

Governance

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Board of Directors



Jasmine Whitbread

Chair

Nationality

British/Swiss

Appointment date

31 March 2021

Committee membership: **N** **R** **S**

Skills and experience

Jasmine has extensive boardroom experience from a number of large public companies. These include Standard Chartered and BT Group plc, where she chaired the Digital Impact and Sustainability Committee. Jasmine currently serves as Non-executive Director with Compagnie Financière Richemont SA and WPP plc.

A seasoned executive leader, whose career spans over two decades, she was most recently CEO for London First where she worked with business leaders to keep the UK's capital globally competitive. Prior to this Jasmine was CEO of Save the Children UK, where she also became the first CEO of Save the Children International to align 30 federation members in over 100 countries. Jasmine's experience in the nonprofit sector began in 1999 when she worked in West Africa with Oxfam.

Prior to this Jasmine's career was in marketing in the technology sector, holding management positions with Rio Tinto and then in the US with Cortex and Thomson Financial.



Nick Roberts

Chief Executive Officer

Nationality

British

Appointment date

1 July 2019

Committee membership: **S**

Skills and experience

Nick joined the Board of Travis Perkins plc as Group Chief Executive in July 2019. He has spent over 30 years in the international engineering design and construction industry, serving 25 years at WS Atkins plc where he was CEO of the UK & Europe business before becoming Global President following the acquisition of Atkins by SNC Lavalin of Montreal. He has led businesses across multiple industry sectors and geographies, living overseas for several years.

At Travis Perkins he has led the portfolio transformation and modernisation of the Groups operations in the UK and continental Europe, particularly in respect of the Group's approach to safety and wellbeing, inclusion, apprenticeships and sustainability.

A Fellow of the Institution of Civil Engineers, he leads the Construction Leadership Council's work on People and Skills, bringing together industry and government to drive long-term change in opportunities for young people. A former reservist officer in the British Army, he has served on the Board of the Forces in Mind Trust as Trustee and Deputy Chair for over six years and will complete his extended term in February 2024.



Duncan Cooper

Chief Financial Officer

Nationality

British

Appointment date

9 January 2024

Committee membership: N/A

Skills and experience

Duncan is a Chartered Accountant and, in addition to having a strong finance background, has experience in corporate communications, strategy design and implementation as well as 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.

Committee membership key:

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



Marianne Culver

Non-executive Director

Nationality

British

Appointment date

1 November 2019

Committee membership: **R** **S**

Skills and 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 the RS Group plc (formerly 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.



Jez Maiden

Senior Independent
Non-executive Director

Nationality

British

Appointment date

1 June 2023

Committee membership: **A** **N**

Skills and experience

A qualified accountant (FCMA), Jez is a proven Senior Independent Director with diverse sector experience spanning household FMCG, management consultancy, food manufacturing, transport, life sciences and chemicals. He has extensive finance, 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. He is currently a Non-executive Director and member of the Audit Committee at Intertek Group plc, a Non-executive Director, Chair of the Audit Committee and member of the Remuneration Committees at Smith & Nephew plc and a Non-executive Director and Chair of the Audit Committee at the Centre for Process Innovation Limited.



Louise Hardy

Non-executive Director

Nationality

British

Appointment date

1 January 2023

Committee membership: **R**

Skills and experience

Louise has over thirty years of business and leadership experience across the construction and infrastructure industries. 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 is currently a Non-executive Director of Crest Nicholson Holdings plc, Severfield plc and Balfour Beatty plc and the independent chair of Oriol. Louise was formerly a Non-executive Director of Renew Holdings plc, Sirius Minerals plc and Genuit Group plc.

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



Heath Drewett

Non-executive Director

Nationality

British

Appointment date

11 May 2021

Committee membership: **A** **R**

Skills and experience

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



Jora Gill

Non-executive Director

Nationality

British

Appointment date

4 August 2021

Committee membership: **A** **N** **S**

Skills and 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.

Corporate governance report



Jasmine Whitbread

Chair

11 March 2024

I am pleased, on behalf of the Board, to present the corporate governance report for the year ended 31 December 2023.

UK Corporate Governance Code

Throughout the year ended 31 December 2023, 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'), which is available at www.frc.org.uk.

Role of the Board

The Board is responsible for considering the opportunities and risks relevant to the success of the overall Group strategy and for setting the tone and approach to corporate governance. The Board does this with the aim of promoting the long-term sustainable success of the Company, such that it generates value for shareholders and contributes to wider society.

The Board has a schedule of matters reserved to it, which was last reviewed and approved in November 2023. 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 defines terms of reference, which can be found on the Company's website.

Culture

The Board receives regular updates on cultural indicators to assist its oversight of the Group's culture. This assists the Board in monitoring the alignment of policy, practices and behaviour with Group purpose, strategy and values. These cultural indicators include feedback from the Group-wide colleague engagement survey ("Your Voice, Our Future") and updates from a number of listening groups and colleague communities. The Chair, CEO and other members of the Board also visit branches around the country to gain further insight into the Group's culture.

The extent of alignment of our culture with the Group's purpose, values and strategy is reported in the Colleague Voice section of the Sustainability Report found on pages 30 to 49.

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 Section 172 of the Companies Act 2006 is described in the Section 172 statement on pages 94 to 97. This includes reporting on engagement with major shareholders and the outcomes of that engagement.

The role of the designated workforce Non-executive Director is to help bring the colleague voice into the boardroom. Responsibility for this role transitioned to Louise Hardy from Pete Redfern in June 2023. Louise has used the activity conducted as part of her familiarisation with the Group in 2023 to meet colleagues and gauge engagement.

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 Senior Independent Director ("SID"). No such concerns were raised during the year.

During 2023 we continued to emphasise the principle of "calling it out" across the Group and the importance of the Code of Conduct and the Speak Up line. The Speak Up line is available for colleagues and others who interact with the Group to raise matters that are inconsistent with the Group's values or otherwise require investigation and attention. The Audit Committee, on behalf of the Board, received regular reports on issues raised through the Speak Up line and subsequent action taken. The Board reviewed the effectiveness of the Speak Up line at its meeting in November 2023.

Board composition and nominations

Board composition

There were a number of changes to the Non-executive Directors during 2023. Louise Hardy and Jez Maiden were appointed in January and in June respectively. Pete Redfern stepped down from the Board in September. As at 31 December 2023 the Board comprised seven Non-executive Directors and two Executive Directors. Coline McConville stepped down from the Board as a Non-executive Director on 31 December 2023 and as of the date of the Annual Report and Accounts the Board comprised six Non-executive Directors and two Executive Directors. The biographies of the Board are listed on pages 88 to 89.

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

Re-election of Directors

All Directors are considered to be eligible, on the basis of performance and contribution to the long-term sustainable success of the Company, to submit themselves for re-election at the 2024 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 2023 as described in the Nominations Committee report on pages 98 to 100.

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 November 2023 and is available on the Group's corporate website. The Chair leads the Board and ensures its effectiveness. I was independent on appointment as Chair and remain so.

Non-executive Directors

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. There were no relevant cross-directorships or other links in 2023.

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. The Board is satisfied that none of the circumstances set out in provision 10 of the Code currently apply and 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.

Pete Redfern was the Company's SID until 1 June 2023. Jez Maiden is the Company's SID with effect from 1 June 2023. The SID acts as a sounding board for the Chair and an intermediary for Directors and shareholders. The SID's responsibilities are set out in writing and are available on the Company's website. 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.

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 will be available for inspection at the Annual General Meeting.

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, taking into account the number and scale of each Director's other commitments before approval is given and recorded. Subject to approval by the Board, Executive Directors are allowed to accept one external non-executive directorship with a listed entity.

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.

Board and Committee meetings

The Board held twelve meetings in 2023, 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 2023 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
- Health and safety
- Progress in the execution of the Group's strategy
- Strategic reviews of the Group's businesses
- Governance matters, including review of the work of the Committees to the Board and the conduct of matters reserved to the Board

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

- Investor relations; review of feedback received from investors in the course of the 2022 results roadshow and discussion of investor relations priorities for 2023
- Technology and data enablement; review of the delivery of technology enabled business change aligned to the objectives of the Group
- Sustainability and corporate affairs; review of climate-related risks and opportunities, the sustainability reporting landscape and the roadmap for the Group's external engagement
- Group talent agenda; review with particular focus on talent and succession at the GLT level
- Colleague voice; review of key themes in the feedback from the Your Voice our Future engagement survey
- The Group's response to the trading conditions prevailing in 2023

The Chair meets regularly with Board members and with members of the 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 below.

	PLC Board	Audit Committee	Stay Safe Committee	Nominations Committee	Remuneration Committee	Overall attendance (%)
Number of meetings	12	4	4	8	7	
Attendance:						
M. Culver*	12/12	n/a	1/1	n/a	7/7	100%
H. Drewett	12/12	4/4	n/a	1/1	n/a	100%
J. Gill	12/12	n/a	4/4	8/8	n/a	100%
L. Hardy**	12/12	n/a	n/a	n/a	6/7	95%
J. Maiden***	7/8	1/1	n/a	1/1	n/a	90%
C. McConville	12/12	4/4	n/a	n/a	7/7	100%
P. Redfern****	9/9	3/3	2/2	6/6	6/6	100%
N. Roberts	12/12	n/a	4/4	n/a	n/a	100%
J. Whitbread	12/12	n/a	4/4	8/8	7/7	100%
A. Williams	12/12	n/a	n/a	n/a	n/a	100%

* Marianne Culver joined the Stay Safe Committee on 19 September 2023.

** As a result of a potential conflict of interest, Louise Hardy was recused from one Remuneration Committee meeting during the year.

*** Jez Maiden joined the Board on 1 June 2023, but due to a pre-existing arrangement was unable to attend the Board meeting on 27 July 2023. Jez provided his comments on the papers ahead of the meeting. He joined the Audit Committee and Nominations Committees on 20 September 2023.

**** Pete Redfern left the Board in September 2023 (last meeting was on 20 September 2023).

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 has established and chairs 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

In 2023 we were pleased to welcome shareholders, their proxies and corporate representatives to attend our Annual General Meeting in person at the London offices of Linklaters. All Directors were present and available for questions at our 2023 Annual General Meeting. We received strong support from shareholders for the resolutions put to the meeting with an average of 96% of votes in favour of each resolution and with no resolution receiving 20% or more of votes cast against them the threshold that is a general trigger for the Board to consult with shareholders to understand the reasons behind their voting (the Board may choose to consult with shareholders regarding reasons for voting in any event).

We look forward to welcoming attendance by shareholders, their proxies and corporate representatives at the 2024 Annual General Meeting in person again. Having reviewed the apparent shareholder appetite for broadcasts of the Annual General Meeting, we have 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. We will keep shareholder demand for remote participation under review in respect of our 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 2 to 86. 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' responsibilities for the financial statements are described on page 136.

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 and the Company have 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
- 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 74 to 85 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 by the CEO and the CFO, 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 Executive Directors, 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 Statement of Directors' responsibilities on page 136.

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 pages 101 to 105.

The Corporate governance report has been approved by the Board of Directors and is signed on its behalf by:

Jasmine Whitbread

Chair

11 March 2024

Section 172 statement

Engaging with stakeholders

Building positive relationships through strong engagement, collaboration and dialogue with stakeholders that share our values is important to us. Working together towards shared goals assists us in delivering long-term sustainable success.

Our Group comprises a number of businesses and all engage with each other because the value of working together is recognised. Each business also has extensive engagement with its own unique stakeholders. The Group's governance framework delegates authority for local decision-making to 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.

The Board is well informed about the views of stakeholders. Reports are regularly made to the Board by the businesses about strategy, performance and key decisions taken, which provides the Board with assurance that proper consideration is given to stakeholder interests in decision-making. It uses this information to assess the impact of decisions on each stakeholder group as part of its own decision-making process. Details of the Group's key stakeholders and how we engage with them are set out below.

Shareholders

We rely on the support of shareholders and their opinions are important to us. We want to enable shareholders to have an in-depth understanding of our strategy and operational and financial performance, so they can accurately assess the value of our shares.

We have an open dialogue with our 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 our 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 144 investor interactions during 2023, including attendance at 10 investment bank conferences. 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 of conversation and helps to build long term relationships with shareholders. In 2023, two-thirds of all investor interactions were in-person, this figure rising to over 80% with UK based investors.

Key ESG interests: Carbon, Responsible Sourcing.

Customers

The success of the Group, both historically and into the future is dependent on our ability to understand and meet the needs of our customers. The Group continues to invest heavily in data capability to bring a greater level of understanding to the behaviour of our customers and when combined with the time spent discussing their needs and perceptions this produces a significant amount of insight which we use to guide our actions.

Taking a longer 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 36 to 37.

Two ESG forums were hosted for national house builders and two for regional house builders during 2023 and three working groups have been formed to work together on shared ESG opportunities. Customers increasingly invite the Group to participate in events or present at conferences to advance sustainability agendas. The ESG team engaged with over 250 customers in 2023.

Key ESG interests: Carbon (product, delivery, data, solutions for Net Zero new build and Retrofit), Sustainable products, Responsible sourcing, Social value, Packaging, Safety.

Colleagues

Our people are key to our success and we want them to be successful individually and as a team. We aim to build a fully inclusive environment where treating each other with respect and encouraging everyone to be themselves is at the heart of our values.

We work hard to engage with and listen to our colleagues in a variety of ways. Our Group-wide engagement survey in 2023 was sent to just under 18,000 colleagues with a completion rate of 79%, representing the views of over 14,000 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.

The Group also continued to embed its storytelling process in 2023 to deliver a carefully crafted narrative that weaves together three elements which, in combination, are designed to engage and inspire colleagues; (i) the Group's purpose; (ii) the Group's updated values; and (iii) the strategy. Group-level and business unit-specific narratives are easily communicable and capable of being embellished with personal stories from the tellers to make narratives both resonate with the audience and be capable of being passed on. The story has been kept alive and further embedded in 2023 through the businesses' conferences and Group and business level communications. Further information on how the Group engages with colleagues can be found under "Colleague voice" on page 48.

ESG training sessions were delivered across a number of teams at Group and within the businesses by the Group Sustainability team and the ESG module, which is now included in all apprenticeships, was revised in 2023 to keep the content current.

Key ESG interests: Safety and Wellbeing, Skills, Diversity, Equity and Inclusion, Carbon, Responsible Sourcing.

Suppliers

Our suppliers are experts in the wide range of products we source 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 of us and our suppliers and creating opportunities. We aim 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. We also host regular conferences to bring suppliers and customers together to discuss shared goals

and build relationships. Core suppliers joined the conferences hosted by the Group's businesses in 2023. Online workshops were held for suppliers in July, September and October, focusing on decarbonisation, packaging and waste, and modern slavery. Between the workshops and individual supplier engagements, over 350 suppliers were supported by the Group sustainability team during 2023. 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.

Key ESG interests: Carbon, Responsible sourcing (including QA), Sustainable products, Packaging, Safety, Modern slavery.



Working together towards shared goals assists us in delivering long-term sustainable success.

Communities and the environment

Investing in sustainable growth means supporting and empowering the communities in which we operate. By ensuring we make a positive contribution, we can help build thriving communities and strengthen our business. We engage with the communities we operate in, to build trust and understand the local issues. Key areas of focus include how we can support local causes and issues; create opportunities to recruit and develop local people; and help to look after the environment. In 2023, we continued to work towards the long-term target for people development that we announced in 2022 for 10,000 people to successfully complete apprenticeships

by 2030 (delivered both for the Group's own colleagues and those in the wider industry). We partner with local charities and organisations at a site level to raise awareness and funds. The Group's impact on the environment is a key focus for the Board. During 2023 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 30 to 49.

Key ESG interests: Carbon, Sustainable products, Safety, Quality, Skills, Responsible sourcing.

Government and regulations

The regulatory environment significantly impacts the success of our business. We believe it is important that those who can influence policy, law and regulation understand our views. We also want to share information and perspectives on areas that impact our businesses. We engage with the government and regulators through a range of industry consultations, forums, meetings and conferences to communicate our views to policy-makers relevant to our business. In 2023, Nick Roberts, Chief Executive, joined the Construction Leadership Council (CLC) board as industry sponsor

for People and Skills. Key areas of focus during 2023 were around the skills gap, a national retrofit strategy, decarbonisation of specialist fleets and health and safety. The Group became a partner to the National Retrofit Hub in 2023 and is represented on each of its working groups. The Board is updated on legal and regulatory developments and takes these into account when considering future actions.

Key ESG interests: Carbon, Retrofit, Skills, Governance.

Trade and professional bodies

The Group has committed to be the leading partner to the industry. This involves close collaboration with trade and professional bodies to raise awareness, to 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, in some cases chairing those groups. The Group was also a member of the Institute of Environmental Management & Assessment ("IEMA") in 2023, benefiting from and contributing to cross sector knowledge sharing. The Group is a CO₂nstructZero Business Champion, the Construction Leadership Council's framework for net zero in the construction industry. As a partner to the Supply Chain Sustainability School, experts from across the Group participate in key industry forums to co-develop plans and solutions for key sustainability issues.

The Group also participates in working groups with the Future Homes Hub and the West Midlands Combined Authority Future Homes Taskforce. The Group is a founding member of The Construction Inclusion Coalition ("CIC"), which has been established by CEOs at leading organisations including Aliaxis, Baxi, Bradfords, Highbourne Group, Ibstock PLC, Knauf, Travis Perkins PLC, Wavin, Wolseley, the Builders Merchants Federation and the National Merchant Buying Society to raise sector standards on equity, diversity and inclusion, with an immediate focus on gender representation in its first year.

Key ESG interests: Carbon, Retrofit, Skills, Safety, Packaging, Diversity, Equity and Inclusion.

Decision-making in practice

One of the major decisions made by the Group this year was to strengthen the Group's involvement and investment in Retrofit. This was to meet increasing social housing customer requirements and upcoming consumer requirements relating to the retrofitting of their buildings to improve energy and thermal efficiency, reduce carbon, reduce utility costs and improve health and comfort. Recognising our role as leading partner to the industry, the Group has further developed its retrofit plans and retrofit basket of goods, as well as joining the National Retrofit Hub, investing in bespoke retrofit projects with customers and recruiting new dedicated team members to drive this agenda forward. In making this decision the Board considered the interests of and the impact on all stakeholders. To provide insight into the approach taken by the Board, a summary of stakeholder views and conclusions is set out below.

Stakeholder	Stakeholder views	Conclusions
Shareholders	Our shareholders want us to operate in the most cost effective way, preserve cash and maximise returns thereby creating value and ensuring the long term sustainable success of the Group.	Investors see companies with a strong focus on material sustainability issues outperforming. With a cost of living crisis, poor quality and leaky housing and a challenging national decarbonisation target, the UK must address the existing built environment. The retrofit revolution ahead will offer significant opportunities for increased sales.
Colleagues	Our colleagues want the Group to do the right thing and to help build better communities. They are also interested in improving their own homes and costs. For both current and future colleagues, the Group's alignment to key national sustainability and economic issues is expected.	The Group cares about its colleagues and wants to retain and attract the best to the business and the industry. The Group's ability to evolve its product and service offering to customers keeps the business relevant and attractive to colleagues. Colleagues can relate to the need to better manage energy, particularly in light of recent energy price increases.
Customers	Our customers want industry partners who can meet their needs relating to products, data and value-add services. These needs are evolving and becoming more complex as the industry addresses the challenges of carbon reduction and modernisation, and one of the emerging and significant opportunities is around retrofit. Our customers are facing their own challenges in addressing retrofit requirements and look to partners such as our Group for solutions, advice and support.	The Group maintains regular communication with its customers, consulting regularly with them on their changing needs. Both social housing landlords and Tier 1 contractors have increasing needs to support the successful delivery of their retrofit plans. Other customer segments are also involved as many trade types are needed to fulfil whole house retrofits. It is critical for the Group to support its customers to participate in and benefit from new opportunities in the market.
Suppliers	Our suppliers want us to enable the success of their own businesses by opening up market opportunities. If the Group establishes itself as a key retrofit partner within the industry, our suppliers will have the opportunity to sell more products.	The business has worked with suppliers to introduce new product ranges which are needed to complete whole house retrofits. The Group has also offered Suppliers the opportunity to showcase their products in a new decarbonisation hub developed by one of its social housing landlords.
Construction Supply sector	The Construction supply sector needs to work together, and with government, to effectively establish the supply chain solutions needed for high volume retrofits.	The Group has partnered with the newly launched National Retrofit Hub and sits on all of the working groups in order to shape the plans around retrofit, making sure that manufacturers and merchants can effectively play their part.
Communities	Communities are challenged to keep their community buildings and housing stock in good repair and with high levels of energy and thermal efficiency. With energy price increases and a cost of living crisis, this is particularly relevant.	As a Group our purpose is to Build Better Communities and Enrich Lives. Retrofitting the UK's old and leaky built environment is a key pillar in delivering our purpose.
Government and regulators	The government and regulators are very aware of the need to retrofit as 80% of the homes that will exist in 2050 exist today – UK Net Zero cannot be achieved simply by focusing on new build. A retrofit revolution is needed to address the existing built environment. The regulators are also focused on building health (due to damp and mould) and safety (following the Building Safety Act), and the energy cost crisis.	The Group is the largest supplier of materials into the UK construction sector, serving all customer types and selling the vast majority of product categories. Retrofit represents a clear opportunity to demonstrate the value of the Group as the combined "basket of goods" across all businesses is essential to fulfil retrofit product needs. The Group can play a leading role in delivering against the government's retrofit agenda.



Jasmine Whitbread

Chair

11 March 2024

2023 focus areas

- Board succession planning
- Appointment of Duncan Cooper
- Board and Committee effectiveness review
- Board and senior management pipeline diversity

Number of scheduled meetings during 2023

6

Dear Shareholder,

As Chair of the Nominations Committee I am pleased to present to you the Committee's report on its activities in 2023.

The last year saw further changes to the Company's board of Directors ("Board"). In 2023, Pete Redfern reached the milestone of nine years' service on the Board and at the end of the year, Coline McConville also stood down having served for nearly nine years. Pete and Coline's departures necessitated searches for their successors. The Committee had already conducted searches in 2022 and by 1 January 2023 Louise Hardy had joined the Board as Coline's successor, enabling her to spend some time working on the Remuneration Committee alongside Coline before assuming the role of Chair of that Committee on 1 December 2023. The search for Pete's successor continued into 2023 culminating in Jez Maiden joining the Board on 1 June last year. Alan Williams's early indication of his desire to retire enabled the Nominations Committee to lead an appropriately measured search for a new Chief Financial Officer on behalf of the Board which I'm delighted to say resulted in Duncan Cooper joining the Board on 9 January this year.

We have in place a talented Board with deep sectoral and excellent general business and commercial, as well as strong public company experience.

Board diversity policy and diversity

For financial years commencing on or after 1 April 2022, Disclosure Guidance and Transparency Rule ("DTR") 7.2.8AR, which deals with corporate governance, requires disclosure of the diversity policy applied to a Board and its Remuneration, Audit and Nomination Committees. It has always been our approach to seek diversity in all senses, including age, gender, ethnic and social backgrounds, sexual orientation and disability 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 www.travisperkinsplc.co.uk.

The Board supports the principles and aims of the FTSE Women Leaders Review (FWLR) and its recommendations 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. At the end of the year, four Directors out of nine were female (44.44%) with a female Chair. Accordingly, we met the currently applicable recommendations of the Review. With the departure of Coline McConville from the Board at the end of 2023, at the date of this report, three out of eight Directors are female (37.5%). We would like to further strengthen the Board's diversity and enhance our sectoral/distribution industry experience. We are scanning the market for suitable potential future candidates to recruit when the time is right.

Our executive committee, which we call our Group Leadership Team (GLT), currently comprises ten colleagues, of whom 30% are female. Full details of our gender diversity as a Group are set out at page 45 in the Sustainability report. The gender split amongst the direct reports to the GLT are 64% male and 36% female. If we are to meet the FWLR's recommendation for the leadership team to comprise 40% female by the end of 2025, we have our work cut out. We have calculated that if headcount remains stable for the leadership team and if we assume that female attrition remains in line with overall attrition in that cohort at 7%, to reach the review's target of 40% female colleagues in the leadership team, we shall have to recruit females to fill 77% of anticipated vacancies. Although we are committed to achieving the FWLR's aims, in light of historic and current female representation in our industry as a whole, and the impact the legacy of years of female under representation has on the available talent pool, we are unsure how realistic the target of filling 77% of vacancies with females really is. We will actively endeavour to do so, but it may take longer than the end of 2025 to meet the FWLR's recommendation. That will not stop us trying though.

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 poor with 96% from white ethnic backgrounds and 4% from Asian ethnic backgrounds. We are not yet ready to disclose targets as we have further work to do before we can set them. It is our aim to complete that work during 2024 so that we can report targets for ethnic diversity amongst our leadership team in our next annual report and thereafter, we can report progress against them.

At 31 December 2023, the Company met the targets on board diversity set out in Listing Rule 9.8.6R (9). As Coline McConville has stepped down from the Board, at the date of this report the Company no longer meets the target in LR9.8.6R(9)(a)(i) as 37.5% of the Board are women. The following table is included in compliance with Listing Rule 9.8.6R(10) in the format prescribed by that rule and set out in Listing Rule 9 Annex 2:

Gender identity or sex

At 31 December 2023	No. of Board members	% of the Board	No. of senior positions on the Board	No. in executive management	% of executive management
Men	5	55.56	3	5	62.5
Women	4	44.44	1	3	37.5
Not specified/prefer not to say	-	-	-	-	-

Ethnic Background (at 31 December 2023)

At 31 December 2023	No. of Board members	% of the Board	No. of senior positions on the Board	No. in executive management	% of executive management
White British or other White (including minority-white groups)	8	88.88	4	8	100%
Mixed/Multiple Ethnic Groups	-	-	-	-	-
Asian/Asian British	1	11.12	-	-	-
Black/African/Caribbean/Black British	-	-	-	-	-
Other ethnic group, including Arab	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-

Board effectiveness review

As the Board undertook an externally-facilitated effectiveness review last year, this year the Board effectiveness review was conducted in-house with the process facilitated by the General Counsel & Company Secretary. Using a combination of questionnaires and discussion, the effectiveness of the Board, its Committees and the Chair was assessed. The Board, its Committees and the Chair were found to be operating effectively with good constructive challenge and better focus on operational issues, albeit, in light of current economic pressures, the Board has had to be conscious not to allow its focus to become too short-term and to maintain its longer-term strategic perspective.

2023 focus areas identified by the effectiveness review and progress:

Focus area	Progress
Board agendas and meeting frequency, including addressing what should come to the Board and why the Board needs to be involved	Good progress has been made with the introduction of an approach whereby the Board's annual work plan, including meeting frequency, for the subsequent year is agreed with the Board at the end of each year with detailed agendas mapped out. As agendas naturally evolve in response to changing circumstances and demands, the agenda for the subsequent meeting is reviewed and discussed at each Board meeting. In that discussion the rationale for bringing each item to the Board is considered, including an examination of why the Board needs to be involved in anticipated agenda items.
A focus on constructive challenge and on operational issues (but not operational detail) in addition to strategy	In response to the increasingly challenging economic environment in which the Group is operating, the Board has increased its focus on key operational matters but actively sought to ensure that it has not done so to the detriment of its core focus on strategic planning and execution. It has consciously recalibrated the balance of the Group's focus on elevating and deepening relationships with customers with a greater balance on deepening activities in the short term which are intended to win a greater share of customer spend through making the purchasing process as smooth and integrated as possible. Operational excellence is a key facet of deepening customer relationships.
Succession planning for Non-executive Directors and the GLT	The successful navigation of the succession of Non-executive Directors over the last two years, including the critical roles of Remuneration Committee Chair and SID, is testament to the progress achieved with Non-executive Director succession. Focus remains on robust future succession planning with regular review of the skills and experience of the existing Non-executive Director cohort against the evolving business environment and anticipated demands of the Group. Horizon scanning work using the services of external search organisations is embedded and ongoing to ensure that the Board is aware of the availability of suitable talent so that it has the opportunity to move pre-emptively in anticipation of future Board changes. The Nominations Committee leads oversight of GLT succession planning and pipeline build on behalf of the Board which regularly reviews the current and future GLT constituency examining the pipeline of talent into the GLT and the pipeline from the GLT to potentially fill future Executive Director roles. In doing so, regard is had to the Board's Diversity Policy and the recommendations of the FWLR and the Parker Review.
Competitive landscape and associated learnings	Each of the business units attends a Board meeting at least annually for an in-depth review of business unit performance, key issues and strategic execution. Standing items have been introduced for those reviews including, amongst other matters, market share performance, competitor performance and initiatives to address relative performance and how to beat competitors. In addition to providing better insight to the Board, that approach achieves consistency across the business units and enables comparison of performance, which also helps insight and learnings to be shared across the business units of the Group.

2024 Focus areas:

The Board has agreed the following focus areas for 2024:

- In light of changes in the Non-executive and Executive Director constituencies, focus should continue on the balance of constructive challenge and support as relationships between Directors become better established.
- Improving the feedback loop with the Board regarding actioning within the business of issues raised by the Board, for example the introduction of clear milestones against which to judge the success of implementation of initiatives.
- Continuing to improve risk management processes, in particular, the articulation of the Board's risk appetite to the business with attention to the language used to bridge between the articulation of risk appetite and how it is embedded in the business.
- Achieving an appropriate balance between the Board's focus on short-term performance improvement against the backdrop of current economic challenges and long-term strategic success.

Process for Board appointments

Through a rigorous selection process, appointments to the Board are 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, appointees are provided with a programme of induction meetings with key personnel and visits to key areas of the businesses 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.

Jasmine Whitbread

Chair

11 March 2024



Heath Drewett
Chair, Audit Committee
11 March 2024

2023 focus areas

- Monitoring integrity of financial statements and formal announcements relating to financial performance
- Assessment of effectiveness and maturity of risk management and internal control
- Assurance in connection with the Group's finance modernisation programme ("Apex")

Number of meetings during 2023

4

Dear Shareholder,

I am pleased to present the Audit Committee's report for the year ended 31 December 2023. 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 2023 have been:

- Heath Drewett
- Jez Maiden (from the close of the Board's meeting on 19 September 2023)
- Coline McConville
- Pete Redfern (up to the close of the Board's meeting on 19 September 2023)

(Coline McConville stepped down from the Committee on 31 December 2023 and Jora Gill joined the Audit Committee from 1 January 2024)

All members are independent Non-executive Directors. 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, as required by the UK Corporate Governance Code (see biographies on pages 88 to 89).

The Audit Committee held four formal meetings in 2023. Attendance of members at the Audit Committee's meetings during the year can be found in the Corporate Governance report on page 92.

The following were also invited to attend each of the Audit Committee's meetings in 2023:

- Chair of the Board
- Chief Executive Officer
- Chief Financial Officer
- General Counsel & Company Secretary
- Director of Group Finance
- Director of Internal Audit & Risk
- Director of Financial Accounting & Control
- the Group's external auditor

From time to time 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 Board meeting. Directors who are not members of the Audit Committee but who have a pending appointment may also be invited to attend meetings. In 2023 other Directors were invited to attend the meetings in February, July and November on these bases 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 held separate meetings with the Director of Internal Audit & Risk and external auditor without the presence of management and held separate meetings with management without the external auditor.

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 set out on page 99, which found the Audit Committee to be operating effectively.

The Audit Committee conducts an annual agenda of business covering financial reporting, internal controls, risk management, internal audit activity and external audit. This agenda is reviewed regularly by the 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 2023 are as follows:

Q1 (February 2023)	Q2 (May 2023)	Q3 (July 2023)	Q4 (November 2023)
<ul style="list-style-type: none"> • Year-end accounting for 2022* • External audit report for 2022 • Review of internal controls • Review of principal and emerging risks • The content of the Annual Report and Accounts, the results announcements prepared by management and the associated press release issued at year-end 	<ul style="list-style-type: none"> • Developments regarding UK corporate reform and in that context the Group's systems of internal financial controls • Progress reports on information security initiatives • External audit plan including half year strategy • Review of performance and effectiveness of external auditors 	<ul style="list-style-type: none"> • Half year accounting for 2023* • External audit report including auditor quality control and independence • Review of principal and emerging risks 	<ul style="list-style-type: none"> • Audit Committee effectiveness review • External auditors report including progress against plan for 2023 audit and findings • Updates regarding the outcome of impairment testing and other significant accounting matters relevant to year-end accounting • Internal Audit – Independence and effectiveness assessment; re-approval of charter • Internal Audit – approval of Internal Audit plan for 2024 • Progress report on security matters

In addition to the above specific matters, the Audit Committee considered at each of its meetings in 2023 the following standing agenda items:

- Review of non-audit fees
- Review of progress reports concerning the Internal Audit Plan for 2023, 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 of the Operational Compliance Support teams
- Review of updates regarding assurance activity concerning the Group's Apex programme (delivery of new finance system)
- Review of reports regarding matters disclosed to the Group's SpeakUp Hotline (save that this formed part of the business of the meeting of the Board in November 2023, rather than the Audit Committee's November 2023 meeting)

* 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.

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 2023 that were considered by the Audit Committee. This is not a complete list of all accounting issues, estimates and policies, but includes those which the Audit Committee believes are the most significant.

In reaching its conclusions, set out in more detail in the table below, 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 received a report from the external auditor on the work undertaken to arrive at the conclusions set out in the audit report on pages 138 to 144, discussing all relevant matters in depth.

Area	Issue and nature of judgement	Factors considered and conclusions reached
Inventory valuation	<p>To meet customer expectations, the Group carries a wide range of inventory in around 1,500 locations.</p> <p>Inventory should be included in the balance sheet at the lower of cost or net realisable value. At 31 December 2023 the Group's inventory was valued at £728m.</p> <p>The determination of cost is made more difficult by the ageing accounting systems and material rebate and fixed price discount agreements; requiring regular reconciliations in areas such as accruals for goods received not invoiced.</p>	<p>During the year, management regularly reported on inventory valuation and provisioning to the Committee and did so again at its meeting to consider the year-end Annual Report and Accounts.</p> <p>The Committee reviewed and discussed the information presented about gross inventory values and the adjustments made by management to reduce inventory carrying values to allow for rebates and fixed price discounts attributable to inventory and provisions to reflect obsolescence or slow-moving inventory.</p> <p>The Committee assessed the judgements made by management and concluded from the information it had received and its discussions with management and the external auditor that inventory was fairly stated in the balance sheet.</p> <p>Further information is given in the notes to the financial statements (note 11 – Inventories and note 12 – Supplier Income).</p>
Defined benefit pension schemes	<p>At 31 December 2023 the Group's balance sheet included a net asset position of £101m in respect of its defined benefit pension schemes, which reflects a gross pension asset of £1,097m and pension liability of £996m.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>Further information is given in the financial statements (note 17 – Pension arrangements).</p>

Risk management and internal controls

Risk management

Risks are logged and managed on an ongoing basis at a Group level and within the businesses and assessed in key strategic and performance review processes throughout the year. Key risks are regularly collated and reviewed by the 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. Additional mitigating actions are put in place as required to manage risks within the Board's risk appetite. Regular horizon scanning and risk benchmarking is undertaken to test the Group's risk set and identify emerging risks, which are reviewed by the Board.

The Group adopts a continuous improvement approach to risk management. Refinement of the risk management framework continued in 2023 in response to the independently conducted maturity assessment in 2022 of the Group's risk management framework. Risk appetite has been an area of particular focus this year. An exercise was undertaken in Q3 to consult with a selection of senior managers and the GLT to assess existing appetite levels and ways of working, with the outputs considered by the Board in resetting its risk appetite in November 2023.

The principal risks and uncertainties are set out on pages 74 to 85, 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 "Statement of principal risks and uncertainties" on page 74). The Audit Committee has received regular updates on the status of these activities.

The Audit Committee conducted a review of the effectiveness of the Company's risk management and internal controls, concluding that they remain effective. The internal control framework is intended to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

In 2023, particular Audit Committee focus has been on continuing management initiatives to improve the internal financial control environment. There are a number of system replacements in progress, including Apex, which will deliver a new finance system, as well as enhancing and improving the Group's control framework to lead to greater consistency and automation of controls. An independent assurance provision has been procured from PwC to underpin the plan for assuring Apex. The assurance plan has been reviewed by the Audit Committee. Regular reports on results were presented to both the Apex steering committee and the Audit Committee throughout 2023 and progress will continue to be monitored in this way in 2024. Reviewing such major system transformation programmes will also remain an area of focus for the Internal Audit function. It is also the case that all major internal assurance processes, including operational compliance, health and safety and internal audit, track control improvement actions to completion, which is a core part of the continuous improvement of controls.

Internal audit

The delivery of the Internal Audit Plan, which is the annual plan of internal audit activity structured to align with the Group's strategic priorities, major change programmes and principal risks, is a key source of internal assurance for the Group. The Internal Audit function develops the Internal Audit Plan, with consideration of relative risk, historic coverage and management requests, and delivers the majority of reviews, 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 Internal Audit Plan is reviewed periodically throughout the year and is updated as business priorities and risks change, to ensure that it remains relevant. The Audit Committee oversees and approves all changes to the Internal Audit Plan throughout the year.

The audits delivered during 2023 covered a broad range of operational, financial, legal, regulatory, IT and transformation activities. Core financial control areas are audited regularly. In 2023 this included reviews of the new treasury system, supplier payments in Toolstation UK, the certification process for key financial controls and the process supporting the Senior Accounting Officer tax declaration. In addition, Internal Audit has supported the Apex programme and, alongside the external programme assurance provider, has undertaken reviews of related architecture, system integration testing and access controls, as well as a number of changes to operational ways of working. Internal Audit continues to conduct risk assurance mapping for key areas including safety, credit services and cyber security in the Toolstation businesses.

The 2024 Internal Audit Plan was approved by the Audit Committee at its meeting in November 2023. As with every year, a rolling risk assessment will continue throughout 2024 to ensure that internal audit activities remain targeted at the areas presenting the most risk to the Group, which can change over time. Any changes to the proposed 2024 Internal Audit Plan will be approved by the Audit Committee. The 2024 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, control effectiveness (in response to expected changes to the UK Corporate Governance Code in 2024) and areas or processes that align to any of the Group's principal risks. The annual Internal Audit Plan includes standing 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.

All audit findings and agreed management actions are communicated to the Audit Committee and tracked through to completion. The Audit Committee receives an update at every meeting on the age of findings and the level of risk to the business. Significant progress has been made in the last year to address outstanding audit findings, thereby reducing the ongoing risks to the business.

The Internal Audit function has a continuous improvement strategy, with initiatives set annually and progress reported regularly to the Audit Committee. Opportunities identified by the external effectiveness assessment of internal audit activity undertaken in 2022 were integrated into the continuous improvement process for 2023. This informed the decision to focus on activities such as improving within the wider Group the understanding of governance, risk and controls and increasing audit coverage and depth through a greater use of data within audits. A range of development actions have been undertaken and completed in 2023 with the development of the data analytics capability of the Internal Audit function and the monitoring of team skills and knowledge

to continue as priorities into 2024. The Internal Audit function also reported to the Audit Committee that good progress continues against all three of its strategic pillars: Alignment to Business Needs; Leverage Data & Technology; Continuous Improvement.

Based on its review of the updates on activity undertaken and progress made, the Audit Committee was satisfied with the overall effectiveness of the Internal Audit function throughout 2023.

External auditor

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 Company expects to retender the external audit in accordance with the timescales set out in the Financial Reporting Council's guidance, which require the external audit to be put out to tender by 2025. Based on the Audit Committee's assessment of the effectiveness of the audit, the Audit Committee considers a tender for the 2025 audit to be in the best interests of the Company's shareholders.

Audit scope and effectiveness

The external audit plan and strategy for the external audit of the 2023 Annual Report and Accounts was presented by the external auditor to the Audit Committee in November 2023 to enable the Audit Committee to discuss and challenge the key elements.

The Audit Committee considers the effectiveness of the external auditor during the year and, with input from management, carries out a formal review of its 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

Financial Reporting Council

During 2023 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").

The Audit Committee began the process of familiarising itself with the FRC's *Audit Committees and the External Audit: Minimum Standard* ("FRC Minimum Standard") following its publication in May 2023 and will identify any areas of Audit Committee practice that may be enhanced in line with the FRC Minimum Standard for so long as it applies on a voluntary basis. It is the current intention of the Audit Committee that the tender for the 2025 audit referred to above will be conducted in line with the FRC Minimum Standard.

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.

Independence and objectivity

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 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 KPMG LLP rather than another supplier.

In 2023 KPMG LLP was engaged to provide non-audit services only in relation to the June 2023 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 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 Audit Committee determines the policy on provision of non-audit services by the external auditor, reviews the nature and extent of non-audit work performed and monitors and annually confirms compliance with the policy.

Reporting

The CFO reports to the Audit Committee on fees for non-audit services payable to the external auditor at every meeting. As shown in note 4 to the accounts, during the year the auditor was paid £2,093,000 (2022: £1,891,000) for audit-related work and £90,000 (2022: £85,000) for non-audit work. Non-audit work related to the review of the Group's interim financial statements. Fees for non-audit work were 4% (2022: 4%) of fees for audit-related work. The total fees paid by the Group to KPMG LLP in 2023 represent 0.1% of KPMG LLP's UK fee income. In addition, £2.7m (2022: £1.3m) of fees were paid to other accounting firms for non-audit work.

Assessment of the external auditor

Having considered the external auditor's performance and representations from the external auditor about its internal independence processes, 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.

This report has been approved by the Board of Directors and signed on its behalf by:

Heath Drewett

Audit Committee Chair

11 March 2024



Louise Hardy

Chair, Remuneration Committee

11 March 2024

2023 focus areas

- Remuneration policy review
- Shareholder, proxy and adviser consultation
- Appointment of Duncan Cooper, Chief Financial Officer
- Transition to new Remuneration Committee Chair

Number of meetings during 2023

7

Dear Shareholder,

As Chair of the Remuneration Committee, I am pleased to introduce the 2023 Directors' remuneration report.

Challenging trading conditions and impact on executive pay

The Group has made good progress against its strategic priorities during the year, growing margin-accretive value-add services, delivering a substantial proportion of planned technology and modernisation programmes to improve operational effectiveness, as well as continuing to drive positive actions in support of the Group's longer-term sustainability plan. However, challenging market conditions continued for longer than expected during 2023, which significantly impacted on sales volumes. In light of lower than anticipated profit delivery by the end of the year, the Group will not pay any bonuses to Executive Directors or members of the Group Leadership Team in respect of 2023 performance. Actual total remuneration for the Chief Executive for 2023 was 43% lower than the year before.

Across the Group, there is a renewed focus on significantly reshaping the organisation to capitalise on its scale, expertise and partnerships with suppliers and customers, and to operate in a more agile and customer-focused way, enabling the business to more consistently outperform its markets over the long term.

Remuneration policy review – minor changes to policy and no change to quantum

The current Directors' remuneration policy was approved by 89% of shareholders at the 2021 Annual General Meeting. This policy simplified and refocused executive remuneration in order to support sustainable, long-term business performance, to align management and shareholders and to foster a culture of collaboration and ownership across the Group. The primary change to the policy was the replacement of two long-term incentive plans (Performance Share and Co-Investment Plans) with a Restricted Share Plan ("RSP").

In accordance with the requirement to put a remuneration policy to a shareholder vote every three years, the Committee has undertaken a comprehensive review of each element of the policy to ensure it supports the Group's strategic ambition, purpose and values. The Committee believes the Directors' remuneration policy is operating effectively and remains the right approach to support the delivery of the Group's strategic objectives and long-term value for shareholders. No material changes have therefore been proposed to either the policy or the approach to the implementation of remuneration (including quantum and metrics) this year.

The Group has consulted with major shareholders as well as proxy and advisor bodies over the past few months, listening carefully to a range of views and taking on board the feedback in considering what is in the best interests of the Group.

The Committee believes that the RSP continues to be an appropriate and effective long-term incentive for executives and senior leaders across the Group. The RSP was implemented in 2021 in the knowledge that there would be an extended period of strategic change, and that the RSP would better support long-term growth and shareholder value by providing more flexibility around long-term decision making, particularly in times of significant external volatility. The intention was also that the RSP would enable a focus on vital aspects of the business strategy, such as customer relationships, modernisation, sustainability and decarbonisation.

The benefits of operating an RSP in support of long-term business strategy remain applicable to the Group, as summarised below:

Purpose of RSP:

- **Reward long-term sustainable performance**
Delivery of the strategy requires longer-term decision making in order to drive value creation for shareholders. As the Group elevates and deepens its relationships with customers as well as taking actions to modernise the business and decarbonise the industry, these decisions may not always maximise short-term performance but will enable the delivery of a strong and sustainable business over the long term. The RSP supports long-term growth and shareholder value by providing more flexibility around long-term decision making, particularly in times of significant external volatility.
- **Align management and shareholders**
The RSP aligns management with the experience of shareholders through the direct link between reward outcomes and the share price.
- **Aligned to our culture**
The RSP has been cascaded throughout the organisation to other senior leaders and key talent and in doing so supports the culture of collaboration and alignment to the Group's purpose, values and strategy. Working in tandem with the all-employee share purchase plan (which has had a take-up of around 20% over recent years), the RSP also enhances a sense of share ownership and collective accountability throughout the Group.
- **Simple and transparent**
The RSP provides a single, simple mechanism for long-term incentivisation. It encourages positive behaviours and improved strategy execution without the distraction of shorter-term targets and avoids potential boom and bust cycles inherent with plans containing performance outcomes.
- **Effective retention tool**
The RSP is a clear and easily understood incentive structure and therefore acts as an effective retention tool.

The first awards granted under the RSP in 2021 are due to vest in 2024. The Committee believes the RSP has operated effectively in that time, enabling management to react to evolving market conditions.

Under the new remuneration policy, the RSP is proposed to continue in its existing form for awards granted in 2024, with one change to simplify the vesting structure under the plan. For Executive Directors, currently 75% of RSP awards vest after three years and 25% after five years, with a two-year holding period on the three-year tranche, taking the timeframe for the entire award to five years. For RSP awards made in 2024 and beyond, it is proposed that 100% vests after three years, subject to a further two-year holding period, meaning that no shares will be delivered to executives until five years after grant. This approach is simpler and more transparent for participants and shareholders, is aligned with recent market practice, and the use of a three-year vesting period is consistent with the approach that is already applied for RSP participants below the Board.

Each part of the remuneration package plays an important role in driving performance to deliver the Group's long-term strategy and improve shareholder returns, as outlined in the remuneration policy on pages 112 to 119. The link between the Group's strategic ambition and incentive measures is detailed under the "Remuneration in 2023 – at a glance" section on page 110.

2024 salary review

The approach to this year's annual salary review was again a difficult balancing act. In light of business performance and ongoing challenges in the external market, affordability was a key concern in ensuring that fixed costs are managed carefully and sustainably. However, it has also been very important to recognise that inflation remains high and that cost of living pressures continue to impact colleagues across the Group. The other priority has been to maintain fair internal relativities between different levels in the organisation, given the impact of the near double-digit uplift to the National Living Wage rate, acknowledging that a substantial proportion of colleagues are paid at various steps just above the Group's entry level rate of pay. As a result, a majority of colleagues will receive a salary increase above the rate of inflation, whilst higher earners will receive a salary increase of 1.5%.

The Remuneration Committee subsequently reviewed the salaries of Executive Directors and members of the Group Leadership Team and, taking into account current market conditions, cost challenges and financial performance in 2023, determined that there would be a salary increase of 1.5% from 1 April 2024, 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. Both the Chief Executive and Chief Financial Officer 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 in both years in order to prioritise investment in raising wages at lower levels across the organisation.

Non-executive Directors' fees were increased by 4% in April 2023, consistent with the annual salary review for Executive Directors last year. The Chair's fee was not increased in 2023 as it is already in line with the FTSE 250 benchmark data. The fees for the Chair and Non-executive Directors will next be reviewed in April 2024.

2024 bonus plan

The Committee reviewed the 2024 annual bonus plan and in light of the challenging economic environment, decided to retain the primary focus on financial performance measures for a further financial year, with 55% of the bonus based on operating profit, 25% on operating cash conversion and the remaining 20% on strategic measures. 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 together with disciplined capital expenditure. For 2024, the Committee also decided to adjust the structure of the bonus plan, so that there would be no payout for profit or cash delivery below target, and a payout of 25% of maximum for achieving target. This change has been implemented at all levels across the organisation, and is intended to drive accountability across the business in ensuring the budget is delivered as a minimum commitment for 2024, to restore confidence in the Group's ability to achieve volume and margin in line with market guidance. It is the current intention that this payout structure will be reviewed after one year for 2025.

Incentive outcomes in 2023

External volatility and weak trading demand continued for longer than expected during 2023, and the uncertain economic outlook continues to impact across the industry. As a result of these challenging conditions the Group issued two profit warnings during the second-half of the year when it became clear that the initial guidance on profit would not be achievable. The Group saw a total year-on-year sales decline of 2.7%, however the general merchandising businesses, Toolstation and several of the value-added service lines held or grew market share.

Performance against key financial objectives in 2023 was as follows:

- Group adjusted operating profit of £180m vs bonus target of £280m; and
- Group adjusted operating cash conversion of 81% vs bonus target of 75%.

2023 bonus payout – downward discretion exercised to award 0% of maximum

The annual bonus plan for Executive Directors in 2023 was based on adjusted operating profit (weighted at 55% of maximum), operating cash conversion (25% of maximum) and strategic performance (20% of maximum).

Operating profit performance for 2023 was below the threshold level of performance under the annual bonus plan, resulting in no payout against this financial measure. Operating cash conversion was delivered above target, equating to 20% of the maximum bonus opportunity. The Group Leadership Team also made progress against the Group's strategic objectives on value-added services, operational efficiencies, critical change programmes and sustainability during 2023 (more details on page 125), despite ongoing volatility and uncertainty in the external environment. The Committee assessed the achievement of strategic measures at 50% of maximum (10% of total bonus opportunity). This level of strategic performance, combined with operating cash conversion performance, meant that a total of 30% of the maximum bonus opportunity was achieved during 2023.

However, in light of profit performance for 2023 significantly below the initial guidance to market earlier in the year, and given that the majority 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 and the Group Leadership team for 2023.

2021 RSP award – full vesting in 2024 and 2026

Long-term incentive awards granted to Executive Directors in 2021 were made in the form of Restricted Share Plan ("RSP") awards, the first of such awards made under the new plan that was 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 2021 RSP award vests after three years (March 2024) and 25% of the award vests after five years (March 2026), subject to being employed on the vesting dates. 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 2021 RSP awards were:

- Average Return on Capital Employed ("ROCE") 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 Company.

Average ROCE performance over the three financial years ended 31 December 2023 at 10.5% was above the underpin threshold and there were no governance including ESG issues which in the Board's opinion had resulted or could result in material reputational damage to the Company. The Committee therefore concluded that it was appropriate that RSP awards vest in full. For Executive Directors, 25% of the 2021 RSP award remains subject to the performance underpins over the five financial years ending 31 December 2025.

The share price is currently below the share price at grant, so it is clear that there have been no windfall gains. The Committee carefully considered the circumstances and concluded that the vesting of 2021 RSP awards was appropriate and therefore did not apply any discretion.

Continuing to support colleagues in challenging times

Whilst needing to manage costs carefully in an uncertain external environment, a comprehensive package of benefits has been offered to colleagues throughout the year to support their financial, health and wellbeing needs. A key part of this has been the provision of the Wagestream tool, which was launched across the Group in 2022, building on the successful implementation in Toolstation the year before. This enables easy-to-access financial management support for all colleagues, the ability to access a portion of their salary each month before pay day to help manage short-term cash flow needs and the opportunity to set up a savings fund directly from their pay to earn a competitive interest rate, all of which helps to build colleague's longer-term financial resilience. One-in-three colleagues have now enrolled with Wagestream and the short term savings built up by colleagues across the Group to date have exceeded £1m. Other benefits have been provided on an ongoing basis for several years, including short-term loans, extensive retailer discounts on essential spend such as groceries and utilities, an employee assistance programme and a range of wellbeing and financial education resources.

Recognising the difficult economic climate, the Group made a cost of living cash payment in January 2023 at a cost of £8m to over 17,000 colleagues (around 95% of the workforce) and in April 2023 awarded a pay rise of 6% to the majority of colleagues, with those on lower salaries receiving a larger award. In 2023, the Group also introduced a free mortgage advice service and a new health and wellbeing benefit, accessible by all colleagues and their families, which includes virtual GP advice, health checks, mental health and nutritional support. These additional benefits have been received well by colleagues.

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. The RSP is also used in a targeted way to recognise critical roles and key talent across the Group.

2024 Annual General Meeting

The Committee will submit its remuneration policy and annual remuneration report to the 2024 AGM, where the policy will be subject to a binding shareholder vote and the remuneration report will be subject to an advisory shareholder vote. I look forward to receiving your support, and will be available to answer any questions.

Louise Hardy

Remuneration Committee Chair

11 March 2024

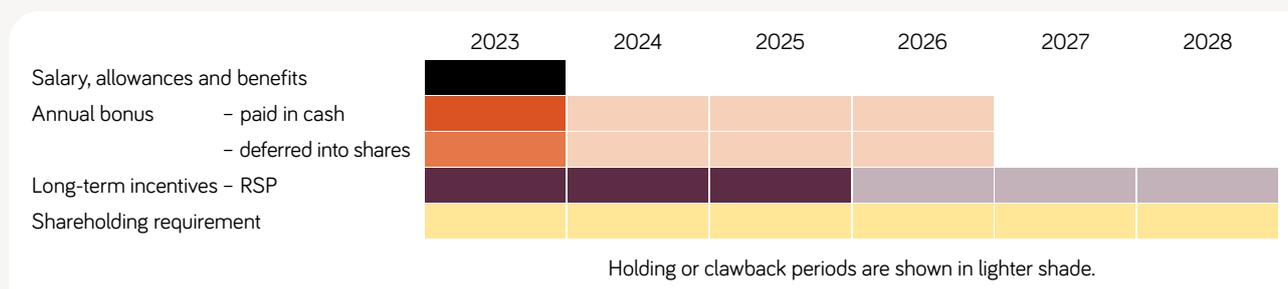
Remuneration in 2023 – at a glance

2023 remuneration outcomes

Element	Nick Roberts, CEO		Alan Williams, CFO	
	2023	2022	2023	2022
Base salary (annualised from 1 April)	£681,605 +4%	£655,389	£554,507 +4%	£533,180
Annual bonus (% of maximum)	0%	0%	0%	0%
Long-term incentives:				
RSP (% of maximum)	100%	N/A	100%	n/a
PSP (% of maximum)	n/a	65%	n/a	65%
CIP (% of maximum)	n/a	100%	n/a	100%
Share ownership (% of salary) (as at 31 December)	392%	236%	648%	605%

Proportionality and management of risk

The remuneration structure ensures that executives have a vested interest in delivering performance over the short and long term. There is a three-year deferral of half of the annual bonus payout into shares, a two-year retention period on vested awards under the long-term incentive plan and a shareholding requirement that applies for two years after leaving the Group. 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. The performance, retention and clawback periods for each element of remuneration are shown below.



Pay for performance in 2023 – at a glance

The following table shows how performance is measured under the annual bonus and long-term incentive plans.

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 Return on Capital Employed (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 2023: 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. Despite strong cash conversion and good progress against strategic measures, in light of financial performance and lower bonus payments across the wider workforce than in previous years, the Committee used its discretion and did not award a 2023 bonus payout to Executive Directors and the Group Leadership Team.

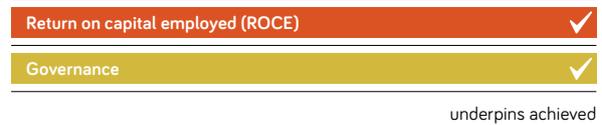
Annual bonus performance for 2023



Long-term incentive plan outcome for 2021-2023: underpins met

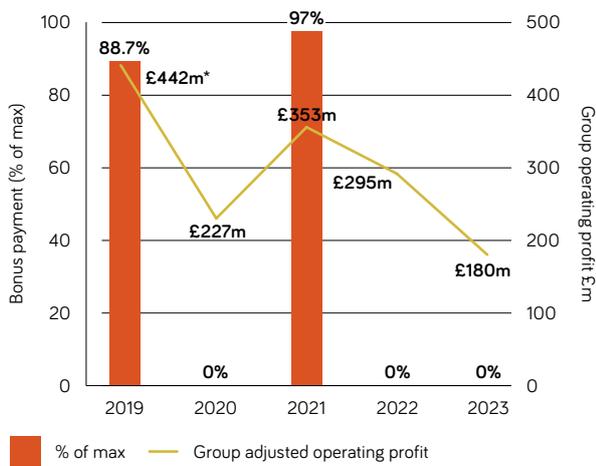
The maximum RSP award for Executive Directors was 125% of base salary, representing a 50% reduction on the combined maximum award under the previous performance-based plans (PSP and CIP).

RSP underpin performance for 2021 - 2023



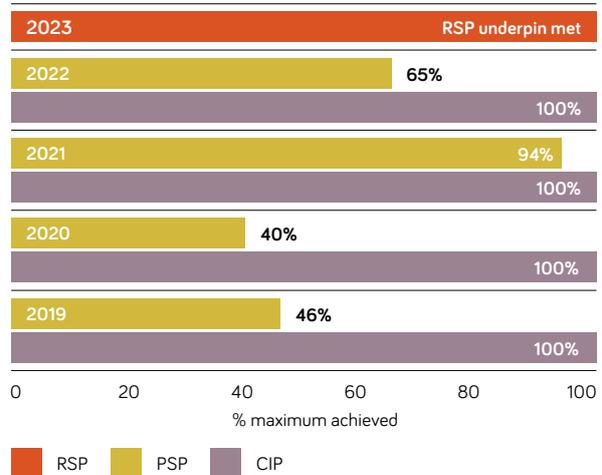
The following charts illustrate how incentive outcomes for the Executive Directors have reflected performance over the past five years.

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



* Includes Wickes and Plumbing & Heating

Historical LTIP vesting outcomes for the last 5 years



All annual bonus and long-term incentive outcomes are subject to malus and clawback. Performance weighting and measures are unchanged from the previous year.

Remuneration policy report

The following sets out the Group's Directors' remuneration policy (the "Policy"). The Policy is subject to a binding shareholder vote at the Annual General Meeting on 22 April 2024 and, if approved by shareholders, will apply to payments made on and from this date. This Policy will replace in full the Directors' remuneration policy set out in the 2020 Annual Report, which was approved at the Annual General Meeting held on 27 April 2021.

Remuneration philosophy

The principles of the Group's 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 payments are linked to performance against a limited number of measures which are clearly linked to our strategy, balancing collective ownership of strategic deliverables and collaboration across the Group with clear line of sight for individual accountabilities, 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, RSP 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 and bonus, colleagues also have access to an extensive range of benefits and support under the 'MyPerks' programme, which includes flexible and voluntary benefits, retirement benefits, our all-colleague Sharesave scheme and recognition awards.

Link to strategy	Operation	Maximum potential value	Performance metrics	Remuneration Committee discretion
Base salary				
Core element of total package, essential to support recruitment and retention of high calibre executives.	<p>The Committee sets base salary levels taking into account:</p> <ul style="list-style-type: none"> • Role, experience and individual performance • Pay awards elsewhere in the Group • Salary levels at other companies of a similar size <p>Any salary increases are normally effective from 1 April.</p>	Whilst there is no maximum salary level or maximum salary increase, the increase for Executive Directors will normally be no greater than the general employee increase.	None	The Committee retains discretion to award salary increases in excess of the general population where this is considered appropriate to reflect performance or significant changes in market practice or the size or complexity of the Group, to recognise changes in roles and responsibilities, where a new Executive Director has been appointed to the Board at a lower than typical market salary to allow for growth in the role or in other exceptional circumstances.
Benefits				
Maintains a competitive package with a range of benefits for the executive and their family.	<p>Executive Directors are currently entitled to benefits including:</p> <ul style="list-style-type: none"> • Private medical insurance • Income protection • Annual leave • Car allowance or alternative car provision • Life insurance of up to 5 times salary • All employee share plans such as Sharesave and Buy As You Earn <p>The Committee may introduce other benefits if it is considered appropriate to do so. Executive Directors shall be reimbursed for all reasonable expenses and the Group may settle any tax incurred in relation to these where appropriate.</p>	Benefit levels reflect those typically available to senior managers within the Group and may be subject to change. The maximum potential value being the cost of providing those benefits.	None	The Committee may remove benefits that Executive Directors receive or introduce other benefits if it is considered appropriate to do so taking into account the circumstances.
Pension				
Helps executives provide for retirement and aids retention.	Pension provided either as a cash allowance in lieu or as a contribution to a personal pension plan (or a combination of both).	The maximum contribution or allowance is aligned with the maximum rate available across the wider workforce (currently 10% of salary).	None	None

Directors' remuneration report continued

Link to strategy	Operation	Maximum potential value	Performance metrics	Remuneration Committee discretion
Annual bonus and Deferred Share Bonus Plan				
<p>Rewards achievement of annual performance objectives.</p> <p>Deferred element encourages longer-term shareholding and aligns reward to shareholder interests.</p> <p>Malus and clawback based forfeiture provisions discourage excessive risk taking and short term outlook ensuring that executive and shareholder interests are aligned.</p>	<p>Total bonus level is determined after the year end, based on achievement of targets.</p> <p>Normally up to 50% of the total bonus is paid in cash. The remainder of the bonus is normally deferred as shares for three years.</p> <p>Targets are normally set annually in line with the performance metrics.</p> <p>Dividend equivalents on shares that are released may be paid.</p> <p>Malus and clawback provisions apply as explained further in the notes to this table.</p>	<p>Maximum bonus opportunity under the plan is 180% of annual salary.</p>	<p>Bonus measures may include:</p> <ul style="list-style-type: none"> Financial targets Individual or Group targets pertaining to delivery of the business strategy including ESG measures. Financial targets will account for at least 50% of the bonus. <p>Performance below threshold normally results in zero bonus. Bonus earned rises from 0% to 100% of maximum bonus opportunity for levels of performance between threshold and maximum targets. The Committee retains discretion to use an alternative payout structure if appropriate.</p> <p>Performance measures and weightings are set out in the statement of Implementation of the Remuneration Policy on page 120.</p>	<p>The Committee retains the discretion to review the measures, the weighting of measures and to set the performance targets and ranges for each measure.</p> <p>The Committee will determine financial targets and the amount of bonus which can be earned for achievement of the Group's plan. This determination will be based upon an assessment of the degree of difficulty in achieving the targets taking into account market conditions, improvement on prior year performance required, and other relevant factors.</p> <p>The Committee may, in its discretion, adjust annual bonus payments, if it considers that such level would not reflect the underlying performance of the Executive or the Group or the experience of shareholders or other stakeholders or if such level would not be appropriate in the circumstances.</p>
Restricted Share Plan				
<p>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 longer term.</p> <p>Helps retain executives.</p>	<p>Awards are normally granted annually in the form of restricted shares.</p> <p>For Executive Directors, awards will normally vest on the third anniversary of the award, subject to a further two-year holding period, with a total time horizon of five years until shares are released.</p> <p>Dividend equivalents on shares that are released may be paid.</p> <p>Malus and clawback provisions apply as explained further in the notes to this table.</p>	<p>The maximum annual award for all Executive Directors is 125% of salary.</p>	<p>Awards will be subject to performance underpins measured over the vesting period.</p> <p>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.</p> <p>The Committee would retain discretion to determine what level of scale back was appropriate.</p>	<p>The Committee retains discretion to review the performance underpins, and to set the triggers for each underpin.</p> <p>The Committee may in its discretion, adjust the vesting level of an award, if it considers that the vesting level would not reflect the underlying performance of the executive or the Group or the experience of shareholders or other stakeholders or if such level would not be appropriate in the circumstances.</p>
Shareholding requirement				
<p>Aligns the interests of executives and shareholders.</p>	<p>Formal requirements (not voluntary guidelines) apply to Directors and senior executives. Participation in long-term incentives may be scaled back or withheld if the requirements are not met or maintained.</p> <p>For the purposes of assessing compliance with the shareholding requirement vested but unexercised awards will be considered as well as unvested awards with no further performance conditions attached to them.</p>	<p>None</p>	<p>Executive Directors are expected to hold shares valued at 200% of salary within five years of appointment to the Board.</p>	<p>The Committee retains discretion to increase shareholding requirements.</p>

Changes to Policy

The key changes to this Policy compared to the previous policy are as follows:

- Simplification of the RSP vesting schedule, which provides for the full award to vest after three years and subsequently be released after a further two-year holding period, replacing the current policy of 75% of the award vesting after three years (held for a further two years) and the remaining 25% vesting after five years; and
- Other minor amendments to the wording of the Policy to reflect current practice, increase clarity and aid policy implementation in the future.

Summary of decision making process

In determining the revisions to the Policy, the Committee followed a robust process, which included discussions on the content of the Policy at Remuneration Committee meetings during the year. The Committee considered the input from management and independent advisors, as well as consulting with major shareholders and proxy and advisory services.

Performance metrics

In considering appropriate performance metrics for the annual bonus, the Committee seeks to incentivise and reinforce delivery of the Group's strategic objectives achieving a balance between delivering annual return to shareholders and ensuring sustainable long-term profitability and growth. Measures will therefore reflect a balance of direct shareholder value, as well as measures focused on meeting specific strategic objectives aligned to long-term growth.

The Committee calibrates these targets by due reference to market practice, the Group's strategic plan, general and bespoke market intelligence, lead indicators and other indicators of the economic environment such that targets may represent relative as well as absolute achievement. Awards under the RSP are subject to performance underpins that act as safeguards to ensure that awards do not pay out if vesting is not justified. For 2024 awards, the underpins will be linked to average ROCE performance and satisfactory governance performance over the vesting period. These underpins have been selected as they are considered to reflect a good overall balance and safeguard the financial stability of the business whilst ensuring a continued focus on governance.

Malus and clawback

Malus and clawback provisions are included in all incentives: the annual bonus (up to three years from the date of payment), and the Restricted Share Plan (up to six years from the date of the award).

The circumstances in which malus and clawback could apply include:

- A material misstatement resulting in an adjustment to the Group's audited consolidated accounts;
- The determination of the bonus or the number of shares subject to an award or the assessment of any performance condition was in error or based on inaccurate or misleading information;
- The Board determining in its reasonable opinion that any action or conduct of the participant amounts to serious misconduct, fraud or gross misconduct;
- The Board determining that there has been a material failure of risk management (for 2020 bonus and incentive awards onwards);
- The Board determining that there has been serious reputational damage (for 2020 bonus and incentive awards onwards);
- The Board determining that there has been a material corporate failure (for 2020 bonus and incentive awards onwards); or
- Any other circumstances which the Board in its discretion considers to be appropriate.

Discretion

Areas where the Committee has discretion have been outlined in the Policy. The Committee may also exercise operational and administrative discretions under relevant plan rules approved by shareholders as set out in those rules. A number of Committee discretions apply to awards granted under each of the Group's share plans, including that:

- Awards may be granted as conditional share awards or nil-cost options or in such other form that the Committee determines has the same economic effect.
- Awards may be settled in cash at the Committee's discretion (for Executive Directors this provision will only be used in exceptional circumstances where for regulatory reasons it is not possible to settle awards in shares).
- Awards may be adjusted in the event of any variation of the Group's share capital or any demerger, delisting, special dividend or other event that may affect the Group's share price.

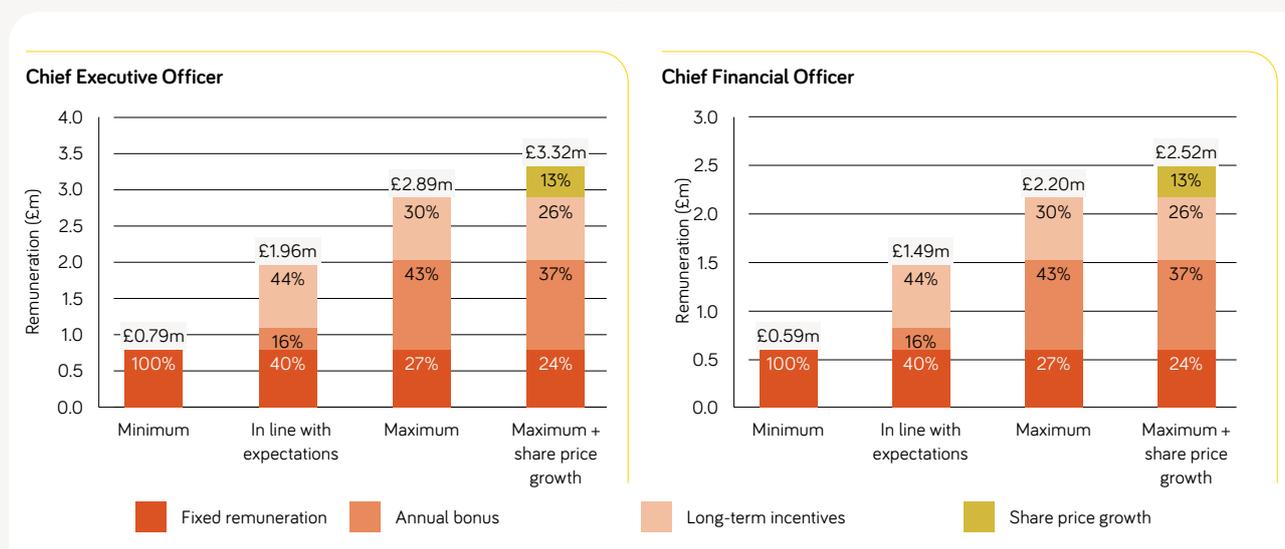
Directors' remuneration report continued

In addition, the Committee has the discretion to amend the Policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, inappropriate to seek or await shareholder approval.

The Committee retains discretion to amend or substitute performance measures, targets and underpins and the weightings attached to performance measures part-way through a performance year if one or more significant corporate events occur which causes the Committee to believe that amended or substituted performance measures, weightings or targets would be more appropriate and not materially less difficult to satisfy. Discretion may also be exercised in cases where the Committee believes that the outcome is not considered to be reflective of the underlying financial or non-financial performance of the business or the performance of the individual. Any exercise of this discretion will typically be discussed with shareholders in advance and explained in full.

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed (i) before the policy set out above came into effect, provided that the terms of the payment were consistent with any applicable shareholder-approved Directors' Remuneration Policy in force at the time they were agreed or where otherwise approved by shareholders; or (ii) at a time when the relevant individual was not a Director of the Group (or other persons to whom the Policy set out above applies) and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company or such other person. For these purposes "payments" include the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" no later than the time of the award.

Illustration of the application of the remuneration policy



Fixed remuneration includes basic salary (from 1 April 2024), pension provision (from 1 April 2024) and other benefits (based on the value disclosed in the single figure for 2023).

- The "Minimum" scenario includes fixed remuneration only.
- The "In line with expectations" scenario includes fixed remuneration plus target annual bonus (25% of maximum for 2024) plus 100% vesting of RSP (125% of salary).
- The "Maximum" scenario includes fixed remuneration plus maximum bonus (180% of salary) plus 100% vesting of RSP (125% of salary).
- The "Maximum + share price growth" scenario is as per the "Maximum" scenario and assumes share price growth of 50%.

Non-executive Directors' Fees

Fees for the Non-executive Chair and Non-executive Directors are set at an appropriate level to recruit and retain Directors of a sufficient calibre to guide and influence Board level decision making without paying more than is necessary to do so. Fees are set taking into account relevant factors, which may include the following:

- The time commitment required to fulfil the role.
- Typical practice at other companies of a similar size and complexity to Travis Perkins.

Non-executive fees will typically be reviewed annually with increases normally being effective from 1 April each year. Non-executive Director fees policy is to pay:

- A basic fee for membership of the Board.
- An additional fee for the Chair of a Committee and the Senior Independent Director to take into account the additional responsibilities and time commitment of the role.

Additional fees may be paid to reflect additional Board or Committee or other responsibilities or additional time commitments as appropriate. The Non-executive Chair receives an all-inclusive fee for the role.

Current fees are detailed within the statement of Implementation of the Directors' remuneration policy on page 120.

Non-executive Directors do not normally receive any benefits (other than a staff discount card for purchasing products) and are not eligible to join a Company pension scheme. Benefits may be provided if considered appropriate. No compensation is payable on termination of office, which may be without notice from the Group. They cannot participate in any of the Group's share plans. The Group will pay reasonable expenses incurred by the Chair and Non-executive Directors (including any tax incurred in relation to these where appropriate).

Recruitment remuneration

It is the Group's policy to recruit the best candidate possible for any executive Board position. It seeks to avoid paying more than is considered necessary to secure the candidate and will have regard to guidelines and shareholder sentiment when formulating the remuneration package. Generally the Group will set salary, incentives and benefits for candidates in line with the above remuneration policy and accordingly participation in short- and long-term incentives will typically be on the same basis as existing Directors. In all cases the Group commits to providing shareholders with timely disclosure of the terms of any new executive hires including the approach taken to determine a fair level of compensation. The maximum level of variable remuneration which may be awarded (excluding any buyout awards referred to below) in respect of recruitment is 305% of salary, which is in line with the current maximum limit under the annual bonus plan and the Restricted Share Plan.

The table below outlines the Group's normal recruitment policy:

Base salary and benefits	The pay of any new recruit would be determined following the principles set out in the remuneration policy table.
Pension	The appointee will be able to receive either a contribution to a personal pension scheme or cash allowance or combination in lieu of pension benefits, in line with the Group's policy as set out in the remuneration policy table.
Annual bonus	The appointee will be eligible to participate in the annual bonus and Deferred Share Bonus Plan as set out in the remuneration policy table. Awards may be granted up to the maximum opportunity allowable in the remuneration policy table at the Remuneration Committee's discretion.
Restricted Share Plan	The appointee will be eligible to participate in the Group's Restricted Share Plan as set out in the remuneration policy table. Awards may be granted up to the maximum opportunity allowable under the Plan Rules at the Remuneration Committee's discretion.
Share buy-outs and replacement awards	<p>Where an individual forfeits outstanding variable pay opportunities or contractual rights at a previous employer as a result of appointment, the Committee may offer compensatory payments or awards if after careful consideration it is determined that it is appropriate to offer a buyout. Any buyout may be in such form as the Committee considers appropriate, taking into account all relevant factors including the form of awards, expected value and vesting timeframe of forfeited opportunities. When determining any such buyout, the guiding principle would be that awards would generally be on a like-for-like basis unless this is considered by the Committee not to be practical or appropriate.</p> <p>The incentive plan rules allow for awards to be made outside of the plan limit to facilitate the recruitment of an Executive Director.</p> <p>To the extent that it was not possible or practical to provide the buy-out within the terms of the Group's existing incentive plans, a bespoke arrangement may be used (including granting an award under the Listing Rule 9.4.2 which allows for the granting of awards, to facilitate, in unusual circumstances, the recruitment of an executive Director). Any buyout award made under the Group's Deferred Share Bonus Plan or long-term incentive plans will not count towards the individual's maximum opportunity under those plans.</p>
Relocation	Where the Group requires a candidate to relocate in order to take up an executive position it will normally reimburse the reasonable costs of the relocation. This may include one-off or ongoing expenses such as schooling or housing for a reasonable period of time.

Where an internal candidate is promoted to an executive position, the Group will honour any contractual commitments made through their employment prior to the promotion including any accrued defined benefit pension provision. Future pension provision will be aligned with the policy set out above.

Recruitment remuneration for Non-executive Directors would be assessed following the principles set out in the policy for Non-executive Director fees.

Policy on payment for Directors leaving employment

Executive Directors' contracts do not have a fixed expiry date but can be terminated by serving notice. Contractual notice periods for Directors are normally set at six months' notice from the Director and 12 months' notice from the Group and the Group would normally honour contractual commitments in the event of the termination of a Director. Notwithstanding this approach, it is Group policy to seek to minimise liability in the event of any early termination of a Director.

The Group classifies terminations of employment arising from death, ill health, disability, injury, retirement with company agreement, redundancy or the transfer from the Group of the employing entity as 'good leaver' reasons. In addition the Committee retains discretion under incentive plan rules to determine good leaver status in other circumstances. In the event such discretion is exercised a full explanation will be provided to shareholders.

Leaver reason may impact the treatment of the various remuneration elements as follows:

Remuneration element	Good leaver reason	Other leaver reason
Salary	Ceases on cessation of employment (salary may be paid in lieu of notice) unless a pre-existing contractual term applies.	Ceases on cessation of employment (salary may be paid in lieu of notice) unless a pre-existing contractual term applies.
Annual bonus including Deferred Share Bonus*	Unpaid bonus from a completed performance period prior to cessation will be paid in full. For the performance period in which cessation occurs a pro rata bonus may be paid, subject to normal performance conditions. Any unvested deferred bonus share awards will normally continue until the normal vesting date and vest in full. The Committee may determine that awards should vest on cessation of employment.	All unpaid annual bonus payments lapse. Any unvested deferred bonus shares also lapse on leaving.
Benefits	Provision or accrual of benefits will cease on cessation of employment or, if later, at the end of the relevant subscription period.	Provision or accrual of benefits will cease on cessation of employment or, if later, at the end of the relevant subscription period.
Restricted Share Plan*	<p>Unvested awards will normally vest at the normal vesting date and remain subject to the performance underpins. Where a participant ceases employment before vesting, awards will be time pro-rated unless the Committee decides otherwise. Awards will normally remain subject to any applicable holding period.</p> <p>The Committee may determine that awards should vest and be released at cessation of employment taking into account the extent to which underpins have been met and, unless the Committee decides otherwise, the period of time elapsed since award.</p> <p>Where a participant ceases employment during any holding period (other than for reason of gross misconduct) they will continue to retain their award in full and it will be released at the end of the holding period unless the Committee determines that the award should be released at the time of cessation.</p> <p>For awards in the form of options participants will have six months from vesting or the end of any applicable holding to exercise their award.</p>	<p>Unvested awards lapse at cessation of employment. Where a participant ceases employment during any holding period (other than for reason of gross misconduct), they will continue to retain their award in full and it will be released at the end of the holding period, unless the Committee determines that the award should be released at the time of cessation.</p> <p>For awards in the form of options, participants will have six months to exercise any vested awards.</p>

* Leaver vesting provisions are fully defined in the appropriate plan documents.

The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment. In addition, the Group may pay any fees for outplacement assistance and/or the Director's legal or professional advice fees in connection with their cessation of office or employment. Where a Director was required to relocate to take up their role then reasonable repatriation expenses may be included.

Post-employment shareholding

In the event of stepping down from the Board, Executive Directors will normally be expected to maintain a minimum shareholding of 200% of base salary (or actual shareholding if lower) for a period of two years after leaving the Board. This policy ensures appropriate alignment with shareholder interests. The Committee retains discretion to waive this guideline if it is not considered to be appropriate in the specific circumstance or to determine that this guideline should not apply to certain shares (for example, purchased shares).

Non-executive Directors

The Chairman and Non-executive Directors' appointment letters provide for no compensation or other benefits on their ceasing to be a Director.

Change of control

In the event of a takeover or winding up of the Group, share awards may vest early. The Committee will determine the extent to which awards shall vest taking into account the extent to which any of the performance conditions/underpins have been satisfied and unless the Committee determines otherwise, the proportion of the performance period that has elapsed. Deferred share bonus awards will normally vest in full. In the case of a winding-up, demerger, delisting, special dividend or similar circumstances, awards may, at the Committee's discretion, vest early on the same basis as for a takeover.

Considering colleagues' views

The Committee reviews information regarding the typical remuneration structure and reward levels for other UK-based employees to provide context when determining executive remuneration policy. The Company undertakes regular engagement surveys for all Group employees to understand their views on working for Travis Perkins and how this can be improved. Employee feedback on all matters of reward is provided as part of this survey, and through supplementary surveys focusing on specific areas such as employee health and financial wellbeing.

The Company established a Colleague Voice Panel in 2019, which includes within its terms of reference the aim of listening to colleagues' views when developing the Directors' Remuneration Policy. Louise Hardy replaced Pete Redfern as the designated workforce engagement Non-executive Director on 1 December 2023, and pursuant to the UK Corporate Governance Code 2018, is the Colleague Voice representative on the Board. Louise has engaged with a number of colleagues on branch visits throughout the year and all relevant views are incorporated into remuneration reviews. A significant portion of colleagues are shareholders, meaning that they are also able to express their views in the same way as other shareholders.

Considering shareholders' views

The Committee believes that it is very important to maintain open dialogue with shareholders on remuneration matters. The Committee regularly consults with significant shareholders regarding its approach to executive remuneration and the views of shareholders are important in determining any final changes. The Committee engaged extensively with shareholders regarding the changes proposed to the Policy. The Committee intends to continue to consult with shareholders regarding any material changes to remuneration arrangements.

Annual remuneration report

The following sets out the annual remuneration report for 2023, which includes details of how the Policy was implemented in 2023 and how the Policy is intended to be implemented in 2024. This report is subject to an advisory shareholder vote at the 2024 AGM.

Implementation of the Directors' remuneration policy in 2024

Executive Directors:

The following provides a summary of how the Group intends to implement the Policy during 2024.

Purpose and link to strategy	Individual maximum opportunity in 2024	Performance measures and weighting in 2024	Operation in 2024
Base salary (increase of 1.5% for the CEO from 1 April 2024)			
Core element of total package, essential to support recruitment and retention of high-calibre executives.	CEO: £691,829 (2023: £681,605) CFO: £525,000 (2023: n/a)	n/a	The Remuneration Committee reviewed executive salaries and, taking into account current market conditions, determined that the Chief Executive's base salary would increase by 1.5% from 1 April 2024, which is less than the workforce as a whole but in line with other management increases. The Chief Financial Officer was appointed on 9 January 2024 and his salary will not be reviewed until 2025.
Benefits (no change)			
Maintains a competitive package with a range of benefits for the executive and their 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.

Annual bonus (no material change)

<p>Rewards achievement of annual performance objectives.</p> <p>Deferred element encourages longer-term shareholding and aligns reward to shareholder interests.</p> <p>Malus and clawback based forfeiture provisions discourage excessive risk taking and short-term outlook, ensuring that executive and shareholder interests are aligned.</p>	<p>Maximum annual bonus opportunity of 180% of salary.</p>	<p>The 2024 annual bonus will be based on the following measures:</p> <ul style="list-style-type: none"> • 55% on adjusted operating profit • 25% on adjusted operating cash conversion • 20% on strategic performance <p>For 2024, strategic performance will include:</p> <ul style="list-style-type: none"> • Deepening customer relationships to drive greater share of customers' business • Evolution of Group operating model to enable greater collaboration, efficiency and effectiveness, reflecting the power of the Group • Progress against the Group's sustainability strategy <p>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 conversion 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.</p> <p>Strategic measures ensure there is also focus on key opportunities that will deliver long-term growth and sustainable performance.</p>	<p>Targets are determined in relation to the Group's budget.</p> <p>For 2024, there is no bonus payment below the target level of performance, 25% of the bonus is payable for target performance, and maximum payment is made only for performance in excess of the Group's budget.</p> <p>50% of bonus earned is deferred as shares that are held for three years.</p> <p>Malus and clawback provisions apply up to three years from the date of award.</p>
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Restricted Share Plan (change to vesting period for awards granted in 2024 onwards)

<p>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 longer term.</p> <p>Helps retain executives.</p>	<p>Maximum annual award of 125% of base salary.</p>	<p>For RSP awards granted in 2024, the performance underpins remain as follows:</p> <ul style="list-style-type: none"> • Average ROCE above 9%. ROCE is one of the business' key KPIs assessing how successful the Group's investments have been in returning value to shareholders. Return measures have been a feature of the incentive plans for a number of years. • Satisfactory governance performance including no ESG issues that result in material reputational damage to the Company. 	<p>100% of the award vests after three years, subject to a holding period of a further two years.</p> <p>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.</p> <p>Malus and clawback provisions apply up to six years from the date of award.</p> <p>The Committee is mindful of shareholder guidance regarding windfall gains. Based on the current share price, the Committee does not consider that it is necessary to scale back awards.</p>
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Share ownership requirement

<p>Aligns the interests of executives and shareholders.</p>	<p>Executive Directors are required to hold shares valued at 200% of salary within five years of appointment.</p>	<p>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.</p>
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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.

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. The Chair's fee has not increased since her appointment on 31 March 2021.
- The current fees are as follows:

- Chair fee	£320,000
- 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.

When times have been tough, the Group has provided additional support to colleagues, such as topping up furlough pay and contributing towards heating and electricity costs for home-working colleagues during the pandemic, as well as making a one-off cash payment in January 2023 to over 17,000 colleagues (around 95% of the workforce) to support with cost of living pressures, at a total cost to the Group of £8m.

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 (which provides savings on average of between 6-7% of spend to help colleagues manage their essential household expenditure) 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.

- In 2021, the Group significantly enhanced its family friendly policies, improving and introducing paid leave for maternity, paternity, adoption, surrogacy and IVF treatment.
- In 2022, the focus on financial wellbeing was increased, with regular and ongoing communications and webinars around financial wellbeing topics, for example providing advice and support on retirement savings, budgeting, cost of living, mortgages, pre-retirement planning and the gender pension gap.
- The financial wellbeing tool, Wagestream, was also launched to all colleagues in June 2022, which allows colleagues to track their earnings, manage their budget and short-term borrowing needs more effectively, as well as encouraging long-term savings and providing financial coaching. 80% of the workforce now use the platform for their regular budgeting needs, a third use the short-term borrowing service and another third are working towards achieving their savings goals, with over a million pounds saved collectively since the benefit was launched. Take-up of this benefit has increased steadily over time and will continue to provide colleagues with valuable support, building their longer-term financial resilience through challenging times.
- In 2023, the Group also introduced a free mortgage advice service as well as a new health and wellbeing benefit, accessible by all colleagues and their families, which includes virtual GP advice, health checks, second medical opinion, mental health and nutritional support.

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. Leaders and key talent across the Group also receive long-term incentive awards under the Restricted Share Plan.

Audited information

Single total figure of remuneration

£000	2023							Total
	Salary	Benefits	Pension	Total fixed	Bonus	LTI ¹	Total variable	
Executive Directors								
Nick Roberts	675	30	68	773	-	318	318	1,091
Alan Williams	549	19	55	623	-	259	259	882
Non-executive Directors								
Jasmine Whitbread	320	-	-	320	-	-	-	320
Marianne Culver	64	-	-	64	-	-	-	64
Heath Drewett	81	-	-	81	-	-	-	81
Jora Gill	76	-	-	76	-	-	-	76
Louise Hardy ³	65	-	-	65	-	-	-	65
Jez Maiden ⁴	45	-	-	45	-	-	-	45
Coline McConville ⁵	80	-	-	80	-	-	-	80
Pete Redfern ⁶	51	-	-	51	-	-	-	51
Total	2,006	49	123	2,178	-	577	577	2,755

£000	2022							Total
	Salary	Benefits	Pension	Total fixed	Bonus	LTI ²	Total variable	
Executive Directors								
Nick Roberts	651	29	65	745	-	1,160	1,160	1,905
Alan Williams	529	19	104	652	-	947	947	1,599
Non-executive Directors								
Jasmine Whitbread	320	-	-	320	-	-	-	320
Marianne Culver	61	-	-	61	-	-	-	61
Heath Drewett	79	-	-	79	-	-	-	79
Jora Gill	71	-	-	71	-	-	-	71
Coline McConville	79	-	-	79	-	-	-	79
Pete Redfern	74	-	-	74	-	-	-	74
Total	1,864	48	169	2,081	-	2,107	2,107	4,188

Notes:

- Long-Term Incentives (LTI) reported for 2023 relate to RSP awards granted in 2021, of which the first tranche (75% of award) is due to vest in March 2024, based on the performance underpins. The value of these awards has been calculated based on the average share price for the last quarter of 2023 of £7.76. For 2021 RSP awards, the share price on the date of grant on 14 June 2021 was £16.26. As the share price used to value LTI for the single figure table is £7.76, none of the value reported is attributable to share price appreciation for either Executive Director.
- The LTI figures for 2022 reported last year (£1,081 for Nick Roberts and £882 for Alan Williams) were calculated on an estimated basis using the average share price of the final quarter of 2022 of £8.83. These figures have been restated to reflect the actual share prices on vesting (£9.41 for the PSP awards vesting on 17 March 2023 and £9.54 for the CIP awards vesting on 3 April 2023).
- Louise Hardy was appointed to the Board on 1 January 2023 and as Chair of the Remuneration Committee on 1 December 2023.
- Jez Maiden was appointed to the Board as Senior Independent Director on 1 June 2023.
- Coline McConville relinquished the role of Chair of the Remuneration Committee on 1 December 2023 and stepped down from the Board on 31 December 2023.
- Pete Redfern relinquished the role of Senior Independent Director on 1 June 2023 and stepped down from the Board on 19 September 2023.

Explanatory notes for the single total figure of remuneration table

Salary

Annual salaries for the Executive Directors increased by 4% on 1 April 2023. Non-executive Director fees also increased by 4% on 1 April 2023. The Chair's fee has not been increased since her appointment on 31 March 2021.

Benefits

Benefits for 2023 for Nick Roberts and Alan Williams include private medical insurance and the provision of a company car and fuel (or allowance alternative).

Directors' pension entitlements

Nick Roberts receives 10% of salary, paid as a mix of pension contributions to the Group's defined contribution pension scheme and a cash allowance.

A gross cash allowance in lieu of pension of £103,530 was paid to Alan Williams during 2022. As previously disclosed, from 1 January 2020, the Committee agreed with Alan Williams that his pension would be reduced to 20% of salary. This monetary amount of £103,530 was frozen at this fixed level over the following two years. From 1 January 2023, Alan's pension has been reduced to the wider workforce rate of 10% of salary.

The value of Directors' pension entitlements for the year ended 31 December 2023 are outlined in the table below.

£000	Nick Roberts	Alan Williams
Pension value in the year from employer contributions to defined contribution scheme	£8,496	n/a
Pension value in year from cash allowance (salary supplement in place of employer pension contributions)	£59,009	£54,918
Total pension benefit accrued	£67,505	£54,918

Annual bonus for 2023

Annual bonuses for 2023 were based on adjusted operating profit (55%), adjusted operating cash conversion (25%) and performance against strategic measures (20%).

The following table summarises the bonus targets and achievement for 2023:

Performance measure	Weighting	Targets			Actual performance	Achieved (% of maximum)
		Threshold (0%)	Plan (50% bonus)	Maximum (100% bonus)		
Adjusted operating profit	55%	£259m	£280m	£301m	£180m	0%
Adjusted operating cash conversion	25%	65%	75%	85%	81%	80% ¹
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 50% of maximum for this element of the bonus plan.				50% ¹

¹In light of financial performance and lower bonus payments across the wider workforce than in previous years, aligned with Management's recommendation, the Committee used its discretion and did not award a bonus payout against the strategic measures or operating cash conversion measure for 2023.

Strategic measure	Summary of strategic performance during 2023	Committee's assessment
Future sources of profit growth for the Group	Year-on-year revenue growth of 9% across TP value-add services such as Managed Services, Tool Hire and Benchmarx. 17% of Group revenue delivered from all value-add services (including specialist services such as Intelligent Solutions), up from 15% in the prior year. Delivery of carbon reporting proposition in CCF and external launch of "WholeHouse" programme.	Mostly delivered
Operational efficiency	Reduction in central and regional headcount alongside Group supply chain efficiencies, delivering annualised savings of £35m and a one-off restructuring charge of £17m in 2023. Overhead cost reduction delivered in line with budget at above branch levels. Cost savings driven in Goods Not For Resale, but not to the level that had been targeted for the year.	Partly delivered
Critical foundational programmes	<p>The Oracle implementation programme will deliver better stock accuracy, simpler margin reporting, more streamlined and efficient finance processes and compliance with new audit standards. The technical build, integration of heritage systems and processes, data integration and general ledger balances was completed by October 2023. Full functionality is due to go live in 2024 for the Group excluding Toolstation and BSS, slightly later than planned in order to mitigate risk and complexity in relation to the scale of legacy processes and cultural change.</p> <p>Following the implementation of the supply chain element of the Kerridge (Enterprise Resource Planning) system for BSS last year, the finance element of the system went live in November 2023 and is operating in line with expectations. The final stage of the project (roll out to branches) is due to be delivered in 2024.</p>	Mostly delivered
Sustainability	<p>7% reduction in Scope 1 and 2 carbon was delivered during 2023, including an 11% reduction in transport carbon and a 31% deterioration in buildings carbon. Carbon from buildings has increased from a low base due to increased gas consumption in the year. Carbon from buildings has reduced by 69% from 2020. New site openings in 2023 have included net zero carbon measures such as PV solar panels, heat pumps and EV chargers and LED lighting has been installed across multiple sites. The roll-out of carbon awareness training has supported branch managers in identifying ways of reducing energy usage. Delivery diesel usage has reduced during the year, and other savings in the fleet carbon footprint have been achieved through the introduction of electric fork-lift trucks and vans, the trial of HVO vehicles across a number of sites and the ongoing upgrade of the fleet to switch to higher-efficiency engines.</p> <p>57% of Group spend on products for resale during the year was with centrally-managed suppliers who have calculated their Scope 1 and 2 carbon and set their own carbon reduction target by the end of 2023 (vs 54% at the end of last year).</p> <p>85% of colleagues completed training on the Group's environmental commitments, including a section on carbon awareness, in excess of the target of 25% set at the beginning of the year.</p> <p>8.0% of all new hires in 2023 were apprentices, a reduction in the number of new apprentice recruits compared to the year before due to lower levels of recruitment across the Group as a whole. 414 TP/industry partner apprentices graduated during 2023, a 22% increase on graduations in the prior year.</p> <p>More detail on the Group's progress against its sustainability and ESG objectives is detailed on page 30.</p>	Partly delivered

Long-term incentives (LTI)

Long-term incentives in the single total figure of remuneration for 2023 comprise the following awards, based on the average share price for the three months from 1 October 2023 to 31 December 2023, which was £7.76.

Restricted Share Plan	
Nick Roberts	<p>£318,370</p> <p>48,931 shares granted</p> <p>36,698 shares due to vest in March 2024 (75% of award, held for a further two years)</p> <p>The remaining 25% of the award (12,233 shares) are due to vest in March 2026 and will be included in the single figure for 2025.</p> <p>5,781 shares in respect of dividend equivalents added in the vesting period</p> <p>41,034 shares in total represented in the single total figure of remuneration for 2023 (75% of shares and dividends)</p>
Alan Williams	<p>£259,001</p> <p>39,806 shares granted</p> <p>29,855 shares due to vest in March 2024 (75% of award, held for a further two years)</p> <p>The remaining 25% of the award (9,951 shares) are due to vest in March 2026 and will be included in the single figure for 2025.</p> <p>4,702 shares in respect of dividend equivalents added in the vesting period</p> <p>33,382 shares in total represented in the single total figure of remuneration for 2023 (75% of shares and dividends)</p>

Consideration of performance underpin for 2021 RSP awards

When considering the long-term incentive vesting outcome, the Committee also considered the underlying performance of the Group in the context of the underpins that were set for the three-year performance period from 1 January 2021 to 31 December 2023. Average ROCE performance over the three financial years ended 31 December 2023 at 10.5% was above the underpin threshold and there were no governance issues resulting in reputational damage to the Group. Therefore the Committee concluded that it was appropriate that RSP awards vest in full for Executive Directors, the Group Leadership team and the extended group of senior leaders and managers across the business that received RSP awards in 2021. In accordance with the remuneration policy in force at the time of grant, for Executive Directors, 75% of the award vests in March 2024, subject to a further two-year holding period, and the remaining 25% of the award vests in March 2026, subject to the achievement of the performance underpins.

The Committee also noted that there were no windfall gains, since the share price is currently lower than the share price at grant. No discretion was consequently exercised by the Committee to adjust the vesting of 2021 RSP awards.

Overall, the Committee considers that the Remuneration Policy has operated as it intended during 2023.

Payments to past Directors and payments for loss of office

No payments were made to past Directors and no payments were made to any Director for loss of office during 2023.

Departing Chief Financial Officer

The Chief Financial Officer, 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 will not receive any payments or compensation for loss of office.

In accordance with the remuneration policy, Alan received salary and benefits until his last date of employment with the Group on 31 January 2024. As outlined on pages 123 to 124, Alan will not receive an annual bonus payment for performance during 2023. As a good leaver under the Policy, Alan remains eligible for a pro rata bonus for the 2024 performance year to the date of his retirement on 31 January 2024, with 50% of any bonus to be delivered in shares under the Deferred Bonus Share Plan and 50% in cash. In accordance with good leaver treatment under the Plan Rules, Alan's unvested RSP awards will vest on their normal vesting dates, subject to time pro-rata and will remain subject to applicable holding periods. Alan's existing Deferred Share Bonus Plan award will vest in full on its normal vesting date, will not be pro-rated and will remain subject to the applicable holding period. All other long-term incentive plan awards have vested but are, and will remain, subject to their applicable holding periods. Alan will continue to meet the shareholding requirement policy for a period of two years after stepping down from the Board.

Incoming Chief Financial Officer

Duncan Cooper was appointed CFO and Executive Director on 9 January 2024. Duncan's annual base salary is £525,000, which is 5% lower than the previous incumbent. Duncan's annual incentive opportunity and RSP grant value are set at the same level as the previous incumbent at 180% of salary and 125% of salary respectively. His pension entitlement is 10% of salary, which is at the same level as the CEO and in line with the rate available across the wider workforce.

As compensation for long-term incentives that have been forfeited on leaving the previous employer (comprising the performance share awards and deferred bonus share awards granted in 2021 and 2022), Duncan will be awarded replacement share awards under the RSP in 2024. The vesting of these replacement awards will be subject to the original performance conditions of the previous employer (Crest Nicholson plc) and subject to the original vesting and release schedule. The total face value of the replacement awards will be £1,084,891 (137,502 Travis Perkins plc shares), with £890,639 (112,882 Travis Perkins plc shares) subject to performance and the remaining £194,252 (24,620 Travis Perkins plc shares) subject to employment on the vesting date. The face value of the forfeited awards and replacement awards was based on the average share price in January 2024 for both Crest Nicholson plc and Travis Perkins plc.

The awards will be granted in accordance with the RSP Rules and subject to standard terms, including malus and clawback provisions. The vesting outcome will be subject to the discretion of the Remuneration Committee and may be scaled back in the event of a windfall gain.

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, replacing the PSP and CIP.

Before granting awards under the RSP in 2023, 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 outcomes 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.

2023 Restricted Share Plan (RSP) awards

	Date of award	Type of award	Basis	Face value*	Underpin period
Nick Roberts				£819,230 (87,078 shares at £9.408 per share)	1 January 2023 to 31 December 2025 (75% of award) and 1 January 2023 to 31 December 2027 (25% of award) (for the purposes of assessing underpins only)
Alan Williams	20 March 2023	Restricted shares	125% of salary	£666,472 (70,841 shares at £9.408 per share)	75% of the award vests after three years and 25% of the award vests after five years. Shares that vest after three years are subject to an additional two year holding period post vesting

* 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.

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.

2023 Deferred Share Bonus Plan (DSBP)

As no bonus was earned in 2023, there will be no share awards under the Deferred Share Bonus Plan in 2024. There was also no annual bonus payout for 2022 (and therefore no deferred share award in 2023).

Directors' remuneration report continued

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.

As at 31 December 2023, Nick Roberts' total shareholding which counts towards the shareholding guideline was 344,606 and represents 392% of salary. Alan Williams' total shareholding which counts towards the shareholding guideline was 463,469 shares and represents 648% of salary, based on the average share price for the last quarter of 2023 which was £7.76.

Directors' shareholdings and share interests as at 31 December 2023 are outlined in the table below:

Executive Director	Beneficially owned shares ¹	Unvested RSP options ²	Unvested unconditional shares under DSBP ³	Unconditional options under Sharesave ⁴	Vested but unexercised options ⁵	Total interests	Total interests which count towards shareholding requirement ⁶	Shareholding (% of salary) ⁶
Nick Roberts	96,299	215,580	39,284	4,692	213,639	569,494	344,606	392%
Alan Williams	297,329	175,379	31,959	2,004	106,134	612,805	463,469	648%

- Includes ordinary shares beneficially held at 31 December 2023 by the executive and their spouse/partner.
- 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.
- Includes outstanding awards made under the Deferred Share Bonus Plan (DSBP), which are not subject to performance conditions.
- Includes outstanding options under the Sharesave (Save As You Earn) plan.
- 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.
- Interests qualifying towards the shareholding requirement comprise ordinary shares beneficially held at 31 December 2023 by the executive and their spouse/partner and the post tax value (53%) of outstanding DSBP and RSP awards and any other share options which have vested but have not been exercised. Shareholding as a % of salary is calculated based on the Executive Director's salary as at 31 December 2023.

During 2023 the following awards were exercised:

Exercise date	Number of shares	Price per share
Nick Roberts		
2020 Deferred Share Bonus Plan	16,986	£9.601
Alan Williams		
2020 Deferred Share Bonus Plan	22,918	£9.601

Director's shareholding and share interests – Non-executive Directors

Non-executive Director	Beneficial shareholding (as at 28 February 2024)	Beneficial shareholding (as at 31 December 2023)	Beneficial shareholding (as at 31 December 2022)
Jasmine Whitbread	6,660	6,660	4,528
Coline McConville	4,003	4,003	4,003
Pete Redfern	10,012	10,012	10,012
Marianne Culver	728	728	728
Heath Drewett	-	-	-
Jora Gill	-	-	-
Louise Hardy	-	-	-
Jez Maiden	1,000	1,000	-

There were no material changes in Directors' share ownership between 31 December 2023 and 28 February 2024. Nick Roberts acquired an additional 28 shares through the all-employee Buy as you Earn ("BAYE") scheme.

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:

- Nick Roberts – 1 July 2019
- Alan Williams – 3 January 2017
- 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
Jasmine Whitbread	March 2030
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.

Outside appointments

Travis Perkins recognises that its Executive Directors may be invited to become Non-executive Directors of other companies. Such Non-executive duties can broaden a Director's experience and knowledge which can benefit Travis Perkins.

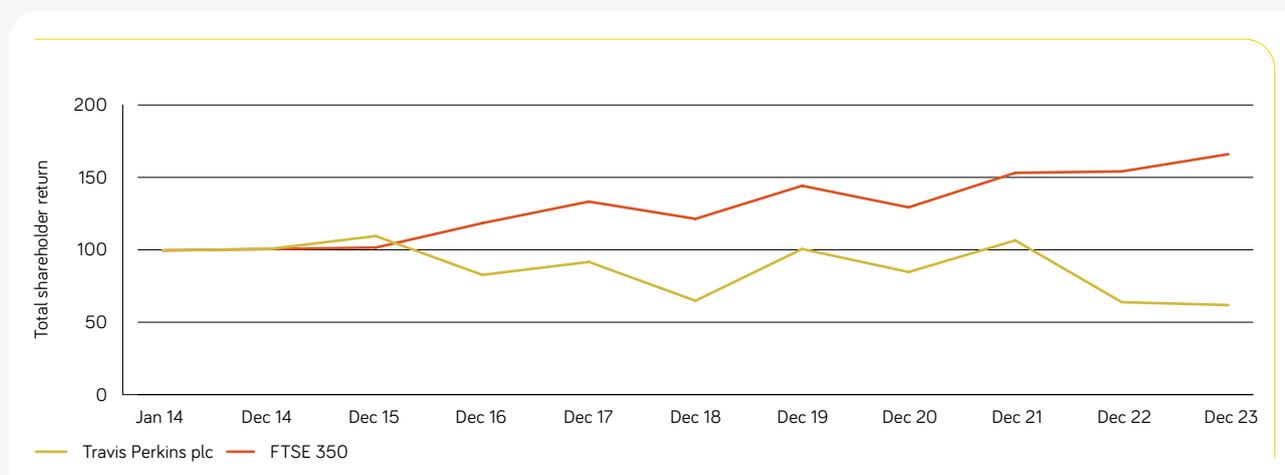
Subject to approval by the Board, Executive Directors are allowed to accept one Non-executive Directorship or other significant appointment, provided that these appointments will not lead to conflicts of interest, and they may retain the fees received. Nick Roberts is a Director and Trustee of the Forces in Mind Trust, and does not receive a fee for this appointment. Alan Williams was appointed as an independent Non-Executive Director of Cranswick plc on 24 July 2023.

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 2023, the Trust held 1,668,682 shares.

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 2014.

Historical CEO pay

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Single figure remuneration (£000)	£2,634	£2,360	£2,575	£2,532	£2,258	£2,622	£696	£4,446	£1,905	£1,091
Annual bonus payout (% of maximum)	89%	32%	24%	72%	35%	89%	-	97%	0%	0%
Vesting of Restricted Share Plan (% of maximum)	-	-	-	-	-	-	-	-	-	100%
Vesting of Performance Share Plan (% of maximum)	45%	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 2019 relates to both Nick Roberts and John Carter reflecting their tenure in the role of CEO during 2019. 2014–2018 relates to John Carter.

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
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 2023. 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 where employees have started mid-period the employee's pay has been restated on a full year basis to ensure a like-for-like comparison.

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
2023	Salary	£23,205	£26,062	£31,581
	Total remuneration	£24,372	£28,035	£34,349

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 2023. This reflects the fact that there was again no bonus payout for 2023 and a lower value for the long-term incentive since the value of the RSP award at grant in 2021 (vesting in 2023) is less than half of the value of the previous combined PSP and CIP awards vesting in 2023.

There are no changes attributable to changes in the Group's employment model nor in the methodology used to calculate the ratio.

Change in remuneration of Directors

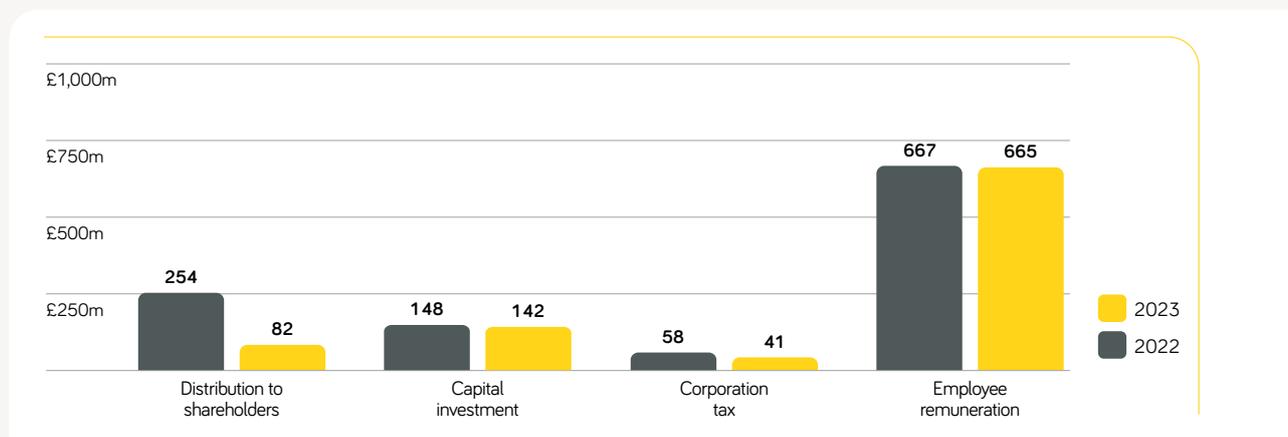
The following table sets out the year-on-year percentage change in remuneration for the Executive and Non-executive Directors relative to the wider workforce.

	Percentage change in salary/fee earned				Percentage change in bonus earned				Percentage change in taxable benefits received			
	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020
Comparative employee group ¹	5.8%	5.2%	1.5%	1.7%	(72.9%)	(74.8%)	69.0%	(38.0%)	4%	13%	(8.5%) ²	8.4%
Executive Directors												
CEO – Nick Roberts ³	3.7%	2.4%	5.3%	(4.0%)	-	(100.0%)	97.0%	(89.0%)	4.3%	1.1%	1.4%	0.0%
CFO – Alan Williams ³	3.8%	2.1%	5.3%	(3.5%)	-	(100.0%)	97.0%	(89.0%)	(39.8)%	-	(6.9%)	(5.0%)
Non-executive Directors												
Jasmine Whitbread ⁴	0%	32.8%	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
Heath Drewett ⁴	2.5%	71.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jora Gill	7.0%	184.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Louise Hardy 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
Jez Maiden 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
Coline McConville ⁴	1.3%	2.6%	5.4%	(2.0)%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pete Redfern ⁴	(31.1)%	2.8%	(3.6)%	11.4%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

- The comparator group is all colleagues within the Trade Merchant businesses and central functions. Travis Perkins plc is a non-employing entity and so is not used for comparative purposes.
- 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.
- 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.
- Jasmine Whitbread, Heath Drewett and Jora Gill were appointed during 2021, whilst Pete Redfern and Coline McConville stepped down during 2023, and therefore the higher fees received in 2022 and 2023 reflect the comparison of a full year to a part year.
- Louise Hardy and Jez Maiden were appointed during 2023 and therefore no prior year comparison is shown.

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.



Governance

During the year the Committee comprised Coline McConville (Chair until 1 December 2023), Louise Hardy (Chair from 1 December 2023), Pete Redfern (until 19 September 2023) and Marianne Culver, all of whom are independent Non-executive Directors, and Jasmine Whitbread, Chair of the Board, who was 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 £48,550 for advice provided to the Committee.

In addition Nick Roberts (Chief Executive Officer), Alan Williams (Chief Financial Officer), Robin Miller (General Counsel & Company Secretary), Emma Rose (Chief Human Resources Officer), Jon Erb (Director of Group Finance) 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 2023 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
30 January	<ul style="list-style-type: none"> Approval of annual salary review for Executive Directors and the Group Leadership Team Review of annual bonus targets for 2023 Review of Remuneration Committee terms of reference
20 February	<ul style="list-style-type: none"> Approval of annual bonus targets for 2023 Approval of outturn of 2022 annual bonus scheme and 2023 deferred share bonus plan awards Approval of vesting of 2020 long-term incentive awards (PSP and CIP) Approval of grant of 2023 RSP awards, including consideration of windfall gains Approval of Remuneration Committee terms of reference
5, 14, 15 June	<ul style="list-style-type: none"> Retirement of Alan Williams, Chief Financial Officer Appointment of Duncan Cooper, Chief Financial Officer
29 June	<ul style="list-style-type: none"> Review of Directors' remuneration policy Approach to shareholder consultation
14 December	<ul style="list-style-type: none"> Review of Directors' remuneration policy and feedback from shareholder consultation Context and considerations for the 2024 annual salary review for the wider workforce Performance update on the 2023 annual bonus scheme Vesting update on 2021 long-term incentive awards (RSP) Design of 2024 bonus plan

Shareholder voting

The following resolutions in relation to remuneration were put to the Group's AGM (2022 Directors' remuneration report and 2020 Policy):

Resolution	Votes for	For (%)	Votes against	Against (%)	Votes withheld
To receive and approve the 2022 Directors' remuneration report (2023 AGM)	158,666,616	94.90%	8,521,913	5.10%	12,312
To receive and approve the Directors' remuneration policy (2021 AGM)	178,947,921	89.38%	21,267,740	10.62%	31,205

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

11 March 2024

Directors' report

For the year ended 31 December 2023

The Directors present their annual report and audited accounts of Travis Perkins plc and its subsidiaries (the "Group") for the year ended 31 December 2023. The report sets out information required to be included by the Companies Act 2006 (the "Act"), and the applicable Financial Conduct Authority ("FCA") Listing Rules (LR 9.8.4R(4), (12), (13)) and Disclosure Guidance and Transparency Rules (the "DTRs"). Certain information is incorporated into this report by reference and can be located in the sections outlined below.

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Principal risks and uncertainties	74
Financial risk management	72
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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 64 to 69. Whilst the Group operates predominantly in the UK, it has a sourcing office in China; a small number of branches in the Isle of Man and the Republic of Ireland; 169 Toolstation branches in Belgium, France and The Netherlands.

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/investors/.

Board of Directors

The names, biographies and committee memberships of all Directors are provided on pages 88 to 89 and details of the Directors that held office during the 2023 financial year are set out on page 92. The powers and responsibilities of the Directors are set out in the Corporate Governance report on pages 90 to 93. The appointment and removal of directors is regulated by the Company's Articles, the Act, the UK Corporate Governance Code (the "Code") and related legislation. Under Article 83 of the Company's 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 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 Remuneration Report on pages 106 to 122 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 Company's 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 2023, including holdings, if any, of spouses and of children under the age of 18 are provided in the Remuneration report on pages 106 to 133

Directors' indemnities

Article 143 of the Company's 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 2023.

The Company maintains Directors' and Officers' liability insurance cover in respect of potential legal action brought against its Directors.

Major shareholdings

Information received by the Company pursuant to the FCA's DTR 5.3.1(1) is published on a Regulatory Information Service and the Company's website. As of 31 December 2023, the Company has received notification of the following holdings of voting rights in its shares. The information provided below was correct at the date of notification, however that date of notification may not have been within the current financial year. It should be noted that 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 Shares	Voting Rights
BlackRock, Inc.	Indirect	10,860,539	5.1%
Sprucegrove Investment Management Ltd	Direct	10,569,923	5.0%
Artemis Investment Management LLP	Indirect	10,751,952	5.1%
Schroders Plc	Indirect	11,136,777	5.2%
Pzena Investment Management, Inc	Indirect	15,587,458	6.9%
Ameriprise Financial, Inc	Indirect	11,121,830	5.2%

Results and dividend

The Group's results for the year ending 31 December 2023 are set out in the income statement on page 145 and dividends for the year ending 31 December 2023 are set out in note 20. The Directors recommend a final dividend of 5.5 pence per share for approval at the Company's Annual General Meeting. If approved by shareholders, the final dividend will be paid on 9 May 2024 to those shareholders on the register at the close of business on 2 April 2024.

Balance sheet and post-balance sheet events

The balance sheet on page 191 shows the Group's financial position.

Employees

The Group is committed to its purpose of enriching lives and building communities, and recognises the importance of colleague engagement and inclusion in this. A full statement on employee matters can be found in the Sustainability report on pages 30 to 48 and an overview of the Company's approach to diversity can be found in the Sustainability report and the Nominations Committee report on pages 98 to 100.

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. The Group makes use of various channels including employee representatives; listening groups; colleague forums; workshops; conferences; internal newsletters and newspapers; and online communities.

In September 2023 the Group conducted its latest colleague engagement survey "Your Voice Our Future", which enables colleagues to give feedback on issues affecting them and provides valuable insight into their 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 to bring the colleague voice into the Boardroom. Full details of her activities during the year can be found on page 90.

All colleagues with more than three months consecutive service are eligible to join the Group's Sharesave and Buy-As-You-Earn schemes, enabling them to benefit from the Group's growth and success. Full details of employee share plans are available in the Remuneration report on pages 106 to 133.

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 Group's corporate website at: www.travisperkinsplc.co.uk/modern-slavery-statement/.

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 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 2023 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 2023, 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 Company's Articles of Association. 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 193.

As at 31 December 2023 the Travis Perkins Employee Share Ownership Trust owned 1,668,682 shares in the Company (0.8% 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.

Robin Miller

General Counsel & Company Secretary
11 March 2024

Directors' statement of responsibilities

For the year ended 31 December 2023

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; and
- 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; and
- 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:

Nick Roberts
Chief Executive Officer
11 March 2024

Duncan Cooper
Chief Financial Officer
11 March 2024