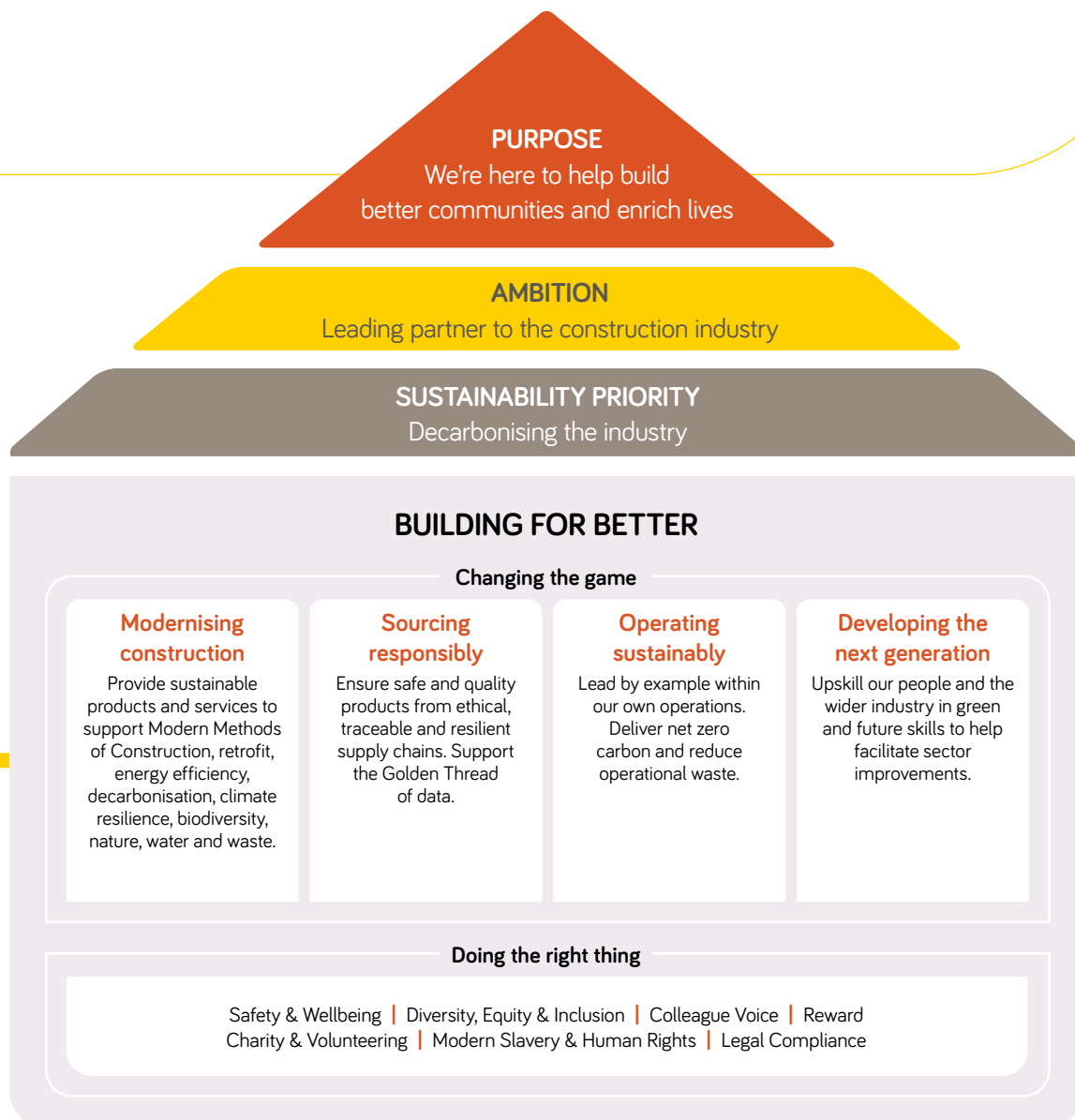


Building for better

As sustainability continues to grow in importance for the Group's stakeholders, Environmental, Social and Governance leadership remains at the core of the Group's strategy. It is delivered through the "Building for Better" agenda and is a key driver in achieving the Group's Purpose and Ambition. The Group's market-leading businesses and position in the supply chain between thousands of customers and suppliers means it is uniquely able to convene the supply chain to collaborate and co-create solutions, influencing and supporting the sustainability changes the industry needs.



Leading partner to the industry on ESG

In 2023 the Group made progress towards its targets and engaged with customers, suppliers, the government, trade bodies and strategic partners to move forward on shared sustainability challenges for the industry. With decarbonisation and skills as primary areas of focus, the Group is catalysing and contributing to the change needed in the sector. Nick Roberts, CEO, became the Construction Leadership Council (“CLC”) Industry Sponsor for People and Skills, to support delivery of the agreed workstreams and energise colleagues, attract diverse talent, enhance skills for the future and ensure policy development addresses the sector’s business requirements.

The Group joined industry working groups on decarbonisation, including the National Retrofit Hub, Future Homes Hub and Supply Chain Sustainability School, and hosted forums for customers and suppliers. Collaboration is key to decarbonisation and to finding ways to remove complexity and duplication. The Group made progress towards its ambitious carbon reduction targets, reducing Scope 1 and 2 carbon by 7% and Scope 3 by 3% in 2023. Against the 2020 target baseline this is a 33% improvement for Scope 1 & 2 and a 6% improvement for Scope 3. The ratio of Scope 3 carbon emissions to revenue has improved by 28% against the 2020 baseline.

A total of 414 colleagues and industry partners graduated in apprenticeships facilitated by LEAP, the Group’s Early Careers and Apprenticeship provider. This contributes towards the Group’s skills goal of 10,000 graduated apprentices by 2030. Work in all other focus areas has moved forward and progress is reported in the following pages.

Continually monitoring the material focus areas

In 2023 the Group engaged extensively with its stakeholders on ESG. These interactions demonstrated that the material focus areas for the Group remain unchanged from those that were determined in 2022 through an 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 assessment undertaken in 2022 was supported by a third-party expert and involved the refinement of key ESG topics, stakeholder engagement and strategic analysis.

The output of the assessment is shown in the Double Materiality Map which illustrates key priorities for the Group based on double materiality. The Group will continue to review the material focus areas so that the most important topics for the Group and for its stakeholders are in scope.

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.

DECARBONISING THE INDUSTRY

MODERNISING CONSTRUCTION



Access to sustainable and resilience-improving solutions



Biodiversity, nature and forestry



Responsible sourcing and relationships with suppliers



Human rights and modern slavery



Carbon emissions



Operational waste management



Developing skills and knowledge in the community



Skills, apprenticeships and training



Water use



Product packaging and circularity



Data use and responsibility



Product safety and quality



Air quality



Identified as a top ten priority for impact in. An issue that can materially impact Travis Perkins plc.



Identified as a top ten priority for impact out. An issue that Travis Perkins plc has a material impact on.

DOING THE RIGHT THING



Employee safety and wellbeing



Culture and purpose



Responsible and transparent business



Responsible marketing and selling



Pay and reward



Employee engagement and relations



Diversity, equity and inclusion



Community impacts of our business and operations

Building better communities and enriching lives: 2023 social value impact

The Group delivers value to its communities in many ways. Below are some of the highlights from 2023. The Group works closely with customers on its social value commitments and will continue to improve its disclosures in 2024.

Skills development

Graduated apprentices

414 359 for Group colleagues, 55 for the industry

Enrolled apprentices

876 693 for Group colleagues, 183 for the industry

Female apprentices

29%

Apprentices under 25 years old

21%

Apprentices from ethnic minorities

7%

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

51,823

Operational impact

Transport carbon reduction

11%

Revenue from products with Environmental Product Declarations

10.7%

Spend on goods-for-resale with SMEs

47%

Employed colleagues (FTE)

18,680

Investment in colleague total reward packages

£623.5m

Total tax contribution

£410.4m £137.1m taxes borne, £273.3m taxes collected

Community investment

Amount raised for charity

£1.3m

Volunteer-it-yourself ("VIY") projects supported

5

Engaging with stakeholders

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 2023 are detailed in the Section 172 statement on pages 94-97.

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 and nominated leads and leadership sponsors in each business. Progress is reported to the Group Leadership Team and the Board on each material focus area to monitor and improve performance. The Stay Safe Committee of the Board oversees performance in health and safety. Objectives and targets are set for each material focus area.

Climate-related financial risks and opportunities

The Group has submitted an annual climate disclosure to the Carbon Disclosure Project ("CDP") since 2010, including a financial assessment of climate-related risks and opportunities. The Group has prepared its third full disclosure against the Task Force for Climate-related Financial Disclosure ("TCFD") recommendations on pages 50 to 54. During 2023 the Group further enhanced its climate risk and opportunity assessment and engaged Inspired ESG to support in developing climate scenarios and conducting a deep dive assessment of the Group's timber supply chains.

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 pages 34 to 35. 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. Other SDGs are more directly aligned to one specific focus area. Several of the remaining SDGs have some relevance to the Group, however on review of the specific targets underpinning these goals they were determined to be less directly aligned to the Group and therefore are not listed.



Sustainability priority	Material focus areas	Commitment	2023 key actions	
<div>Decarbonising the industry</div> <div>1.5 degree-aligned, SBTi-approved carbon reduction targets</div> <div><div></div>Good progress</div> <div><div></div>Some progress</div>	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	Scope 3 and product sustainability supplier engagement programme, supporting suppliers to calculate their carbon footprint.	
	Sourcing responsibly			
	Safe and quality products from ethical, traceable and resilient supply chains, supporting the golden thread of data.		Evolve the Group's due diligence approach by bringing into scope lower-spend product suppliers and goods-not-for-resale suppliers.	
	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	Upskill key colleagues in the businesses and Group functions in order to influence colleague behaviour and expand the network of expertise on sustainability and carbon.	
	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	Deliver a development curriculum aligned to talent management processes that offers career development opportunities to all colleagues, enabling the development of the next generation workforce and helping to change construction.	
	Doing the Right Thing			
	Safety and wellbeing: Getting everyone home safe and well, every single day.		Drive 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.	
	Diversity, equity and inclusion: Creating an environment where everyone can be themselves.		Build the skills, knowledge and behaviours of our leaders to enable them to create the conditions for a diverse and inclusive workplace.	
	Colleague voice: Listening to colleagues to make better decisions and increase engagement.		Engage colleagues in the Group's purpose, values and strategy, using the Group story to build colleague connection to their role in the Group's success.	
	Charity and community: Taking pride in helping others and making positive change happen.		Use the experience we gained in 2022 to deepen and elevate existing partnerships.	
Reward: Improving the financial health of colleagues.		Further the reach and impact of financial wellbeing and employee benefits support to colleagues, particularly those on the front-line.		
Modern slavery and human rights: Eliminating modern slavery from the Group and its supply chains.		Continue to roll out ID checks for third parties coming to site, addressing higher risk organisation types first.		
Legal compliance: Complying with all relevant laws.		Further awareness raising and training to make sure the Code of Conduct, policies and tools that have been launched are fully understood and embedded.		

Progress	2024 key actions	Supporting the Group's strategy	SDGs ¹
	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 today's 10.7%.	By providing sustainable products and value-add services to customers, the Group can earn a greater share of spend and become a key partner.	
	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.	Customer relationships are underpinned by trust in the Group to source responsibly and meet changing data transparency requirements.	
	Continue with carbon training to enable colleagues to drive energy and fuel reduction and better support customers by sharing best practice.	All of the Group's stakeholders expect credible action on operational carbon and waste. Performance can influence the outcome of customer tenders.	
	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.	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.	
	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.	Doing the Right Thing deepens relationships with customers as expectations around responsible business increase.	
	Target an engagement survey score for the statement "I feel a sense of belonging at this Company" above the provider's global average by 2025.		
	Develop action plans to address the priorities and issues that have the biggest impact on engagement and therefore on overall business performance.		
	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.		
	Continue to explore ways to support colleague long-term financial resilience and wider wellbeing.		
	Extend in-person ID checks, currently conducted on higher-risk labour agency workers, to other third parties.		
	Develop the internal Doing the Right Thing portal to increase understanding of legal compliance policies and guidance.		

1. More information on the United Nations Sustainable Development Goals ("SDGs") is included on page 33.

Modernising construction

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

The Group's purpose and sustainability priority

To help change construction and decarbonise the construction industry, the Group needs to provide the right products, data and services to customers. 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 building of better communities and improves the living standards and comfort of all.

Progress in 2023

2023 saw further development of value-add solutions for customers, and increased engagement with suppliers to drive carbon reporting and reduction. Customer interest in and requirements on sustainability continue to grow and the Group is mobilising to meet their needs.

Working with suppliers, customers and wider industry to modernise construction and reduce carbon

99% of the Group's emissions are in its supply chain and 40% of the UK's emissions are from the built environment. 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. Reducing Scope 3 requires the Group to engage with suppliers, customers and the wider industry to influence and drive change.

Suppliers

The Group works 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").

- 57% of the Group's spend is now with suppliers who have calculated their carbon and set reduction targets.
- 87 suppliers joined carbon workshops hosted by the Group.
- The Group was ranked in the top 8% of companies globally by CDP for its engagement with suppliers on climate change.
- 11% of sales were backed by Environmental Product Declarations.

Customers

The Group works with customers to help them build and operate more sustainably, providing the products, data and services they need to decarbonise.

- CCF launched a delivery carbon reporting service, enabling customers to better understand and reduce their Scope 3 emissions.
- WholeHouse® was launched, enabling regional builders to reduce construction and operational carbon.
- New product ranges were listed and stocked to fulfil customers' requirements for delivering retrofit.

Wider industry

The Group leads working groups and engages with government and trade bodies to move forward decarbonisation across the industry.

- Nick Roberts, CEO, became the Construction Leadership Council ("CLC") Industry Sponsor for the skills challenge in the industry, one of the main barriers to decarbonisation at scale.
- The Group became a partner of the National Retrofit Hub, with representation on all of its working groups, helping to shape retrofit planning for the UK.
- The Group is represented in sustainability working groups with the Builders Merchant Federation, Future Homes Hub, West Midlands Combined Authority Future Homes Taskforce and the Supply Chain Sustainability School.
- The Group hosted ESG Forums for the top national house-builders, and separately for regional house-builders, to discuss how best to work together on decarbonisation and product-level carbon data.

Harnessing the power of the Group on retrofit solutions

The Group is focused on delivering growth and market-leading solutions for customers through the collective power of the Group. One such opportunity is retrofit: the process of upgrading homes and commercial buildings to make them more energy efficient, reduce carbon emissions and create buildings that are healthier and cheaper to live in. According to market estimates, the demand to retrofit 30m UK properties in the next 15 years will be worth over £300bn.

What's next?

Develop an internal sustainable product definition based on robust criteria and launch it within at least one of the Group's businesses.

Increase the percentage of Group sales backed by Environmental Product Declarations (currently at 11%).

Case study



A community approach to retrofit

Travis Perkins Managed Services has jointly invested in a site in Penygroes alongside Adra, one of its social housing landlord customers, to enable the development of a unique approach to retrofit. Besides moving a local branch into the new site, Travis Perkins Managed Services has worked closely with Adra, who have developed a Decarbonisation Hub on site. Partners to the hub include a local college and Bangor University and it is intended to enable swift retrofit and local spending:

- Local suppliers can showcase their products
- Local installers can receive training on new products
- The college and university can deliver courses and research
- Tenants can see the new technologies going into their homes
- The Group can supply goods locally and showcases products

The first of its kind to bring the community together in this way, it is a fantastic example of how delivering retrofit requirements can also deliver strong local economic and social value.

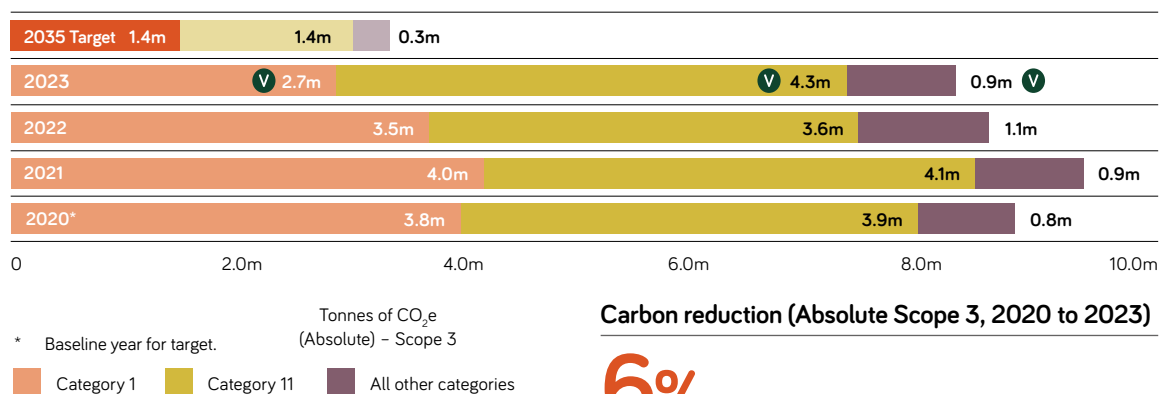
Case study



Improving the efficiency of SME builders

Travis Perkins launched WholeHouse® in March 2023 to address major challenges faced by regional house builders. It is a digital platform which takes care of everything from creating the designs, producing all the plans, elevations and sections, to material schedules and costing information. It provides a new way of working and helps house builders build quality homes faster, more easily and without wasting time or materials.

Lack of design-visibility up front can cause challenges when it comes to planning, financing, legislation and sustainability. WholeHouse® addresses these issues by creating a design freeze early within the project, allowing for bespoke designs and upfront access to construction information and material costs. There are now 275 companies registered on the WholeHouse® portal, with the first two plots already being constructed and sold off plan. WholeHouse® has already won two awards and been shortlisted for seven others.

Tonnes of CO₂e (Absolute) – Scope 3

Carbon reduction (Absolute Scope 3, 2020 to 2023)

6%

✓ indicates that the data point has been assured.
Please see page 41 for more information.

Sourcing responsibly

Ensuring safe and quality products from ethical, traceable and sustainable supply chains. Supporting the Golden Thread of data.

The Group's purpose and sustainability priority

The way products and services are sourced has a material impact on the environmental and social sustainability of construction. By requiring and supporting suppliers to evolve and to improve their operations, the Group can enhance sustainability and decarbonise supply chains. Improved data and traceability of products will bring more accountability and effective decision-making to the construction sector.

Progress in 2023

The primary objective for 2023 was to bring more goods-for-resale ("GFR") and goods-not-for-resale ("GNFR") suppliers and service providers into scope for assessment. The Group works with thousands of suppliers and complex supply chains and it is critical for the Group and its customers, investors and supply chain that this is managed well.

Due diligence on product suppliers

The Group's Online Risk Assessment ("ORA") was updated in 2023, with the questions and scoring criteria assessed and revised to reflect changing supply chain risks. ORAs were submitted by 357 suppliers in 2023 with 1,382 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 2023, 220 factory audit gradings were completed. Where issues were identified, time-bound corrective action plans were used to support suppliers to resolve these. Suppliers resolved 7,806 non-conformances through engagement with this programme. The Group's supplier assessment programme accounts for in excess of 85% of total Group spend on goods-for-resale.

A short version of the assessment has been developed for lower spend suppliers and this will be applied to all new accounts created in the Group's new finance system in 2024.

Bespoke assessments for GNFR suppliers

A new questionnaire was launched in 2023 for GNFR suppliers, using the same assessment system hosted by Verisio as is used for the Group's suppliers of goods-for-resale. The supplier list has been risk-profiled to allow the business to prioritise assessments in 2024

using either this system or the short GNFR assessment. The short GNFR assessment was trialled on technology suppliers to better understand risks across this supplier type.

New training launched for colleagues


A new training module on responsible sourcing was launched in 2023 and has been completed by 90% of nominated colleagues from Commercial, Purchasing and Service Management teams, providing an in-depth insight to the subject, the risks and their role.

Maintaining safe and sustainable timber supply chains

90.2% of timber purchased by the Group in 2023 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 2023

90.2% 

 indicates that the data point has been assured.
Please see page 41 for more information.

Case study



Collaboration across the industry

There is significant duplication and complexity in the way suppliers are assessed at present. Manufacturers receive assessments from merchants, house-builders, contractors, social housing landlords and more, none of which are the same but all of which have significant overlap.

The Group has led customer working groups and consulted with trade federations to enable the development of a shared approach that removes duplication for suppliers and improves transparency of the sustainability of organisations operating in the supply chain. A shared question set is well-developed and work will continue on this in 2024.

Case study



Upskilling the supply chain

Based on the results of supply chain assessments, there is a knowledge gap on modern slavery and human rights and how to manage these risks. When the Group requires that suppliers address challenges in this area, it also provides support so the suppliers can better understand and manage key risks.

The Group ran a series of online supplier workshops to raise the profile of these topics, share insights and best practice and publicise links to external resources. The sessions were well-attended and the Group will continue to run workshops for suppliers in 2024.

What's next?

Continued development of the Group's due diligence approach, with the supplier assessment programme to cover 90% of Group spend on goods-for-resale by the end of 2024.

Operating sustainably

Leading by example within the Group’s own operations.
Delivering net-zero carbon and reducing operational waste.

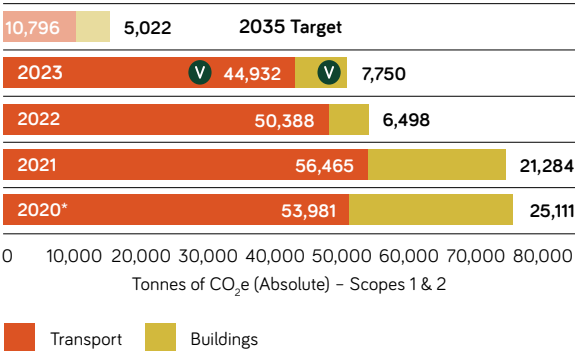
The Group’s purpose and sustainability priority

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. The Group generates waste in its operations, primarily relating to added packaging or obsolete products, and takes its role in preventing, reusing, recycling and recovering waste seriously in order to protect the natural environment and the communities within which it operates.

Progress in 2023

The Group’s main priority for 2023 was training colleagues and increasing expertise on sustainability and carbon. Operating sustainably means managing the Group’s estate and fleet well and transitioning them to net-zero carbon. The Group has a science-based target to reduce Scope 1 and 2 carbon by 80% by 2035 from a 2020 baseline and so far has achieved a 33% reduction. For more detailed carbon data, and for information on the Scope 3 target, please see pages 62-63.

Tonnes of CO₂e (Absolute) – Scopes 1 and 2



Decarbonising the fleet

The Group continued to use Hydrotreated Vegetable Oil (“HVO”), a low-carbon alternative to diesel, in 270 vehicles across the Group during 2023. The use of HVO saved 1.4 million litres of diesel, saving 3,500 tonnes of carbon. The Group continues to work closely with Logistics UK and the Department for Transport to drive change and keenly awaits the publication of the Low Carbon Fuels Strategy. In the absence of this and in a difficult economic climate, use of HVO may slow in 2024. The Group remains committed to its decarbonisation goals and the fleet roadmap can be found on the Group’s website.

Decarbonising the estate

A pilot project was conducted in 2023 to understand the potential impacts of fully decarbonising one branch in each business. The project identified the types of renewable energy systems and low-carbon technologies, including PV solar panels, heat pumps and LED lights, needed to reduce carbon at each location. The findings will inform the long-term decarbonisation strategy.

Expanding colleague knowledge

Carbon Awareness, Reduction & Management training was delivered across the Group in 2023, outlining simple ways to improve energy efficiency in branches and stores. This has been supported by a trial of automated energy alerts which warn branch managers when energy usage is above its normal level. This enables the Group to target inefficiencies and take quick actions to deliver savings.

A “Carbon Change Makers” initiative has been developed and is available to colleagues. It explains the terminology used in discussing carbon and climate change in order to build confidence and encourage informed discussions with customers.

Reducing packaging

In 2023 the Group reduced plastic packaging by removing air pillows and packing peanuts, replacing foam door corners with cardboard and changing shrinkwrap to a lighter grip film which requires less material.

Carbon reduction (Absolute Scopes 1 and 2, 2020 to 2023)

33%


✓ indicates that the data point has been assured.
Please see page 41 for more information.

The Group's new Toolstation distribution centre ("DC") is at the forefront of packaging optimisation. Machinery in the DC processes the cardboard packaging based on the type and size of product which ensures safe, efficient packaging and minimises waste. The Group continued to operate its backhaul system, enabling branches to return 3,200 tonnes of paper and cardboard, 400 tonnes of plastic and 2,400 tonnes of wood.

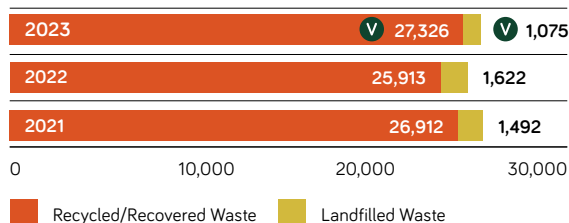
Environment Incidents

In 2023 the Group recorded 23 environmental incidents with six classed as 'reportable' and 17 "non-reportable". Of the six reportable incidents, three were a result of third-party sources such as spillages from supplier or customer vehicles. Most incidents related to spillages such as hydraulic oil or paint.

Assurance

Specific data points in the Sustainability (or "Building for Better") section, marked with the logo , have been assured against LRQA verification procedures which are based on AA1000AS (2008) and ISAE 3000. A copy of their verification statement is available at www.travisperkinsplc.co.uk.

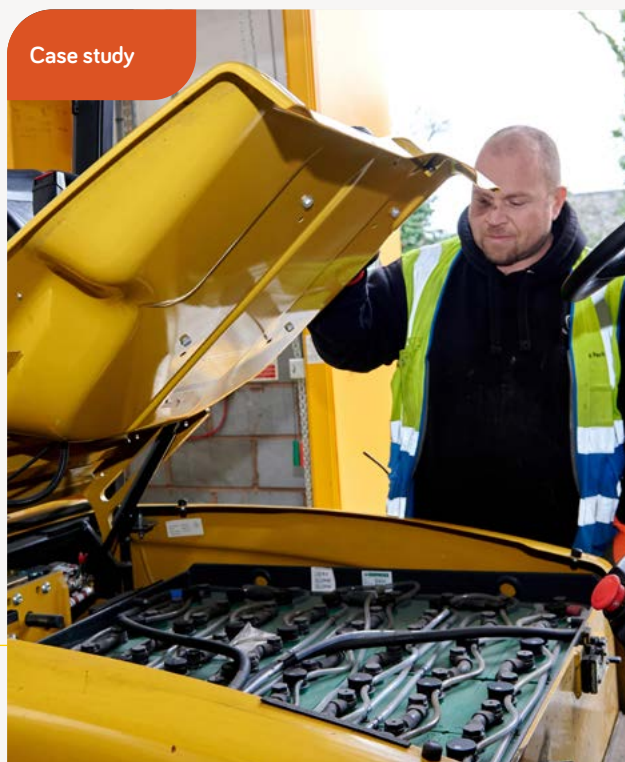
Total Waste (Tonnes)



Percentage of waste diverted from landfill – 2023

96%

Case study



UK's largest electrification forklift programme

The Group is switching up to 1,100 diesel forklift trucks with electric trucks by mid-2024. This multi-million pound investment is one of the largest forklift truck change programmes of its kind.

Once the new forklift trucks have been rolled out across the branch network, it is estimated that this programme will reduce the Group's Scope 1 carbon emissions by 6,600 tonnes per annum, equivalent to the carbon emissions of 4,000 cars.

This is just one of the actions implemented by the Group to achieve a 27% reduction in vehicle and plant fleet emissions by 2027. Other steps include trialling alternative fuels and providing training for drivers to ensure they operate machinery and trucks in the most energy efficient way.

Decarbonising the fleet is a core part of the Group's detailed plan on how to meet its ambitious 1.5°C aligned carbon reduction targets, which were announced by the Group in 2021 and are accredited by the Science Based Targets initiative ("SBTi").

What's next?

Continue with carbon training for colleagues to drive energy and fuel reduction and better support customers by sharing best practice.

Doing the Right Thing

Protecting against modern slavery and complying with all relevant laws.

The Group's purpose and sustainability priority

The establishment of the Group's Code of Conduct and a strong legal compliance framework helps to ensure stakeholders can rely on the Group to continue to "Do the Right Thing". 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 and human rights, the Group underpins its work on the strategic sustainability focus areas with a responsible approach to business.

Progress in 2023: Modern slavery and human rights

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 2023 was to roll-out identity checks for third parties coming to site. In-person identity checks have been introduced during second-line construction reviews, to assess right-to-work and worker access to identity documents and to report any red flags of modern slavery. A branch app to register those coming to site was trialled in 2023 and will inform future plans.
- A new human rights policy was published to ensure that internal and external stakeholders understand the Group's commitments.
- Two modern slavery training modules launched in December 2022 have been completed in 2023: an all-colleague "bite-sized" module and a key-colleague training module for those in roles more likely to observe or manage modern slavery risks.
- The Group sits on the Supply Chain Sustainability School's Modern Slavery Working Group, whose purpose is to help the sector identify, prevent, mitigate and remediate modern slavery risks and labour exploitation, and on the Slavery and Trafficking Risk Template Development Committee, which develops tools and assists efforts to comply with human trafficking and modern slavery legislation.
- A review of labour agency use has been conducted and is being used to develop better controls over temporary labour usage, with modern slavery controls forming part of the tender process assessment.

What's next?

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.

Progress in 2023: Legal compliance

The legal compliance modules listed below were launched in December 2022 and completed in 2023 to improve foundational understanding on key legal topics, supplemented by more advanced courses such as Anti-Bribery and Corruption and Competition Law.

- 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

The Group's completion rate for colleagues allocated these legal compliance modules is 82%, providing comfort that an understanding of legal compliance permeates through the Group.

What's next?

Further development of the Doing the Right Thing internal webpage to enhance access to and understanding of legal compliance policies and accompanying guidance.

People



Travis Perkins is a skills and apprenticeships powerhouse and I'm delighted that, since training its 1,000th apprentice, the Company is not resting on its laurels and is aiming for an amazing 10,000 apprentices by 2030. This is exactly the kind of initiative which will extend the ladder of opportunity to people from all backgrounds across the country and help them to secure sustainable, fulfilling work. I hope other businesses follow this blueprint for success as I continue to work with employers to incentivise people to learn the skills which are crucial to keeping our economy and our country moving.

Robert Halfon MP

Minister for Skills, Apprenticeships and Higher Education



Developing the next generation

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

The Group's purpose and sustainability priority

The Group is committed to building better communities and a stronger business through the development and deployment of talent and the next generation workforce. The development and apprenticeship programmes upskill colleagues in their current roles and introduce new colleagues to the business and the wider construction sector.

Development is not only about construction sector skills but also life skills including digital skills, maths and English. New colleagues are introduced to the merchanting sector and often bring enhanced digital capability. The Group is helping existing colleagues develop their digital skills to enable modern merchanting. In the majority of programmes, colleagues are taught about modern construction methods to help customers to build better. In this way the Group is developing the next generation for the construction supply sector.

Progress in 2023

The Group remains focused on enabling the development of the next generation workforce and helping to change construction.

More apprenticeships, better apprenticeships

The 1,000th apprentice graduated through the apprenticeship programme run by the Group in 2023, a major milestone on the journey towards **10,000 graduated apprentices by 2030**.

The new apprenticeship target was unveiled at an inaugural apprenticeship graduation ceremony, held at Franklin's Gardens stadium, home of Northampton Saints Rugby Club, which celebrated the success of this year's 414 apprentice graduates.

Successful assessment by Ofsted

The Group was awarded a "Good" Ofsted rating across all aspects of its Apprenticeship programme. The report found that:

- Apprentices enjoy their courses and are positive about their experience, with many gaining promotion.
- Programme leaders have a good understanding of the construction sector and ensure apprentices receive insights into key drivers in the industry, such as sustainability and retrofitting current housing stock.
- Apprentices benefit from experienced and well-qualified staff who guide them carefully through their learning and value the high-quality of their learning materials, training and online sessions.
- There is a commitment to raising the profile of groups that are underrepresented in the construction industry, resulting in an apprentice population increasingly reflective of the UK's diversity.

External recognition

The Group was ranked 38th at the Apprenticeships Top 100 Employers 2023 and 23rd in Rate My Apprenticeships Best 100 Employers in 2023.

Case study



Transformation of Bradby Youth Club in Rugby

In June 2023 colleagues from across the Group joined forces with social enterprise VIY and their 17 young volunteers from disadvantaged backgrounds to transform a youth club in Rugby. All of the VIY participants were awarded a City and Guilds accreditation in painting and decorating by the end of the course, which created an updated entrance area and refreshed interior, making a more inviting and vibrant space for the local young people who access it on a daily basis.

In addition to the donation of materials and time, colleagues from the Group apprenticeships and early careers team delivered career and employability talks to provide insight into work opportunities in construction.

2023 apprentice graduates

414

2030 graduated apprentices target

10,000

What's next?

In 2024 the Group will introduce a 'flexi-job' apprenticeship which includes placements with other businesses in the sector. A suite of micro qualifications – short, focused learning programmes that provide specific, job-related skills and knowledge – will be launched.

Diversity, equity and inclusion

Creating an environment where everyone can be themselves.

The Group's purpose and sustainability priority

- Leading the way in building a culture of belonging where everyone has the skills, confidence and ambition to be their best.
- Creating diverse teams with the diversity of thought needed to help the Group and the industry to innovate and change.

Progress in 2023

The Group is committed to building the skills, knowledge and behaviours in its leaders that will enable them to create the conditions for a diverse and inclusive workplace. Progress on this continued in 2023.

New industry coalition to tackle lack of diversity

Travis Perkins plc is a founding member of The Construction Inclusion Coalition ("CIC"), which was established by CEOs at leading organisations, including Aliaxis, Baxi, Bradfords, Highbourne Group, Ibstock plc, Knauf, Wavin, Wolseley, the Builders Merchants Federation and the National Merchant Buying Society, to raise standards on equity, diversity and inclusion, with an immediate focus on gender representation.

A survey of 2,000 adults highlighted the opportunity for the construction industry, with 46% saying they'd be more likely to seek employment in the sector if it showed a stronger commitment to diversity and inclusion.

A foundation for strong governance and leadership

The diversity, equity and inclusion ("DE&I") policy developed in 2022 informed DE&I activities in 2023, which included the development of colleague and leader knowledge to support the roll-out of the policy. A supporting governance framework is in place to allow the businesses and DE&I networks to track progress and prioritise next steps. The improvement in the Group's DE&I culture was shown in an engagement survey score of 70 (2022: 68) for colleagues' sense of belonging at this company and a score for equal opportunity five points above the global benchmark.



The future of our industry is at risk if we can't attract and retain talent from a diverse pool of people because too many think the construction sector is not for them. This is an industry-wide challenge that requires industry-wide solutions, which is why the CIC has been set up to improve equity, diversity and inclusion. We are calling on businesses across the sector to join the coalition and take action.

Angela Rushforth

Construction Inclusion Coalition Chair and
Toolstation Managing Director

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 by 2025.

Gender diversity 2023 - by role type	Female	%	Male	%	Total
Director	4	44	5	56	9
Senior Manager	70	28	182	72	252
Colleague	4,652	25	13,767	75	18,419
Total	4,726	25	13,954	75	18,680

Gender diversity 2023 - by business segment	Female	%	Male	%	Total
Group and shared service	421	48	447	52	868
Toolstation	2,456	36	4,465	64	6,921
Merchandising	1,849	17	9,042	83	10,891
Total	4,726	25	13,954	75	18,680

Safety and wellbeing

Getting everyone home safe and well, every single day.

The Group's purpose and sustainability priority

Keeping people safe and well is the Group's number one priority. Helping colleagues look after their wellbeing has a positive impact on their lives, at work and outside work, and on their communities.

Progress in 2023

The Group's priority for 2023 was to continue to create a culture where colleagues "call it out" and take time to "Stop, Step Back, Think. Then Act." by ensuring daily team briefings take place at all locations.

Stay
Safe.

Advancing a safety culture through colleague engagement

The "10B410" (10 minutes before 10am) team briefings established in 2022 continue to gain traction across the Group. Branches are engaging well with the process and this has led to an improvement in colleague perceptions on safety culture in the colleague engagement survey.

A data-led "safety beacon" drives targeted action

The Group is using the power of data to predict safety risk, allowing intervention if it shows increasing risk levels. This data-centric approach to safety is being developed through a test and learn process in Travis Perkins, CCF and Keyline.

Leading partner to the industry on safety

The Group HSE and Fleet Director, Richard Byrne, is the Chair of the Builders Merchant Federation Health and Safety Working Group. This provides an opportunity for the Group to share best practice and raise standards across the sector and beyond.

Case study



Virtual GP and other digital wellbeing services

In 2023, the Group introduced a new health and wellbeing benefit, Aviva Digicare+, which can be accessed by all colleagues and their families. This includes virtual GP advice, health checks, second medical opinions and mental health and nutritional support. 25% of colleagues have registered for the health and wellbeing benefit and the services are rated 4.7 out of 5.



I have used the Digicare app a few times now and every time has been a seamless process. After applying to complete the health check, the kit came in the post a few days later and I completed the tests and popped it in the post. After expecting this to take a few weeks to process I was shocked to see I had an email with my results only a few days later. I had a quick virtual follow up with a GP to go over the results thoroughly. I was really impressed.

Colleague testimonial

Case study



Industry leading research on driver behaviour to enhance fleet safety

The Group announced the findings of a groundbreaking study which identified three areas to focus on to improve driver safety:

- Skill decay.
- Stress and performance.
- Attention lapses and distractions.

With one of the largest fleets in the UK and around 3,000 drivers, drivers are at the forefront of the Group's business. They deliver building materials to customers across all segments of construction and are often required to drive specialist vehicles including light commercial vehicles and heavy goods vehicles.

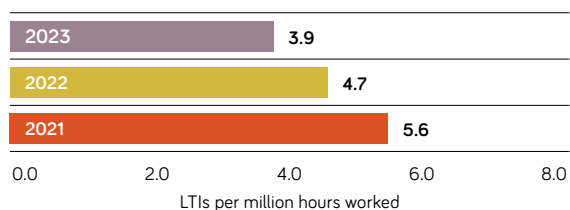
As part of the Group's commitment to continuous improvement, the business commissioned research from Dr Lisa Dorn, Associate Professor of Driver Behaviour at Cranfield University and Founder

of PsyDrive; a company that specialises in accredited training for road safety professionals, research, assessment and interventions for improved road safety.

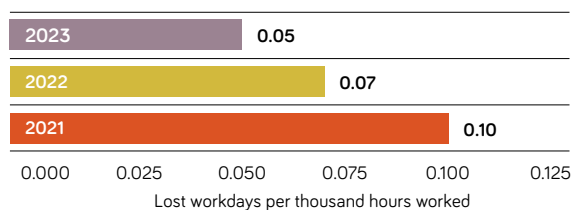
The study involved a comprehensive literature review of existing research and took into consideration studies in other industries, such as aviation, emergency services, marine, military and the rail industry to review their experiences and adapt them for use with the Group's fleet and drivers.

The results of this study were first presented by Karl Wilshaw, the Group's Technical Fleet Director, and Dr Lisa Dorn at the recent Chartered Institute of Logistics and Transport ("CILT") Annual Safety Forum Conference, in the company of CILT patron, Her Royal Highness The Princess Royal.

Lost time incident frequency rate



Severity rate



The figures reported do not include Toolstation Europe

What's next?

The objective for 2024 is 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.

Colleague voice and reward

Listening to colleagues to make better decisions.
Improving the financial health of colleagues.

The Group's purpose and sustainability priority

Listening to colleagues enables the Group to make better decisions, leverage diversity of thought and be responsive to colleagues' needs.

Progress in 2023

In 2023 the Group committed to use its strategy, purpose and values – “Our Story” – to build colleagues' connection to their role in the future success of the Group.

Further embedding the Group's purpose and values

The Group has continued to share stories through its communication channels and newly implemented knowledge management system. Many of the business conferences held in 2023 ran exercises to explore how each team is demonstrating the Group's values. New awards were used to recognise colleagues who had embodied the Group's values.

Learning from colleagues and benchmarking progress

The Group issued an engagement survey via Glint for the second time in 2023. This provides the opportunity to compare scores against 2022 and against other industries, giving rich insight into strengths and weaknesses. 79% of the Group's colleagues responded to the survey, a 3% improvement on 2022 and 4% higher than the global benchmark. 38% of colleagues provided a comment, which is above the Glint global average of 33%. The Group's engagement score in 2023 was 73, which is two points higher than 2022 and two points higher than the global benchmark. Headlines from the survey included:

- Most improved scores were for work-life balance, values, equal opportunities, contribution success and a belief that the Group cares.
- Scores for safety culture and equal opportunity are furthest above the global benchmark.

Managers have access to their team's results and a framework to develop action plans.

Engagement survey
response rate

79%

Survey engagement
score

73

The Group's purpose and sustainability priority

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 2023

The core objective for 2023 was to develop the reach and impact of the financial and wellbeing benefits offered to colleagues.

Supporting colleagues manage their finances

2023 saw the continued enrolment of colleagues into Wagestream, a financial management and wellbeing app, which lets colleagues access a portion of their salary each month before pay day or set up a savings fund directly from their pay at a competitive interest rate. One-in-three colleagues have enrolled with Wagestream and the short term savings built up by colleagues across the Group exceeds £1m.

Colleague support in a tough economic climate

Recognising the difficult economic climate, the Group made an £8m 'cost of living' payment in January 2023 to the majority of the workforce and in April 2023 awarded an average pay rise of 6%, with those on lower incomes receiving a larger award and a lower award for senior executives.

The Group introduced a free mortgage advice service via Coreco, the UK's largest mortgage broker, rolled out an extensive communication programme aligned with national campaigns, such as pension awareness season and talk money week, and ran targeted webinars including pre-retirement for colleagues aged over 50. A total of 500 colleagues participated in financial wellbeing webinars in 2023, with recordings available for other colleagues to access “on demand”.

New total reward statements have been launched online for colleagues, to help them understand and access the benefits available to them. To ensure that non-office-based colleagues such as drivers receive benefits news, videos have been created for driver hand-held devices.

What's next?

The Group will develop action plans to underpin the strategic priorities and local team issues that have the biggest impact on engagement and therefore overall business performance.

What's next?

The Group will continue to help colleagues build their financial resilience and support their wellbeing needs.

Charity and community

Taking pride in helping others and making positive changes happen.

The Group's purpose and sustainability priority

The Group's colleagues sit at the heart of the communities where they live and work. The Group's culture and "we care" value means that great pride is taken in helping others and making positive changes happen.

Progress in 2023

In 2023 the core objective was to deepen and elevate existing partnerships, scaling up cross-Group volunteering opportunities, and to improve data capture and social impact reporting.

The business makes an important contribution to the local and national economy, and supports the community in a range of different ways:

- Donations made in the form of funds, products or services
- Charitable social events
- Fundraising
- Strategic partnerships
- Corporate sponsorship
- Volunteering
- Disasters and humanitarian emergencies support

Colleagues across the Group continued to run and support a great range of charitable events, many of them in collaboration with customers and suppliers. These included charity golf days and walks for Mind and the Teenage Cancer Trust Unit at Leicester Royal Infirmary, as well as coffee mornings, auctions and Tough Mudder and Marathons for Macmillan Cancer Support and much more.

Charity and social enterprise partners	2023 contributions (£000)
Macmillan Cancer Support	1,023
Mind	101
Prostate Cancer UK	24
Centrepont	7
VIY	83
Cynthia Spencer Hospice	3
Variety	18
Leicester Hospitals Charity	14
Scottish Association for Mental Health	3
May Name's Doddie Foundation	4
Youthbuild	5

Framework to encourage colleague participation

The Group published a new Charity and Communities policy and supporting framework. This sets out how all colleagues from across the Group can get involved in initiatives, join networks, access resources and support best practice learning.

Expansion of VIY partnership

In 2023 the Group expanded its partnership with social enterprise Volunteer it Yourself ("VIY") by supporting five flagship community renovation projects across the country to provide young people at risk of unemployment with vocational trade skills to boost their employability. Support included a mixture of donations of funds and materials, volunteering, mentoring and career development sessions.

Case study



Netball tournament for Macmillan

Over 100 colleagues from Travis Perkins, Benchmarx, BSS and Staircraft raised £8,000 in a mixed netball tournament at Kings High School in Warwick for charity partner Macmillan Cancer Support. The mixed tournament had been organised to reflect the Group's diversity, and Sharon Cottam, who is Partnership Manager for Travis Perkins at Macmillan Cancer Support, said:



We cannot thank the team enough for organising such a brilliant event. It has taken months of planning, and we are delighted it was such a success. Everyone absolutely threw themselves into it, the team spirit on the day was fantastic.

It costs £33 to fund a Macmillan Nurse for one hour, the incredible amount raised by this tournament could fund 242 nursing hours, helping to provide emotional, practical, and financial support where it is needed most. I cannot thank you enough, it was certainly one of my highlights of 2023.

What's next?

Increase colleague volunteer hours and build charity and community partnerships that deliver on the Group's impact goals and use these partnerships to deliver on customer social value commitments.