Building for better

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

PURPOSE
We're here to help build better communities and enrich lives

AMBITION
Leading partner to the construction industry

SUSTAINABILITY PRIORITY
Decarbonising the industry

BUILDING FOR BETTER

Changing the game

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

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

Operating sustainably
Lead by example within our own operations. Deliver net zero carbon and reduce operational waste.

Developing the next generation
Upskill our people and the wider industry in green and future skills to help facilitate sector improvements.

Doing the right thing

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

Leading partner to the industry on ESG

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

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

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

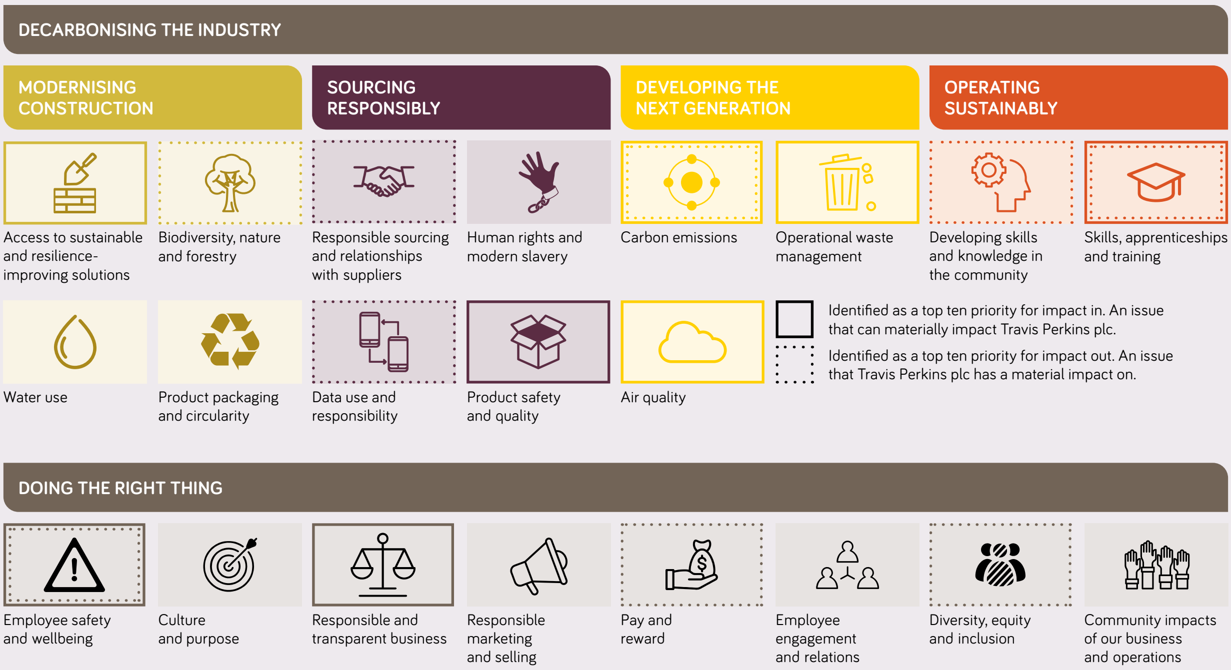
Continually monitoring the material focus areas

In 2023 the Group engaged extensively with its stakeholders on ESG. These interactions demonstrated that the material focus areas for the Group remain unchanged from those that were determined in 2022 through an in-depth ESG double materiality assessment. Ongoing engagement with all stakeholder groups ensures that the Group's strategic choices and reporting remain focused on the most important issues. The assessment undertaken in 2022 was supported by a third-party expert and involved the refinement of key ESG topics, stakeholder engagement and strategic analysis.

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

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

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



Building better communities and enriching lives: 2023 social value impact

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

Skills development

Graduated apprentices

414 359 for Group colleagues, 55 for the industry

Enrolled apprentices

876 693 for Group colleagues, 183 for the industry

Female apprentices

29%

Apprentices under 25 years old

21%

Apprentices from ethnic minorities

7%

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

51,823

Operational impact

Transport carbon reduction

11%

Revenue from products with Environmental Product Declarations

10.7%

Spend on goods-for-resale with SMEs

47%

Employed colleagues (FTE)

18,680

Investment in colleague total reward packages

£623.5m

Total tax contribution

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

Community investment

Amount raised for charity

£1.3m

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

5

Engaging with stakeholders

The Group actively engages with stakeholders to share progress, inform plans, listen to feedback and seek views. The key stakeholder groups, their ESG concerns and the Group's engagements with them in 2023 are detailed in the Section 172 statement on pages 94-97.

Governance of sustainability

The Board has overall responsibility for sustainability. The Group Sustainability Director supports the Group in developing, governing and delivering against its sustainability strategy. Each of the material focus areas has a Group lead and nominated leads and leadership sponsors in each business. Progress is reported to the Group Leadership Team and the Board on each material focus area to monitor and improve performance. The Stay Safe Committee of the Board oversees performance in health and safety. Objectives and targets are set for each material focus area.

Climate-related financial risks and opportunities

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

Alignment to UN Sustainable Development Goals

Through the Building for Better ESG agenda, the Group directly supports delivery of a number of the 17 UN Sustainable Development Goals ("SDGs"). The most relevant six goals are detailed in the table on pages 34 to 35. With the Group's sustainability priority being to decarbonise the industry, Goal 13 on Climate Action is taken into account across all ESG focus areas and influences decision-making. Other SDGs are more directly aligned to one specific focus area. Several of the remaining SDGs have some relevance to the Group, however on review of the specific targets underpinning these goals they were determined to be less directly aligned to the Group and therefore are not listed.

Sustainability report
continued

Sustainability priority	Material focus areas	Commitment	2023 key actions
Decarbonising the industry	**Modernising construction**		
1.5 degree-aligned, SBTi-approved carbon reduction targets	**Sustainable products and services** to support Modern Methods of Construction, retrofit, energy efficiency, decarbonisation, climate resilience, biodiversity, nature, water and waste.	**63% reduction in Scope 3 carbon by 2035**	Scope 3 and product sustainability supplier engagement programme, supporting suppliers to calculate their carbon footprint.
Good progress	**Sourcing responsibly**		
Some progress	**Safe and quality products from ethical, traceable and resilient supply chains,** supporting the golden thread of data.		Evolve the Group's due diligence approach by bringing into scope lower-spend product suppliers and goods-not-for-resale suppliers.
	Operating sustainably		
	Net-zero carbon and reduced operational waste. Leading by example in the Group's operations.	**Net-zero for Scope 1 and 2 carbon by 2035, with at least 80% reduction**	Upskill key colleagues in the businesses and Group functions in order to influence colleague behaviour and expand the network of expertise on sustainability and carbon.
	Developing the next generation		
	Upskilling colleagues and the wider industry in green and future skills to help facilitate sector improvements.	**10,000 graduated apprentices by 2030**	Deliver a development curriculum aligned to talent management processes that offers career development opportunities to all colleagues, enabling the development of the next generation workforce and helping to change construction.
	Doing the Right Thing		
	Safety and wellbeing: Getting everyone home safe and well, every single day.		Drive a culture of "Calling it out", taking time to "Stop, Step Back, Think. Then Act" by ensuring daily team briefings take place at all locations.
	Diversity, equity and inclusion: Creating an environment where everyone can be themselves.		Build the skills, knowledge and behaviours of our leaders to enable them to create the conditions for a diverse and inclusive workplace.
	Colleague voice: Listening to colleagues to make better decisions and increase engagement.		Engage colleagues in the Group's purpose, values and strategy, using the Group story to build colleague connection to their role in the Group's success.
	Charity and community: Taking pride in helping others and making positive change happen.		Use the experience we gained in 2022 to deepen and elevate existing partnerships.
	Reward: Improving the financial health of colleagues.		Further the reach and impact of financial wellbeing and employee benefits support to colleagues, particularly those on the front-line.
	Modern slavery and human rights: Eliminating modern slavery from the Group and its supply chains.		Continue to roll out ID checks for third parties coming to site, addressing higher risk organisation types first.
	Legal compliance: Complying with all relevant laws.		Further awareness raising and training to make sure the Code of Conduct, policies and tools that have been launched are fully understood and embedded.

Progress	2024 key actions	Supporting the Group's strategy	SDGs[1]
	Develop a definition of sustainable products based on robust criteria and launch within at least one Group business. Increase the percentage of sales backed by Environmental Product Declarations from today's 10.7%.	By providing sustainable products and value-add services to customers, the Group can earn a greater share of spend and become a key partner.	13 Climate Action; 11 Sustainable Cities and Communities; 9 Industry, Innovation and Infrastructure
	Develop the Group's due diligence approach, with a target of the supplier assessment programme covering 90% of Group spend on products-for-resale by the end of 2024.	Customer relationships are underpinned by trust in the Group to source responsibly and meet changing data transparency requirements.	13 Climate Action; 12 Responsible Consumption and Production
	Continue with carbon training to enable colleagues to drive energy and fuel reduction and better support customers by sharing best practice.	All of the Group's stakeholders expect credible action on operational carbon and waste. Performance can influence the outcome of customer tenders.	13 Climate Action; 8 Decent Work and Economic Growth
	Introduce a flexible apprenticeship which will include placements with other businesses in the sector. Launch a suite of micro-qualifications: short, focused learning programmes for job-related skills and knowledge.	To best support customers in a changing market, green and future skills are critical. As a trusted and leading partner to the construction industry, customers value the Group's expertise and advice.	13 Climate Action; 4 Quality Education
	Continue to embed the growing culture of "Calling it out", taking time to "Stop, Step Back, Think. Then Act" by ensuring daily team briefings take place at all locations.	Doing the Right Thing deepens relationships with customers as expectations around responsible business increase.	13 Climate Action
	Target an engagement survey score for the statement "I feel a sense of belonging at this Company" above the provider's global average by 2025.		
	Develop action plans to address the priorities and issues that have the biggest impact on engagement and therefore on overall business performance.		
	Grow colleague volunteer hours and build charity and community partnerships that deliver on the Group's impact goals and use these partnerships deliver social value.		
	Continue to explore ways to support colleague long-term financial resilience and wider wellbeing.		
	Extend in-person ID checks, currently conducted on higher-risk labour agency workers, to other third parties.		
	Develop the internal Doing the Right Thing portal to increase understanding of legal compliance policies and guidance.		

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

Modernising construction

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

The Group's purpose and sustainability priority

To help change construction and decarbonise the construction industry, the Group needs to provide the right products, data and services to customers. With 99% of the Group's carbon footprint in the supply chain, due to manufactured carbon and in-use product emissions, innovation is essential. Enabling sustainable construction and retrofit supports the building of better communities and improves the living standards and comfort of all.

Progress in 2023

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

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

99% of the Group's emissions are in its supply chain and 40% of the UK's emissions are from the built environment. This is due primarily to the embodied carbon from manufacturing the products sold and the operational carbon of some of those products in use, such as gas boilers. Reducing Scope 3 requires the Group to engage with suppliers, customers and the wider industry to influence and drive change.

Suppliers

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

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

Customers

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

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

Wider industry

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

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

Harnessing the power of the Group on retrofit solutions

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

What's next?

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

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

Case study

A community approach to retrofit

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

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

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

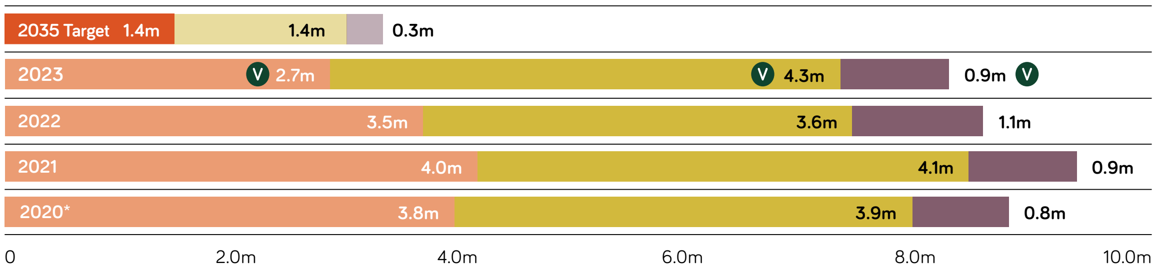
Case study

Improving the efficiency of SME builders

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

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

Tonnes of CO_2e (Absolute) – Scope 3



Tonnes of CO_2e (Absolute) – Scope 3

* Baseline year for target.

Category 1 | Category 11 | All other categories

Carbon reduction (Absolute Scope 3, 2020 to 2023)

6%

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

Sourcing responsibly

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

The Group's purpose and sustainability priority

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

Progress in 2023

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

Due diligence on product suppliers

The Group's Online Risk Assessment ("ORA") was updated in 2023, with the questions and scoring criteria assessed and revised to reflect changing supply chain risks. ORAs were submitted by 357 suppliers in 2023 with 1,382 suppliers now engaged in the ORA programme.

Own-brand product manufacturing sites are subject to in-person ethical and technical audits, with all ethical audits completed by a third-party auditor. In 2023, 220 factory audit gradings were completed. Where issues were identified, time-bound corrective action plans were used to support suppliers to resolve these. Suppliers resolved 7,806 non-conformances through engagement with this programme. The Group's supplier assessment programme accounts for in excess of 85% of total Group spend on goods-for-resale.

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

Bespoke assessments for GNFR suppliers

A new questionnaire was launched in 2023 for GNFR suppliers, using the same assessment system hosted by Verisio as is used for the Group's suppliers of goods-for-resale. The supplier list has been risk-profiled to allow the business to prioritise assessments in 2024 using either this system or the short GNFR assessment. The short GNFR assessment was trialled on technology suppliers to better understand risks across this supplier type.

New training launched for colleagues

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

Maintaining safe and sustainable timber supply chains

90.2% of timber purchased by the Group in 2023 was certified. The business continues to operate a robust timber chain of custody system in order to pass the "chain of custody" safely onto customers.

Certified timber purchased in 2023

90.2% V

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

Collaboration across the industry

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

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

Upskilling the supply chain

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

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

What's next?

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

Operating sustainably

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

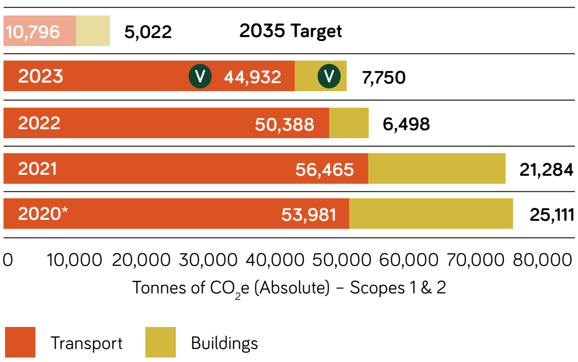
The Group's purpose and sustainability priority

The Group has committed to reducing Scope 1 and 2 carbon – relating to the Group's fleet and estate – by 80% by 2035 and offset any remaining emissions. Whilst 99% of the Group's footprint is in the supply chain, to have integrity in asking suppliers and customers to decarbonise the Group must address its own direct emissions. The Group generates waste in its operations, primarily relating to added packaging or obsolete products, and takes its role in preventing, reusing, recycling and recovering waste seriously in order to protect the natural environment and the communities within which it operates.

Progress in 2023

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

Tonnes of CO_2e (Absolute) – Scopes 1 and 2



* Baseline year for target.

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

33%

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

Decarbonising the fleet

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

Decarbonising the estate

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

Expanding colleague knowledge

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

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

Reducing packaging

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

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

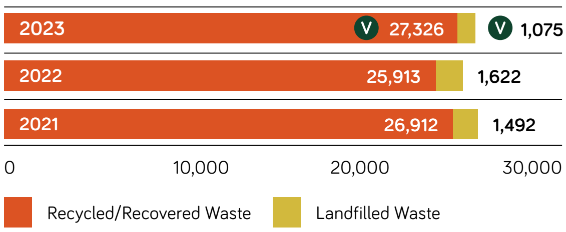
Environment Incidents

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

Assurance

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

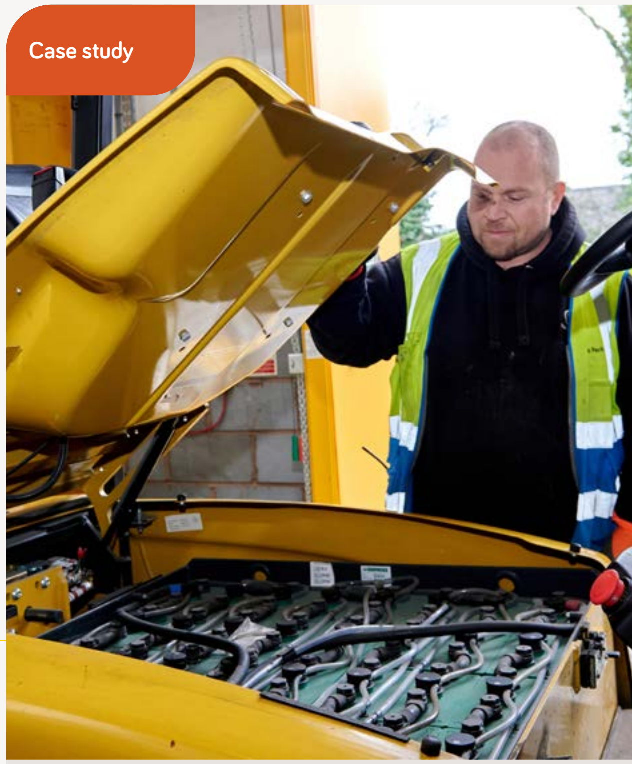
Total Waste (Tonnes)



Percentage of waste diverted from landfill – 2023

96%

Case study



UK's largest electrification forklift programme

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

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

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

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

What's next?

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

Doing the Right Thing

Protecting against modern slavery and complying with all relevant laws.

The Group's purpose and sustainability priority

The establishment of the Group's Code of Conduct and a strong legal compliance framework helps to ensure stakeholders can rely on the Group to continue to "Do the Right Thing". Whether managing key compliance topics such as anti-bribery and corruption, anti-money laundering, data protection or anti-competition, or reducing the Group's risks relating to modern slavery and human rights, the Group underpins its work on the strategic sustainability focus areas with a responsible approach to business.

Progress in 2023: Modern slavery and human rights

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

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

Progress in 2023: Legal compliance

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

- Code of Conduct and Whistleblowing Line
- Anti-Bribery and Corruption
- Anti-Money Laundering
- Competition Law
- Corporate Criminal Offences
- Market Abuse and Insider Trading
- Sales of Restricted Products

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

What's next?

Further develop in-person ID checks, currently conducted on higher-risk labour agency workers, to include other third parties working at the Group's sites, based on risk.

What's next?

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

People

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

Robert Halfon MP
Minister for Skills, Apprenticeships and Higher Education

Developing the next generation

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

The Group's purpose and sustainability priority

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

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

Progress in 2023

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

More apprenticeships, better apprenticeships

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

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

Successful assessment by Ofsted

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

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

External recognition

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

Case study

Transformation of Bradby Youth Club in Rugby

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

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

2023 apprentice graduates

414

2030 graduated apprentices target

10,000

What's next?

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

Diversity, equity and inclusion

Creating an environment where everyone can be themselves.

The Group's purpose and sustainability priority

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

Progress in 2023

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

New industry coalition to tackle lack of diversity

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

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

A foundation for strong governance and leadership

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

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

Angela Rushforth
Construction Inclusion Coalition Chair and Toolstation Managing Director

What's next?

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

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

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

Safety and wellbeing

Getting everyone home safe and well, every single day.

The Group's purpose and sustainability priority

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

Progress in 2023

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

Stay Safe.

Advancing a safety culture through colleague engagement

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

A data-led "safety beacon" drives targeted action

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

Leading partner to the industry on safety

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

Case study

Virtual GP and other digital wellbeing services

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

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

Colleague testimonial

Case study

Industry leading research on driver behaviour to enhance fleet safety

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

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

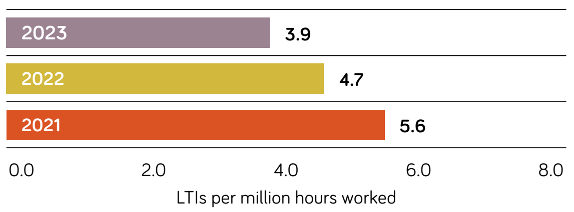
With one of the largest fleets in the UK and around 3,000 drivers, drivers are at the forefront of the Group's business. They deliver building materials to customers across all segments of construction and are often required to drive specialist vehicles including light commercial vehicles and heavy goods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

As part of the Group's commitment to continuous improvement, the business commissioned research from Dr Lisa Dorn, Associate Professor of Driver Behaviour at Cranfield University and Founder of PsyDrive; a company that specialises in accredited training for road safety professionals, research, assessment and interventions for improved road safety.

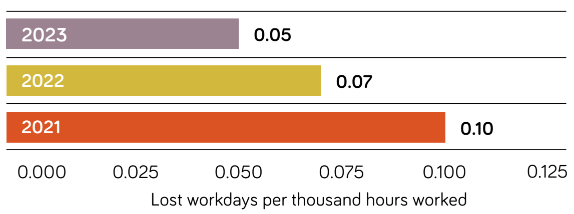
The study involved a comprehensive literature review of existing research and took into consideration studies in other industries, such as aviation, emergency services, marine, military and the rail industry to review their experiences and adapt them for use with the Group's fleet and drivers.

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

Lost time incident frequency rate



Severity rate



The figures reported do not include Toolstation Europe

What's next?

The objective for 2024 is to continue to create a culture of "calling it out", taking time to "Stop, Step Back, Think. Then Act." by ensuring daily team briefings take place at all locations.

Colleague voice and reward

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

The Group's purpose and sustainability priority

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

Progress in 2023

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

Further embedding the Group's purpose and values

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

Learning from colleagues and benchmarking progress

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

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

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

Engagement survey response rate

79%

Survey engagement score

73

What's next?

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

The Group's purpose and sustainability priority

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

Progress in 2023

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

Supporting colleagues manage their finances

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

Colleague support in a tough economic climate

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

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

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

What's next?

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

Charity and community

Taking pride in helping others and making positive changes happen.

The Group's purpose and sustainability priority

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

Progress in 2023

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

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

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

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

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

Framework to encourage colleague participation

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

Expansion of VIY partnership

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

Case study

Netball tournament for Macmillan

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

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

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

What's next?

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

TCFD Disclosure

Compliance statement

The following disclosure is consistent with the recommendations and recommended disclosures of the Taskforce for Climate-related Financial Disclosures (TCFD) as stated in the listing rule LR 9.8.6(8)R. Similar content can be found in the Travis Perkins Group CDP Climate disclosure which is available for public review.

The disclosure covers the whole business and its supply chain and all climate-related risk and opportunity types, over three time periods, all of which is detailed in the pages that follow. This is the third year of disclosure under TCFD for the Group. Further improvements have been made and more are planned to enhance the disclosure, including more in-depth scenario analysis by material type to have greater insight to physical climate risks and opportunities in the supply chain and to further assess transitional risks and opportunities. This will be shared in the 2024 Annual Report and TCFD Report. During 2023 a deep-dive climate risk assessment of timber supply chains was completed in addition to a refresh of UK physical risk and the Group's transition risks.

TCFD disclosure requirement		Location in Annual Report	Page(s)
Governance			
Disclose the organisation's governance around climate risks and opportunities	Describe the Board's oversight of climate-related risks and opportunities	TCFD report – Board Oversight and Engagement	52
		Principal Risks report – Climate Change and Carbon Reduction	81
	Describe management's role in assessing and managing climate-related risks and opportunities	TCFD report – Board Oversight and Engagement	52
Strategy			
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	TCFD report – Principal Risks and Opportunities	52 – 53
		Principal Risks report – Climate Change and Carbon Reduction	81
	Describe the impact of climate-related risks and opportunities on the organisations businesses, strategy and financial planning	TCFD report – Principal Risks and Opportunities	52 – 53
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios including a 2C° or lower scenario	TCFD report – Scenario results	57
Risk management			
Disclose how the organisation identifies, assesses and manages climate-related risks	Describe the organisation's processes for identifying and assessing climate-related risks	TCFD report – Risk and Opportunity Management	55
	Describe the organisation's processes for managing climate-related risks	TCFD report – Risks and Opportunity Management	55
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	TCFD report – Risk and Opportunity Management	55
		Principal Risks report – Climate Change and Carbon Reduction	81
Metrics and targets			
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	TCFD report – Metrics and Targets	62 – 63
		Sustainability report – Operating Sustainably	40 – 41
		Sustainability report – Modernising Construction	36
		Remuneration Report	106 – 122
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	TCFD report – Metrics and Targets	62 – 63
		Sustainability report – Operating Sustainably	40 – 41
		Sustainability report – Modernising Construction	36
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	TCFD report – Metrics and Targets	62 – 63
		Sustainability report – Operating Sustainably	40 – 41
		Modernising Construction	36

Governance

Scope and sphere of influence.

The Group's addressable market for construction materials is £73bn with three-quarters coming through distribution channels. The Group has a 6% share of this addressable market, serving generalist and specialist customers that range from the smallest jobbing tradesperson to the largest national contractor or housebuilder. The Group operates over 1,500 distribution sites and has a turnover of £5bn and a fleet of 2,388 HGVs and LCVs

Leadership role

Decarbonisation of our own business and our supply chain is the Group's sustainability priority. For further information see page 40.

The Group has sector-leading commitments to reduce carbon in line with a 1.5°C pathway across the value chain. To monitor delivery of this commitment, the Group has two key long-term targets which have been verified by the Science-Based Target initiative ("SBTi"). For more information on the Group's carbon agenda see page 34.

Page 62-63 provides details of the metrics and measures used by the Group to assess progress.

The Group's targets are SBTi approved as being in line with a 1.5°C pathway. By 2035 the Group will have reduced Scope 1 and 2 GHG emissions by 80% and Scope 3 emissions by 63% from a 2020 baseline.

Advocates for change

The Group is proactively engaging with the sector to drive forward the decarbonisation agenda. Sitting in the middle of the supply chain, the Group recognises and takes seriously the role of convenor, bringing the industry together to share best practices, collaborate and co-create solutions.

During 2023 the Group Chief Executive joined the board of the Construction Leadership Council as industry sponsor for People and Skills, one of the big barriers to decarbonisation at scale. The Group also became a partner of the National Retrofit Hub to help to shape solutions and accelerate change. As 80% of the properties that will exist in 2050 exist today, it's critical to address the current housing and commercial stock if the Group is to reduce its Scope 3 carbon relating to carbon in-use (from gas boilers). Two ESG forums were hosted by the Group for the top National House Builders to agree and act upon key priorities. Online workshops were hosted for 87 suppliers to support them to understand the journey we are on and their role in delivering reduced carbon. This included guidance on tools to use to calculate carbon and insights to customer product and data needs.
For more information on stakeholder engagement see page 31.

The scenario analysis conducted by the Group each year for the last three years has identified that an early adoption pathway has the lowest risk and best financial opportunities for the Group. Consequently the Group will continue to advocate for progressive action on climate change in line with these scenarios.

Accountabilities

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

Board oversight and engagement

The management reporting cycle on the Group's climate goals and targets is at least quarterly, with five sessions with the Group Leadership Team or plc Board during 2023. The Group has developed carbon roadmaps (Scope 1 and 2: Buildings and Fleet, and Scope 3: Product Decarbonisation) against which progress is monitored by the Group Leadership Team (GLT) and the Board. Moreover, the GLT and Board consider the principal climate risks and opportunities identified via the company's risk identification activities. The Company's risk identification activities consider risks emerging from three future scenarios and over the short, medium and long term. The Board has recognised the strategic importance of managing climate-related risks and opportunities due to the Group's ongoing materiality and contextual analysis.

For more information on how the Board is apprised of climate related risks and opportunities, see the climate change principal risk on page 81.

The GLT and Board consider climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organisation's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions and divestitures. For example in 2023 the GLT and Board approved the costs to transition the remaining diesel fuelled Mechanical Handling Equipment to electric or Hydrotreated Vegetable Oil ("HVO") by the end of 2024 and continued investment in HVO for 270 HGVs.

Alignment of incentives to carbon commitments

The 2023 bonus targets for the Group Leadership Team included a Scope 3 carbon engagement target, aiming to increase the amount of our spend which is with suppliers who have calculated and set reduction targets for their carbon (see page 114). In addition, the restricted stock scheme includes a climate-related performance underpin (see page 114).

Strategy

Principal risks and opportunities

Risks and opportunities are identified via an assessment approach which aligns not only with the Group principal risk process and rating tables but also uses the risk drivers and types published by CDP. Internal stakeholders are invited to advise on the relevant risk and opportunity types, level of impact and speed of risk materialisation. External stakeholders have shared their insights on what is material to them and where commercial opportunities might exist in relation to the decarbonisation agenda. The impacts from risks and opportunities have been considered in relation to products and services, supply chain and/or value chain, investment in research and development, operations (including type of operations and location of facilities), acquisitions or divestments and access to capital. The risk and opportunity identification process is iterative and informed by scenario analysis which the Group is developing but recognises is not yet complete.
For more details on the principal risk process see pages 74 to 75.

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

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

Top climate-related financial impacts

RISK – TECHNOLOGY: TRANSITIONING TO LOWER EMISSIONS TECHNOLOGY

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

RISK – PHYSICAL: RISING SEA LEVELS AND EXTREME WEATHER EVENTS

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

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

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

RISK – MARKET: CHANGING CUSTOMER BEHAVIOUR

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

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

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

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

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

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

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

* Risk ratings are in line with those in the Principal Risks Section on pages 74 – 85.

A number of other less-material climate-related risks and opportunities are mapped and monitored internally.

Timeline considered

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

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

Climate-related financial disclosure continued

Strategic response to risks and opportunities

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

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

Our low carbon transition plan

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

Reducing the embodied and in-use carbon of products sold

(Scope 3 represents 99% of the Group's footprint with Category 1 (Purchased Goods and Services) and Category 11 (Use of Sold Products e.g. gas boilers) representing 89% of this)

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

Decarbonisation of the Fleet and Estate

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

- Phasing in the use of hydrotreated vegetable oil ("HVO") fuel for diesel engines as a transition fuel. 270 HGVs used HVO instead of diesel in 2023.
- Introducing electric or alternate technology HGVs from 2026 at the latest. The first electric HGV was deployed in 2021 as a pilot to inform the Group's roadmap and the Managed Services fleet now has nine electric vans.
- Taking action to improve the energy efficiency of both freehold and leasehold buildings.
- 100% renewable energy tariff for all UK sites. This tariff was introduced in October 2021.
- Continuing to move from gas boilers to air-source heat pumps and other low-carbon technologies to heat the Group's branches and offices.

Our climate adaptation plan

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

- Commercial strategy for the medium to long term to ensure both continuity of supply and a just transition.
- Group property decisions and planning for new site locations and existing site adaptation.
- Group insurance planning to best manage future risks and business continuity.

Physical climate risk impacts are rated as low to medium. Early conversations are underway on this and plans will evolve more in the coming year.

With 99% of the Group's carbon emissions in the supply chain, predominantly due to carbon from manufacturing products or carbon from products in-use, it's critical that each of our businesses has a bespoke Scope 3 roadmap which is owned and actioned by Commercial and Sales teams. We will be further evolving these roadmaps in 2024.

Heinrich Richter
Head of Commercial – Sustainable Products and Services.

Risk and opportunity management

As climate governance is integrated into business decision-making, the principal risks and uncertainties are recorded and reported with other business risks and uncertainties on page 74. The identification of risks and opportunities around climate change uses the same complementary likelihood and impact criteria as other Group risks and the assessment covers direct and indirect physical and transitional impacts. In addition, risks and opportunities over the Group's three chosen scenarios (Proactive, Reactive and Inactive), as well as over three timelines (five years, 15 years and 30 years) are added by referencing the results of the scenario analysis. A detailed risk assessment process is conducted annually to identify any emerging risks and ensure the assessment of impact from all risks and the selection of management approach is appropriate. A risk report is presented to the Group Leadership Team and Board. The Group's principal risk list, which includes climate change risk, is also scrutinised by the Board and the Group's financial auditors. Details of the most material climate risks and opportunities have been published annually for the last fourteen years in the Carbon Disclosure Project ("CDP") climate disclosure.

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

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

In 2023 the Group followed up the scenario analysis undertaken in the previous two years with a deep-dive investigation of the possible physical climate impacts on its timber supply chains, in partnership with Inspired ESG. The UK estate and infrastructure physical climate impacts were also revisited along with the Group's transition risks.

Scenarios and modelling process†

The scenarios modelled outline possible physical and transitional impacts out to 2050 and beyond. The transitional scenarios used are from the Network for Greening the Financial System ("NGFS") and are the same scenarios used by the Bank of England in its Climate Biennial Exploratory Scenario publication which explores the financial risks from climate change. The Group selected the scenarios below to illustrate the best and worst outcomes and the sensitivities involved when identifying future impacts from changes to the climate and society's response to that change.

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

Scenario risk lenses

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

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

Policy and Legal risks
- carbon pricing
- enhanced emissions-reporting obligations
- mandates on and regulation of existing products and services
- exposure to litigation

Market risks
- increased cost of raw materials
- changing customer behaviour

Reputation risks
- stigmatisation of the sector
- shifts in consumer preferences
- increased stakeholder concern or negative stakeholder feedback

Technology
- costs of lower emissions technology
- unsuccessful investment in new technologies
- substitution of existing products and services with lower emission options

The **physical risk and opportunity assessment** considered:
- rising mean temperatures
- changing precipitation patterns
- sea level rise
- extreme weather
- wildfire

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

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

Scenario results

Resilience over the 3 Scenarios

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

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

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

Summary of Transitional Risks

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

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

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

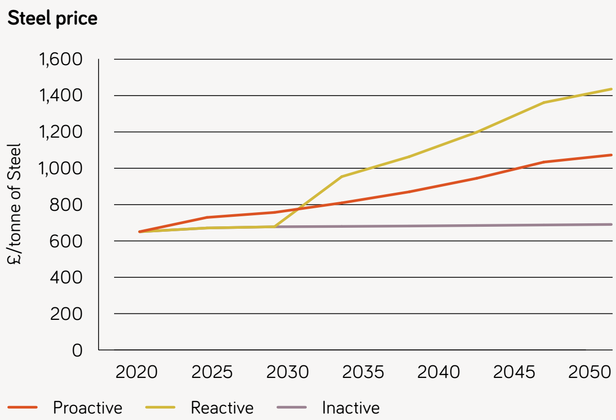
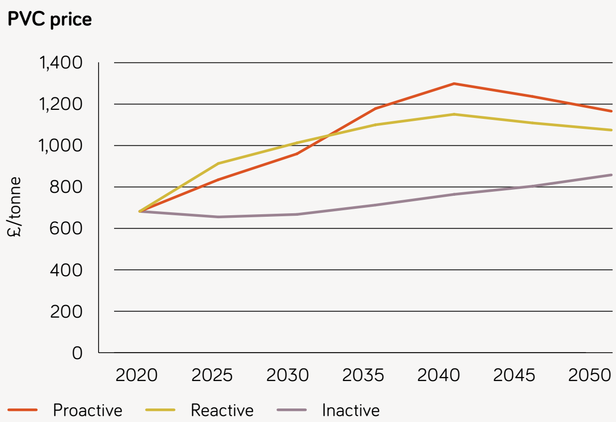


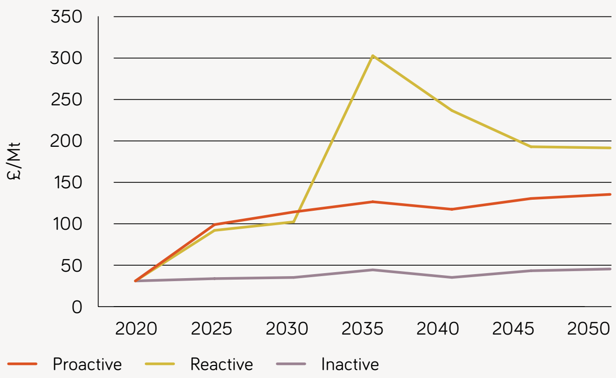
Figure 8: The price of steel after the introduction of a carbon border mechanism across each climate scenario and timeframe.



The price of PVC across each scenario and timeframe.

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

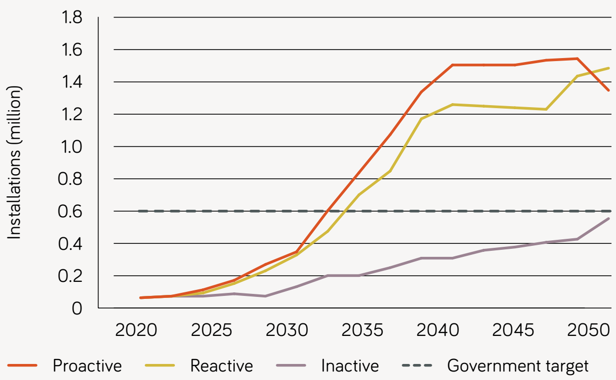
Cement price



The price of cement across each scenario.

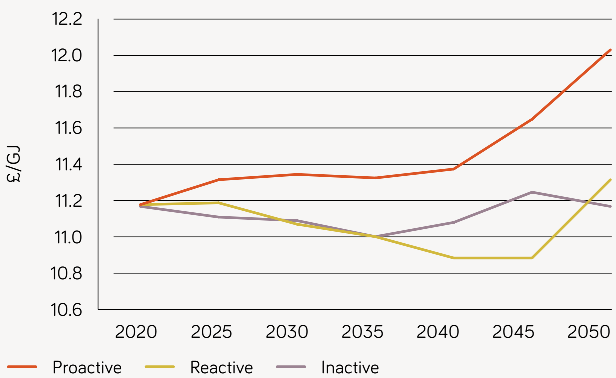
In addition to the cost increase of high-embodied carbon products, there will also be a **move to heating technologies with a lower carbon impact in-use**, such as heat pumps instead of gas boilers.

Heat pump installation projections



Heat pump installation projections.

Oil price



Pricing for Oil under each of the three scenarios.

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

With regard to the Group's heavy fleet, the investment required to **decarbonise the Group's heavy fleet** is affordable and is most effectively deployed in a phased manner starting immediately. In the last two years, capital spend requirements to deliver efficiency programmes have been approved and have proven to decrease direct costs. In 2023, £39.5m was invested in replacement or new delivery vehicles and an additional £1.2m on plant assets across the network. £600k was invested into HVO fuel purchase, based on average costs compared to diesel in 2023. Transport-related carbon reduced by 11% in 2023 as compared to 2022.

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

Summary of physical risks

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

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

The assessment of physical climate risks to the estate informs the decisions of the Group Property team with regard to adaptation of existing sites and the location and design of future sites.

Nick Pinney
Group Property Director

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

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

- Direct flood impacts (damages to the Group's property, stock and machinery) will likely increase in the inactive scenario. 45 branches are at direct risk from river flooding and 73 branches will be exposed to indirect risks of flooding i.e. affected transport networks. Annually, Wales, Scotland and the Northwest receive the most rainfall.
- Heatwaves are predicted to become more likely as the UK temperature is predicted to rise between 0.67°C and 1.45°C by mid-century (from a 1980-2010 baseline). Extreme temperatures can disrupt transport networks, reduce employee productivity, increase the risk of wildfire and decrease the efficiency of electrical products. Greater London, the South East and South West will experience the most significant temperature increases under all three scenarios.
- A forecast 0.5m rise in sea levels would not impact on all of the Group's coastal sites and shipping ports used in the supply chain equally. Sites and ports in the east of the UK are forecast to be the most vulnerable to sea level rise. Twenty-one Group sites could be impacted by 2050 under the Inactive scenario.

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

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

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

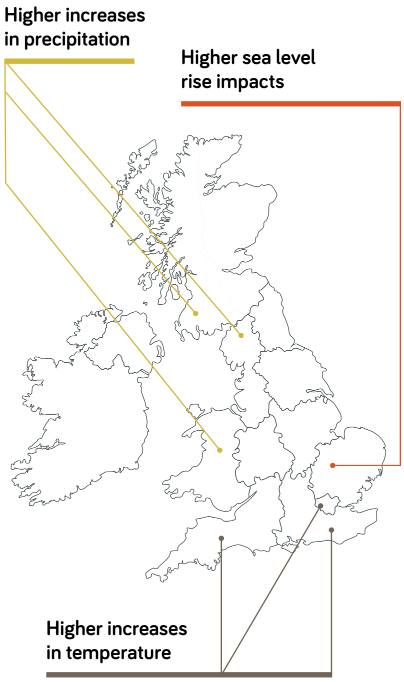
Region	Reference period (1980–2011)	Average daily temperature projection by 2052 (°C)		
		Proactive	Reactive	Inactive
Greater London	10.77	11.44 (6%)	11.76 (9%)	12.22 (13%)
South East	10.69	11.36 (6%)	11.68 (9%)	12.14 (14%)
South West	10.48	11.15 (6%)	11.47 (9%)	11.93 (14%)

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

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

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

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



A deep-dive on physical risk to UK infrastructure

In 2023, scenario analysis included a review of the physical climate risks affecting the UK infrastructure. The headlines of this analysis are as follows:

- **Roads** will be affected by increased precipitation due to landslide risks and closed roads, in addition to increased surface water runoff. Extreme heat can also cause roads to melt. Road disruption affects both distribution of goods and the ability for employees and customers to travel to sites.
- **Ports** will be affected by sea level rises, storm surges and damage to port infrastructure. Shipping fees may increase as ports raise handling fees for repairs after storm damage and port closures will cause bottlenecks at other ports across the UK.
- **Railways** will be affected as heat waves can buckle tracks and flooding prevents trains from accessing tracks. Secondary risks include landslides and rock falls which can damage tracks and other rail infrastructure.
- **Electricity supply** will be affected as increased temperatures cause lower efficiency in electrical products, including solar panels. Storms can damage transmission lines and cause wind turbines to cut out. Storm damage to transmission lines left over 1 million people and businesses without power for a week in 2022. Extended droughts can impact water availability for hydroelectric power.
- **IT infrastructure** will be affected as increased flooding can corrode buried electrical cables and high-flowing flood water can damage telephone masts and other IT infrastructure. High temperatures impact wi-fi speeds as routers struggle to send and receive data.

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

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

A deep-dive on physical risk to timber supply chains

In 2023, scenario analysis included a deep-dive review of the physical climate risks to timber supply chains. Globally, climate change is expected to increase the frequency of extreme weather events, exposing the timber industry to varying degrees of risk. Key takeaways from the analysis were as follows.

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

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

“”

Timber is an important product category for the Group, and one which is likely to increase as customers seek to decarbonise construction and comply with the UK government’s ‘Timber in construction roadmap’. We work closely with our suppliers and use scenario analysis insights to understand risk, inform our commercial plan and develop key mitigation actions.

Rosie Wise
Category Director – Timber and Joinery

2023 transport-related carbon reduction

11%

2023 investment in fleet decarbonisation

£41m

Metrics and KPIs

The Group sets out performance against a number of environmental KPIs below, including absolute carbon reduction and performance against targets and additional detail on energy consumption. During 2022 the Group introduced interim targets to the three carbon reduction roadmaps (buildings, fleet and Scope 3).

KPIs and metrics which more directly align to the material risks and opportunities set out in this disclosure have been added to the table.

The 2023 Scope 3 engagement target for the GLT was almost achieved. In total 57% of product spend was with suppliers who have calculated and set reduction targets for their carbon. More detail on this target can be found on page 125 in the Remuneration Report.

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

2023 headline performance

2023 saw reductions across both operational and supply chain carbon and we increased the percentage of our spend with suppliers who have calculated their carbon and set reduction targets. Decarbonisation of the industry remains our sustainability priority.

James Vance,
Group Head of Environment

Scope 1 and 2 carbon reduction

7%

Scope 3 carbon reduction

3%

Spend with suppliers engaged on carbon

57%

		2023 UK	2023 Non-UK	2023 Total
			Energy GWh	
Operational carbon	**GWh energy** Annual energy use relating to gas, purchased electricity and transport fuel (for SECR compliant kWh data see the data table on page 206)	306	6	**312**
			Carbon Dioxide Equivalent (CO_2e) Tonnes	
Operational carbon	**Scope 1** Direct emissions from burning gas and solid fuel for heating and from road fuel use for distribution[1]	51,325	501	**51,826** V
Operational carbon	**Scope 2** Indirect emissions from our use of electricity	0	856	**856** V
Operational carbon	**Scope 1 and 2 Absolute**	51,325	1,357	**52,682** V
Operational carbon	**Scope 1 and 2 Intensity** Emissions from Scope 1 and 2 sources per £m of revenue	10.7	11.3	**10.8** V
Operational carbon	% of fleet (inc. MHE) that is low-carbon in use (either electric, hybrid or alternate fuel)			**26%**
Supply chain carbon	**Scope 3 Absolute**[2] Indirect emissions from the supply chain. Including all Scope 3 categories	7,657,832	292,988	**7,950,820** V
Supply chain carbon	**Scope 3 Intensity** Emissions from Scope 3 sources per £m of revenue	1,599	2,442	**1,630** V
Supply chain carbon	% heat generators sold which are low carbon (i.e. heat pumps, solar thermal or electric boilers)			**10.7%**
Supply chain carbon	% of group product spend with suppliers engaged on decarbonisation (carbon calculated and targets set)			**57%**
Total carbon	**Scope 1, 2 and 3 Absolute**	7,709,157	294,345	**8,003,502**

Carbon data table

The Group has reported on all of the emission sources required under the Companies Act 2006 (Strategic report and Directors' reports) Regulations 2013. The numbers reported include data for companies where Travis Perkins plc has operational control. Scope 1 and 2 emissions are calculated using the DEFRA Conversion Factors for Company Reporting 2023 on an operational control basis. Scope 3 emissions are calculated using EcoInvent or DEFRA factors. Specific data points in the carbon chart and the carbon data table, marked with the logo "V", have been assured against Lloyd's Register verification procedures. For a link to the assurance report see page 41.

1. Fugitive emissions from domestic refrigeration and building air conditioning are included but they are not material to the Group's overall emissions.
2. Scope 3 data quality improved in 2023, due to data corrections and the use of Environmental Product Declaration carbon data where available within Category 1: Purchased Goods and Services, instead of estimated emissions factors. A full breakdown of the Group's Scope 3 carbon across the 15 Scope 3 categories is shared on the website https://www.travisperkinsplc.co.uk.

Total emissions Scope 1, 2 and 3 (tonnes CO_2e)	8,003,502
Scope 3 % of total emissions	99.34%

	2022			2021			2020			Performance in 2023 vs 2022	Targets (with 2020 baseline)	Performance in 2023 against 2020 target baseline year
	UK	Non-UK	Total	UK	Non-UK	Total	UK	Non-UK	Total	%		%
	Energy GWh											
	314	8	**322**	358	6	**364**	334	5	**339**	(3)%		
	Carbon Dioxide Equivalent (CO_2e) Tonnes											
	55,218	1,016	**56,234**	63,285	814	**64,099**	60,656	641	**61,297**	(8)%		
	0	652	**652**	13,121	530	**13,651**	17,333	461	**17,794**	31%		
	55,218	1,668	**56,886**	76,406	1,344	**77,750**	77,989	1,102	**79,091**	(7)%	Net zero by 2035 (min. 80% reduction	(33)%
	11.2	16.0	**11.3**	16.9	14.6	**16.8**	21.3	15.7	**21.2**	(4)%		(49)%
			22%			**18%**			**17%**	4 ppt		
	8,132,970	103,868	**8,236,838**	8,904,544	128,958	**9,033,502**	8,466,700	424	**8,467,124**	(3)%	63% reduction by 2035	(6)%
	1,650	999	**1,637**	1,971	1,402	**1,960**	2,316	6	**2,274**	0%		(28)%
										New KPI		
			54%			**14%**			**1%**	3 ppt		
	8,188,188	105,536	**8,293,724**	8,980,950	130,302	**9,111,252**	8,544,689	1,526	**8,546,215**	(3)%		(6)%