disclosed	%	CG-MR-330a.1	**24.7%**	28%	29.3%	29.8%	27.4%
Total amount of monetary losses as a result of legal proceedings associated with employee discrimination	£m	CG-MR-330a.2	**0**	0.01	0	0	–
Product sourcing, packaging and marketing							
Revenue from products third-party certified to environmental and/or social sustainability standards	£m	CG-MR-410a.1	**399**	407	538	555	386
Description of processes to assess and manage risks and/or hazards associated with chemicals in product	Text	CG-MR-410a.2	See text on page 187				
Discussion of strategies to reduce the environmental impact of packaging	Text	CG-MR-410a.3	See text on page 187				
Water consumption							
Water consumption	m3	N/A	**270,146**	277,610	258,321	316,852	281,050

CG-MR-230a.1: Description of approach to identifying and addressing data security risks

Travis Perkins Group identifies vulnerabilities in its information systems using a combination of people, processes and technology while following the NIST Cybersecurity Framework to measure its maturity and alignment with ISO 27001.

The processes of building, procuring, deploying, operating, and managing IT systems some of which are ongoing are governed by established policies and standards, which are regularly reviewed to ensure they remain current. Any exceptions to these policies or standards undergo a rigorous risk assessment and management process, including approval from system and data owners. The Group allocates specific funding to undertake security-related projects aimed at enhancing security maturity and managing risks within acceptable limits.

Every colleague's learning plan includes regular data protection training, and cyber awareness training throughout the Group. Additionally, colleagues are frequently targeted with phishing simulation campaigns using a leading industry approach.

Technology is implemented across the IT infrastructure to protect against and detect cyber threats and attacks. This includes tools such as firewalls, proxies, data loss prevention systems, extended detection and response (XDR), as well as continuous monitoring and logging into a Security Information and Event Management (SIEM) system. Security events were monitored 24/7/365 to ensure timely detection and response.

From a testing perspective, regular penetration tests and vulnerability scans are conducted on various components of the IT infrastructure and systems to identify exploitable vulnerabilities. When vulnerabilities are discovered, the Information Security Team evaluates, addresses, and tracks them.

The Group also regularly tests its incident response capabilities through tabletop exercises to assess the effectiveness of its incident response plans and playbooks.

This comprehensive approach is part of the Group's internal control and assurance framework and will be reviewed as outlined in the Internal Audit Plan to ensure that risks are adequately mitigated.

CG-MR-410a.2: Description of processes to assess and manage risks and/or hazards associated with chemicals in product

The Group requires its suppliers to adhere to its published 'Supplier Commitments' (https://www.travisperkinsplc.co.uk/sustainability/social-and-governance/sourcing-responsibly/). Suppliers are required to notify immediately where any product supplied contains substances of very high concern (SVHCs), explosives precursors or poisons or has other restrictions on sale and to take steps to replace any products that contain restricted substances or SVHCs with suitable alternatives. For such products, suppliers are required to provide a Safety Data Sheet (SDS). The business undertakes supplier assessments either via an Online Risk Assessment or via factory audits, based on risk, to assess adherence to the Supplier Commitments. The supplier assessment programme covers both private label and branded product suppliers. Restricted products are flagged within the business systems, triggering processes at point of sale to ensure they're not sold to underage customers (i.e. solvents). This includes, for example:

- corrosive products, under the Offensive Weapons Act 2019, including acids and chemicals which may burn the skin but not normal strength household bleach and cleaners); and
- solvents, under the Psychoactive Substances Act 2016, including glues and adhesives, flammable products such as fire lighter fluid, solvent cement, paint stripper, thinners, essentially any substances which are capable of producing a psychoactive effect in a person who consumes it and it is not an exempted substance; and
- spray paint and aerosols; under the Anti-Social Behaviour Act 2003.

There is a requirement in the Group Supplier Manual (https://www.travisperkinsplc.co.uk/sustainability/social-and-governance/sourcing-responsibly/) for suppliers delivering to the Group's sites to provide a safety data sheet for all substances delivered which are harmful to health.

CG-MR-410a3: Description of strategies to reduce the environmental impact of packaging

The Group is committed to reducing its environmental impact relating to packaging. For more information on objectives and progress, please refer to page 34. Throughout 2024 the Group continued to work with the direct sourcing team to optimise the amount of material used, achieving packaging reductions and improvements. The Group continued to work with Ecosurety its packaging compliance partner, to ensure smooth transition to the Extend Producer Regulations, and obtain packaging data from its suppliers which is differentiated by packaging levels; primary, secondary and tertiary, and by material type. In late 2024, the Group began a competitive tendering process to consolidate the supply of packaging materials used across the business. This process is due to complete in Q1 2025.

With regards to influencing others, the Group will continue its work with the Supply Chain Sustainability School (SCSS) to raise awareness and share best practice on packaging reductions and transitioning to more sustainable packaging solutions. Travis Perkins and BSS branches continue to backhaul cardboard, plastic and wood packaging to their distribution centres where it is processed and sent for reprocessing.

OTHER SHAREHOLDER INFORMATION

Financial diary

Ex-dividend date	17 April 2025
Record date	22 April 2025
Trading statement	29 April 2025
Annual General Meeting	14 May 2025
Payment of final dividend	29 May 2025

Annual General Meeting (“AGM”)

The AGM will be held on 14 May 2025 at 9.30am.

Registrars

For information about shareholdings and dividends and to report changes to your address, bank details or any other account information please contact the Company’s registrars (“MUFG”):

MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds
LS1 4DL

Shareholder portal provided by MUFG: www.travisperkins-shares.com
Email: shareholderenquiries@cm.mpms.mufg.com
Telephone: +44 (0) 371 664 0300*

Shareholder portal

You can view and manage your shareholder account online via the shareholder portal provided by MUFG (www.travisperkins-shares.com). You will need to register to use this service and to do so you will require your unique investor code which can be found on your share certificate or dividend confirmation (and which you may see abbreviated as “IVC”).

Dividends

It is more secure to have your dividends paid directly into your bank account than by cheque. If you do not already have your dividends paid directly into your account and would like to do so, you can do this on the MUFG shareholder portal or you can contact MUFG, who will send you the relevant form to complete. Shareholders outside the United Kingdom may be able to make use of MUFG’s International Payment Service facility to have dividends converted into your chosen currency. For further details please contact MUFG or visit https://www.mpms.mufg.com/en/for-individuals/uk/shareholders/international-payment-service/.

Shareholder communications

Travis Perkins plc Annual Reports and other information pertinent to investors, including results, other reports and presentations and regulatory news, are available on the Investors section of our Company website (www.travisperkinsplc.co.uk).

Annual Report

The Annual Report is published on our Company website and a hard copy will be posted to shareholders who have requested it. All other shareholders will be notified by letter or email when the Annual Report is available on our website. A hard copy of the Annual Report can be requested by writing to:

The Company Secretary
Travis Perkins plc
Ryehill House
Rye Hill Close
Lodge Farm Industrial Estate
Northampton
NN5 7UA

or by email to: cosec@travisperkins.co.uk

Electronic shareholder communications

The Company encourages you to consider if receiving your shareholder communications by email would work best for you. This is a faster, more environmentally friendly and more effective way to communicate with you. If you have received a paper copy of this report or notification of its availability by post and would like to receive fully electronic communication, please register your preference on the MUFG shareholder portal.

Other shareholder services provided by our registrars

MUFG provide a number of other services that, as a shareholder, might be useful to you:

Duplicate share register accounts

If you are receiving more than one copy of our report, or notification by post of its availability online, it may be that your shares are registered in two or more accounts on our register of members. If that is not your intention you may wish to consider merging the accounts into one single entry. Please contact MUFG who will be pleased to help you.

Dividend Re-Investment Plan (“DRIP”)

This is a facility provided by MUFG which allows shareholders resident in the United Kingdom, Channel Islands and Isle of Man to use their dividends to buy further shares in the Company. Full details are available by calling MUFG on +44 (0) 371 664 0381, or you can sign up for this service on the MUFG shareholder portal (by clicking on “Manage your account” followed by “Dividend payments” and following the on-screen instructions).

Share-dealing services

Share-dealing services are available to shareholders resident in the UK, Channel Islands and Isle of Man from MUFG:
On-line dealing: https://sharedeal.cm.mpms.mufg.com/
Telephone dealing: +44 (0) 371 664 0445*

These services are only available to private shareholders resident in the UK.

* Calls will be charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate; lines are open 9.00am to 5.30pm, Monday to Friday with the exception of share-dealing lines which are open from 8.00am to 4.30pm.

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