Building the foundations for a sustainable future

2024 highlights

Net-zero targets validated

Find out more on **page 64**

Reduction in Scope 3 GHG emissions 2023 vs 2021

13.7%

Selected EcoVadis to support our supply chain due diligence

74% increase in HVO use 2024 vs 2023 saving

>1,800 tCO_2e

Waste diverted from landfill

99.3%

Reduction in market-based Scope 1 & 2 GHG emissions 2024 vs 2021

38.6%

Renewable energy produced from our solar PV arrays

>170,000 kWh

Increased proportion of women in leadership from

13.0% → 15.0%

Community donations made by the Group

>£1.2m

Approved new Group colleague Wellness at Work policy

CEO and CFO introduction

Inside this section

This 2024 Sustainability Statement is structured using the European Sustainability Reporting Standards (ESRS) as a guide as we prepare to comply with the Corporate Sustainability Reporting Directive (CSRD) as per the legislative timeline. While we have used the ESRS as a guide, this 2024 statement is not compliant with the CSRD.

In 2024, we made significant progress in priority areas of sustainability for the Group.

Strategic sessions have taken place at Board level and at the Executive Sustainability Committee covering legislation, climate change, wellbeing and supply chain management.

On climate change we have committed to reach net-zero greenhouse gas emissions across the value chain by 2050 and have received validation by the Science-Based Targets initiative of this target and the associated near and long-term targets (see page 64). We are working on appropriate transition plans which will support the delivery of our targets.

The legislative landscape related to ESG in the EU is changing rapidly. Over the coming years Grafton needs to prepare for and meet a series of regulations including the carbon borders adjustment mechanism and directives on deforestation, supply chain due diligence and corporate sustainability reporting.

Our Group Head of Sustainability has briefed the Board, Executive Sustainability Committee, Procurement Board, Finance Leadership Team and other key departments on these regulations and their implementation.

Many of these areas of legislation relate to our value chain and supply chain management is central to this work. Our Group Procurement Director has worked with our Group Head of Sustainability and procurement leads across our business units to strengthen our due diligence processes.

We have started working with EcoVadis, a globally recognised sustainability ratings agency, to assess our supply chain partners. This will be central to our due diligence process moving forward.

The Executive Sustainability Committee has been consulted on a new Wellness at Work policy building on all the good work taking place across the Group to ensure colleague, safety, health and wellness is integrated into daily work. This policy sets out our approach to physical, social, emotional and financial wellbeing.

Over the coming year we will continue to prepare for the upcoming regulations and work to integrate new businesses, including Salvador Escoda, into our sustainability programmes.

Eric Born
Chief Executive Officer
5 March 2025

David Arnold
Chief Financial Officer
5 March 2025

General disclosures

General Disclosure	Notes	Location
General basis for preparation of the sustainability statement	Report covers the 2024 financial year from 1 January 2024 to 31 December 2024. The scope of the report includes our distribution, retailing and manufacturing operations covered by our business units. The acquisition of Salvador Escoda was finalised on 30 October 2024. Given the challenges involved in collecting a number of the ESG data points, this business has been excluded from the data points presented on sustainability. EY has completed a limited assurance engagement over selected performance data.	Data points excluding Salvador Escoda are indicated throughout this statement with † The EY assurance statement can be found on page 81. Information within the scope of this assurance is indicated throughout the document with a Δ
Disclosures in relation to specific circumstances	Any divergence from the scope outlined in the basis for preparation notes above is indicted in the accounting notes presented next to each section.	
The role of the administrative, management and supervisory bodies		pages 79 and 86
Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		pages 79 and 86
Integration of sustainability-related performance in incentive schemes		pages 102 and 115
Statement on sustainability due diligence	Core elements of our sustainability due diligence process include: • Double Materiality Assessment • Stakeholder engagement • Risk assessment and management • Governance on sustainability issues • Policies, actions, metrics and targets	pages 58 and 59 pages 10 and 11 pages 60 -63 page 79 Disclosure throughout statement
Risk management and internal controls over sustainability reporting		pages 43-46, 49-51, 60 and 79
Market position, strategy, business model(s) and value chain		pages 2-3, 5, 12, 16-17
Interests and views of stakeholders		pages 10 and 11
Material impacts, risks and opportunities and their interaction with strategy and business model(s)		pages 58-63
Description of the processes to identify and assess material impacts, risks and opportunities		page 58
Disclosure Requirements covered by the undertaking's sustainability statements		High level disclosure points indicated throughout statement
Actions and resources in relation to material sustainability matters		Disclosure throughout statement
Metrics in relation to material sustainability matters		Disclosure throughout statement
Tracking effectiveness of policies and actions through targets		Disclosure throughout statement
Task Force on Climate Related Financial Disclosures	Grafton discloses against the TCFD framework where appropriate to avoid duplication.	TCFD related content is indicated throughout the report with T

Our approach

Sustainability at Grafton

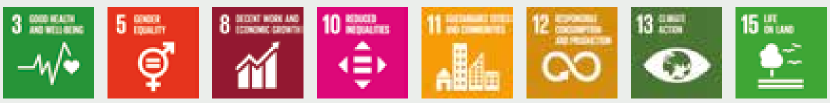
Grafton's sustainability strategy has five priority areas that address environmental, social and governance (ESG) issues that are important to our business, colleagues and customers. The table below shows how different material impacts link to the five pillars of the Grafton Strategy.

While we are not required to comply with the corporate sustainability reporting directive (CSRD) for this 2024 statement, our reporting is evolving in response to its requirements to make it easier for stakeholders to navigate and make reporting more comparable.

While European Sustainability Reporting Standard (ESRS) disclosures are referenced, this 2024 statement is not compliant with CSRD requirements.

Our sustainability strategy is supported by our five priority areas:

The strategy aligns with the eight **UN Sustainable Development Goals** that we can have the biggest impact on:



Materiality assessment

We carried out a preliminary double materiality assessment in partnership with an external consultancy firm to identify our material impacts as well as ensuring that our strategy is focusing on the most important issues.†

A double materiality assessment looks at sustainability issues through two lenses, the impact that a business has on society and the environment as well as the financial impact an issue may have on the business's performance.

This methodology aligned with the double materiality guidance published by the European Financial Reporting Advisory Group (EFRAG) in August 2023 taking into account the reporting requirements set out in the European Sustainability Reporting Standards (ESRS).

We carried out extensive stakeholder engagement across customers, colleagues, suppliers, large shareholders, lenders, internal subject matter experts and governance committees. Feedback was scored, weighted and presented in a materiality matrix showing Grafton's most material issues.

The matrix was discussed and validated at the Board and then further refined. The final matrix of the 2023 assessment is presented on page 59 and will be used to guide our reporting and strategy. We plan to review our materiality assessment to incorporate business changes and the updated EFRAG guidance.

Steps in double materiality assessment

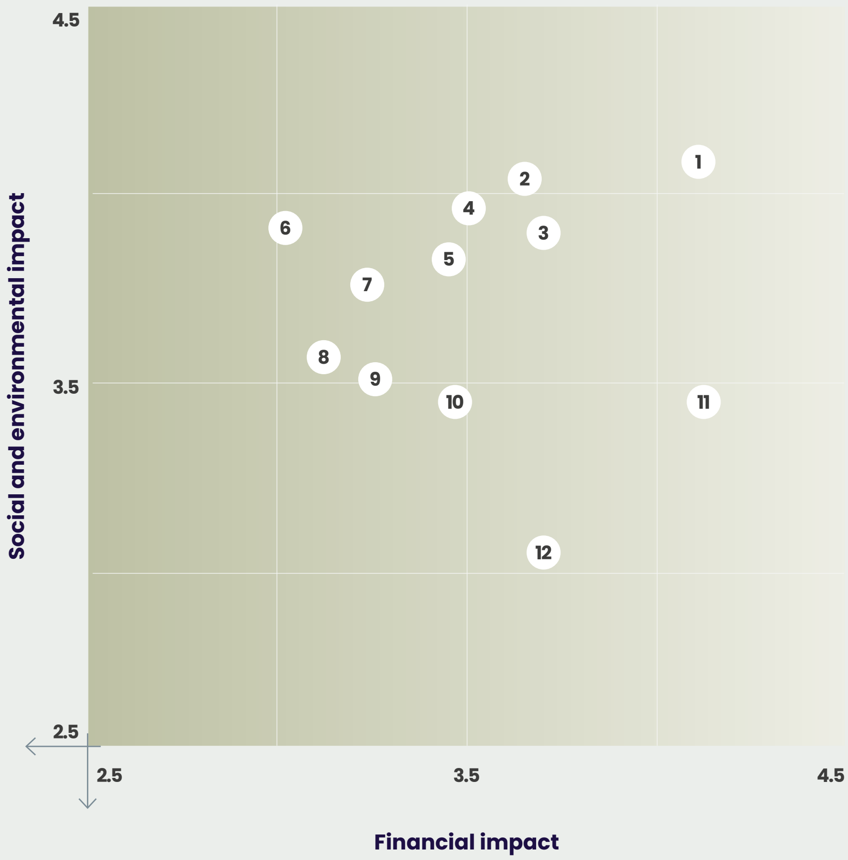
Draft list of issues developed	Extensive research carried out into Grafton and its peers, initial consultation took place with key colleagues across the Group and a provisional list of material issues was drafted.
Assess importance of issues to business, society and environment	Surveys were carried out with customers, colleagues and suppliers. Interviews were carried out with large shareholders and lenders. Workshops were carried out with subject matter experts at Grafton.
Rank impacts	Impacts were assessed using a scale of 1 (very low impact) to 5 (very high impact) and ranked in order of importance.
Assess financial impact	Level of financial impact on business performance, profitability, growth and reputation was assessed using the same 1-5 scale.
Present impact on matrix	Draft matrix was developed and shared with governance committees.
Validate and refine matrix in governance committees	Based on feedback the matrix was refined, issues were grouped, and a final matrix was presented and signed off.

Materiality matrix

The matrix below presents the findings of the double materiality assessment. It displays Grafton's top twelve material impact areas. Impacts were assessed using a 1 to 5 scale. A materiality threshold was applied, impact areas above 2.5 on both axes were deemed material and presented in the matrix.

Our top 12 material impact areas

1. Climate change
2. Equality, equity, diversity & inclusion
3. Product safety & quality
4. Colleague health, safety & wellbeing
5. Responsible sourcing in supply chain
6. Upskilling senior leaders on ESG
7. Training & development
8. Resource use & circular economy
9. Sustainable raw material sourcing
10. Regulatory compliance
11. IT & cyber security
12. Privacy & data security



Linking material impacts to strategy

ESRS reference	ESRS Topical Issues	Strategy link	Impact areas	Disclosure reference
E1	Climate change	Planet	• Climate change	pages 64-68
E5	Resource use & circular economy	Customer & product	• Resource use and circular economy • Sustainable raw material sourcing	pages 69-71
S1	Own workforce	People	• Equality, equity, diversity & inclusion • Colleague health, safety & wellbeing • Training & development • Upskilling senior leaders on ESG • Data privacy & data security	pages 72-76
S2	Workers in the value chain	Customer & product Ethics	• Responsible sourcing in supply chain	page 77
S4	Consumers & end users	Customer & product Ethics	• Product safety & quality • Privacy & data security • IT & cyber security • Health & safety*	page 78
G1	Business conduct	Ethics	• Regulatory compliance • IT & cyber security • Privacy & data security	pages 79 and 80

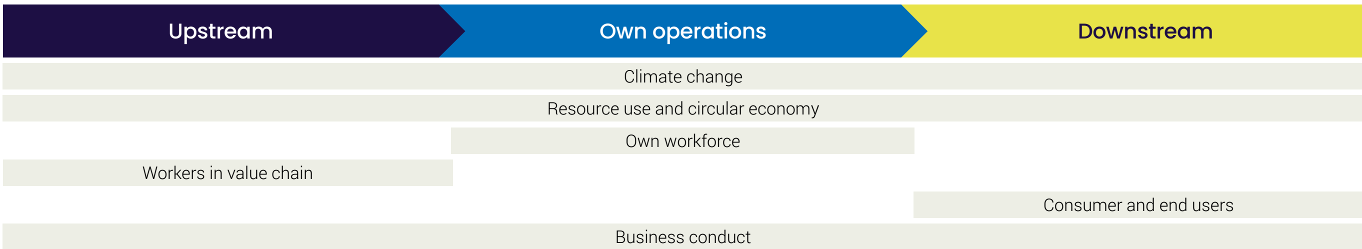
* Whilst customer health and safety was not specifically called out in the top 12 material impact areas our approach to health and safety covers this important stakeholder group so it has been included as an area of disclosure in S4.

Impacts, risks and opportunities

The tables below present sustainability impacts, risks and opportunities †

These impacts are relevant to different parts of our value chain indicated on the diagram below. E1 Climate change section includes all impact areas to ensure compliance with TCFD however impacts deemed major significance are indicated with an (M).

Value Chain



E1 Climate change (T)

We assess the recurring or one-off impact of climate related risks using both financial measures, including revenue, profit, and cash, and non-financial, including management effort, regulatory compliance and impact on stakeholders. We have set numerical thresholds for each of these metrics to define 'significance'.

We would typically assess the likelihood of business risk materialising in the next three years whereas we monitor the likelihood of risks relating to climate change risks over the short (1-3 years), medium (3-10 years) and long-term (over 10 years).

Our assessment of climate risks and opportunities considers a range of scenarios which were identified based on the guidance published by TCFD and the International Panel on Climate Change (IPCC):

- Rapid decarbonisation – Government led move to a low carbon economy in the next 10 years with global temperature rises limited to at or below 1.5°C (RCP 1.9 – 2.6)
- Moderate decarbonisation – Business led/Government supported transition to a lower carbon economy over next 5-15 years. Global temperature rises limited to around 2°C (RCP 3.4 – 4.5)
- Limited climate action – Little or no concerted effort to reduce carbon emissions resulting in global temperature rises in excess of 4°C (RCP 6 – 8.5)

The scenarios stated above are used to consider a range of possible outcomes for different climate risks and opportunities at Grafton over the short, medium, and long term.

These time horizons have been set taking into account the Group's typical planning approach (annual budget and five-year plan), useful life of inventories (all inventory over two years old, and a high proportion aged between one and two years, is fully provided for) and assets (majority of properties are on a short leasehold i.e. < 15 years).

Based on these scenarios risks and opportunities to the Group as recorded in the Group Sustainability and Climate Change Risk Register are set out in the table below, with their assessed significance to the Group under the 1.5°C scenario and the timeframe over which we expect the risk/opportunity to materialise. The risks and opportunities apply across Grafton's geographies and sectors.† Impacts deemed of major significance under at least one of the three climate change scenarios are indicated with (M).

See pages 52 and 53 for more information on TCFD.

E1 Climate change (T)

Significance key: Minor, Moderate, Major

Timeframe key: Short-term, Medium-term, Long-term

Risk type		Impact Area	Risk	Opportunity	Significance (1.5°C pathway)	Timeframe
Transitional	Policy	Taxation & compliance inc. CSRD & CBAM (M)	Costs of complying with regulations	Competitive benefit of minimising liability	Major	Short-term, Medium-term
		Energy transition direct operations (M)	Rising energy cost of renewable energy	Commercial advantage of investment in renewable energy self-generation	Major	Short-term
		Supply chain energy transition & taxation	Rising energy cost, taxation and compliance costs leads to increased purchasing costs	Active engagement with supply chain on sustainability improves resilience	Moderate	Medium-term
		Changes in regulation impacting existing product range	Legislation changes lead to obsolete or slow moving inventory	Commercial advantage of switching to more sustainable products early	Moderate	Medium-term, Long-term
		Net-zero transition (M)	Increased costs to deliver net-zero targets.	Commercial advantage from early investment where appropriate	Major	Long-term

E1 Climate change continued T

Significance key: Minor, Moderate, Major

Timeframe key: Short-term, Medium-term, Long-term

Risk type		Impact area	Risk	Opportunity	Significance (1.5°C pathway)	Timeframe
Transitional	Reputation	Investor pressure	Failure to set and deliver net-zero targets results in reduced investor confidence	Attracting investment and financing from forward looking approach		
		Other stakeholder pressure such as customers & suppliers	Commercial impacts if Grafton doesn't meet expectations	Commercial opportunities from positive sustainability positioning		
	Market	Consumer preferences shift towards circular business models and more sustainable choices	Commercial impact from failing to offer more sustainable choices, with clear traceability and communications	Attract new customers and more revenue by offering more sustainable solutions (including circular economy)		
		Consumer demand for climate resilient products increases	Failure to provide products related to climate adaptation leads to commercial impact	Commercial opportunities from new products related to climate adaptation		
	Tech	Decarbonisation technologies and new building techniques e.g. passive house, net zero emission buildings M	Significant changes to the construction & RMI industry reduces demand for current product portfolio	New concepts and business opportunities provide more diverse revenue generation opportunities		
		Reliance on technology advancements to achieve emissions targets M	Costs associated with meeting targets, because technology does not develop swiftly enough or is not commercially viable	Commercial opportunities from adopting technologies early		
Physical	Operations disruption	Disruptions to operations and distribution of products as a result of flooding (or other extreme weather events) M	Loss of trading times and inability to distribute products	Competitive advantage through resilience planning		
	Asset damage	Damage to property and stock as a result of flooding (or other extreme weather events) M	Significant cost to protect properties to prevent damage or repair costs following damage and write-off of stock	Competitive advantage through resilience planning		
	Supply chain risk	Disruptions to supply chain as a result of extreme weather events	Cost increase due to reduced product supply and reduced revenue generation as a result of weather events impacting availability	Competitive advantage through resilience planning		

Impacts, risks and opportunities continued

Timeframe key

Short-term Medium-term Long-term

E5 Resource use and circular economy

Business activity	Impact area	Risk	Opportunity	Timeframe
Own operations	Operational waste	Costs incurred to manage waste responsibly	Operational costs & taxation reduction through waste reduction	Short-term
Distribution/retail	Raw material sourcing: timber	Failure to meet deforestation regulation	Commercial advantage from strong supply chain traceability	Short-term
Distribution/retail & manufacturing	Packaging	Costs incurred through packaging taxation	Cost reduction through minimising packaging use	Short-term
Distribution/retail	Circular business models	See climate change above		
Manufacturing	Raw material use	Costs incurred through inefficient use of raw materials and impacts of unsustainable raw material sourcing	Cost reduction through efficient resource use. Commercial advantage with demand for traceability	Medium-term

S1 Own workforce

Impact area	Risk	Opportunity	Timeframe
Colleague engagement	Neglecting colleague engagement can lead to retention issues and difficulty attracting talent, affecting business performance and innovation.	Focusing on engagement boosts retention and attracts top talent, driving productivity, innovation, and a positive workplace culture.	Short-term
Equality, equity, diversity & inclusion	Poor diversity and inclusion practices can harm retention, recruitment, and lead to legal and compliance issues.	Embracing diversity and inclusion enhances creativity and decision-making, positioning us as an attractive employer and improving business performance.	Short-term
Colleague health, safety and wellbeing	Lack of focus on health and safety can lead to underperformance, retention issues, and regulatory non-compliance, damaging our reputation.	Prioritising well-being enhances our reputation, attracts talent, and fosters a productive workforce, contributing to business success.	Short-term
Training & development (including ESG)	Lack of investment in training leads to underperformance and poor retention, hindering the delivery of strategic goals.	Investing in training boosts performance and retention, making us an attractive employer and fostering continuous improvement.	Short-term, Medium-term
Data privacy & data security	Weak data controls can erode trust, leading to retention issues and legal repercussions.	Strong data security enhances trust and loyalty, attracting talent and safeguarding our reputation.	Short-term
Pay, benefits and rewards	Inadequate compensation impacts retention, recruitment, and colleague morale.	Competitive packages attract and retain talent, supporting wellbeing and strengthening our employer brand.	Short-term
Talent, retention, recruitment	Poor talent management and recruitment lead to leadership gaps and impacts business growth.	Developing future leaders ensures continuity, enhances resilience, and fosters a culture of advancement and retention.	Short-term

Timeframe key

Short-term Medium-term Long-term

S2 Workers in the value chain

Impact area	Risk	Opportunity	Timeframe
Responsible sourcing in supply chains	Working with trading partners whose activities result in negative environmental or social impacts. Failure to have in place a strong due diligence process that meets regulations and protects the environment and people through the supply chain	High sourcing standards and strong due diligence mean that we have a reputation as a trusted partner and distributor that helps to strengthen security through the supply chain	

S4 Consumers and end users

Impact area	Risk	Opportunity	Timeframe
Health & safety	Risk of personal injury or loss of life of colleagues, suppliers, customers or members of the public during branch operations (including delivery) due to unsafe working practices. Also failure to comply with health & safety regulation	High standards for health and safety compliance enhance reputation as a responsible organisation with our colleagues, customers and suppliers	
Product safety & quality	Inadequate product safety standards and quality assurance processes result in risk of selling unsafe or poor quality products which impacts reputation and could put customers at risk	High product safety and quality standards enhance reputation as a trusted distributor and manufacturer with customers	
Privacy, data, IT & cyber security	Risk that external or internal parties will try to gain unauthorised access into systems to deliberately disrupt business, steal information or commit fraud, resulting in financial loss, impact on reputation with significant management effort to recover	Strong information security and data protection controls enhance our reputation as a trusted and responsible organisation with colleagues, customers, and suppliers	

G1 Business conduct

Impact area	Risk	Opportunity	Timeframe
Regulatory compliance	Risk that non-compliant practices by individual colleagues or businesses result in significant penalties and reputational damage for breach of relevant legislation	A track record of compliance with regulatory requirements, enhances reputation as a trusted and responsible organisation with colleagues, customers, suppliers, and regulators	
Bribery & corruption	Bribery and corruption by colleagues or third parties results in financial loss to the business and reputational damage	Robust anti-bribery controls and strong ethics enhance our reputation as a trusted and responsible organisation	
Privacy, data, IT & cyber security	See consumers and end users above		

Environmental disclosures

ESRS
- E1: Climate Change
- E5: Resource Use and Circular Economy

Strategy linkage
- Planet
- Customer and Product

UN SDG

E1 Climate change

Introduction

It's estimated that buildings account for 40 per cent of the energy usage across the EU and 36 per cent of GHG emissions, which mainly stem from construction, usage, renovation and demolition. GHG emissions from material extraction, manufacturing of construction products, as well as construction and renovation of buildings are estimated to be 5-12 per cent of GHG emissions.

As a result, all players in this sector have a responsibility to take action to reduce emissions. The stakeholder engagement carried out with customers, colleagues, investors, lenders and suppliers for our double materiality analysis showed that climate change is the key environmental concern.

Policies

Our environmental policy incorporates our commitment to tackling climate change. The policy is available at www.graftonplc.com

Actions

Own operations †

Actions and plans

This year Grafton has remained focused on implementing initiatives that will reduce our GHG emissions to ensure progress towards our SBTi targets. Key decarbonisation levers for Scope 1 and 2 are:

Electricity and energy savings

Grafton has increased its acquired renewable electricity by 14 per cent in 2024 to a total of 94 per cent and we plan to achieve 100 per cent in the coming years. An eight per cent reduction in electricity consumption was achieved compared to 2023 through market related decline in activity levels as well as implementing a range of efficiencies including energy management systems and equipment efficiencies. This has been alongside our work on electrification of premises, moving away from fossil fuel sourced heating such as natural gas and heating oil.

Grafton continues to install Solar PV arrays across the estate, with 10 new installations and the expansion of six existing arrays in 2024. We produced over 170,000 kWh of renewable electricity some of which was fed into the local grid. There are plans for one expansion and eight new installations for 2025.

The Energy Savings Opportunity Scheme (ESOS) was conducted for all sites in Great Britain. A range of energy savings initiatives were identified from the process, including but not limited to: energy management; capital investment; controls; training and data quality, with anticipated savings of over 2,000 MWh. Grafton will continue to implement initiatives before the next phase of the scheme.

Vehicle fleet

In 2024 efforts to move to an alternative vehicle fleet continued with the increased uptake in BioCNG, HVO and electric vehicles across the fleet. HVO use in our commercial fleet increased by 74 per cent compared to 2023, saving more than 1,800 tCO_2e. The transition to an alternatively fuelled vehicle fleet will continue as part of our transition plan, with increased uptake of HVO and move to electric vehicles where feasible across the fleet.

Value chain †

Actions and plans

Data availability and accuracy

Over 98 per cent of Grafton's emissions are indirect emissions generated in our value chain. Grafton worked to improve its Scope 3 calculation process in 2024 by improving the accuracy of purchasing and associated emissions factors. In conjunction with supplier engagement Grafton plans to further improve the accuracy of value chain emissions by obtaining and applying product specific GHG emissions data. With the introduction of the Carbon Border Adjustment Mechanism (CBAM) within the markets Grafton operates the importance and availability of carbon data from our suppliers is improving.

Supplier Engagement

Our work with EcoVadis will allow suppliers to be assessed and will provide a route to engage with suppliers on their environmental performance including climate change.

EcoVadis offers a unified approach to assess suppliers and offers a variety of materials for our suppliers, including action plans and educational materials.

We continue to partner with manufacturers to drive investment in low emission technologies and products. This is essential to decrease the emissions from goods we sell to our customers and the emissions the product may produce over its lifetime.

Net-zero Science Based Targets

The Science Based Targets Initiative has validated that the science-based greenhouse gas emissions reductions targets align to the SBTi Corporate Net-Zero Standard.

SBTi has classified Grafton's scope 1 and 2 target ambition as in line with a 1.5°C trajectory:

Overall Net-Zero target: Grafton Group plc commits to reach net-zero greenhouse gas emissions across the value chain by 2050.

Near-term targets: Grafton Group plc commits to reduce absolute scope 1 and 2 GHG emissions 48.5 per cent by 2030 from a 2021 base year. Grafton Group plc also commits to reduce absolute scope 3 GHG from use of sold products covering sold fossil fuels 42 per cent within the same timeframe. Grafton Group plc further commits to reduce all other absolute scope 3 GHG emissions 42 per cent within the same timeframe.

Long-term targets: Grafton Group plc commits to reduce absolute scope 1 and 2 GHG emissions 90 per cent by 2050 from a 2021 base year. Grafton Group plc also commits to reduce absolute scope 3 GHG emissions 90 per cent within the same timeframe.

Transition Plan

Grafton's climate transition plan follows the principles of the Transition Plan Taskforce disclosure framework – Ambition, Action, Accountability † T

Ambition

Foundations

Grafton's targets have been validated by the SBTi and are aligned with the 1.5°C trajectory (page 64). Our double materiality assessment showed that our stakeholders, colleagues, customers and suppliers regard climate change as their top priority.

Grafton's business model and value chain are presented on pages 17 and 20. As a distributor, retailer and manufacturer of products for the building industry there are important changes that will need to take place over the coming 25 years.

Over 98 per cent of Grafton's GHG emissions are Scope 3, the vast majority of which are in the manufacture and use of the products that we sell.

To drive the changes that are needed, Grafton will work extensively with suppliers and customers. In the shorter term we will focus on improved data collection, increasing the proportion of suppliers with Science Based Targets and encouraging more suppliers to set them with support from EcoVadis.

In the longer term there will be a focus on alternative products, materials and energy usage for products as well as scaling up circular business models where possible.

Key assumptions and external factors

Financial growth – the targets are based on absolute emissions reductions therefore organic business growth will be captured in the emissions reduction trajectory. However, as a business that acquires and divests, we have published a recalculation policy to take into account any significant changes in the business (www.graftonplc.com).

Policy developments – all businesses require policy support to enable them to deliver such stretching targets. It will be important that governments continue to drive renewable electricity, support innovations in alternative fuels and phase out high impact products such as boilers.

Industry innovations and developments – builders merchants rely on large industries such as chemicals, steel and cement to provide the products that customers such as builders, DIY enthusiasts and developers need. These large industries have plans in place to reduce their emissions and have been subject to legislation over time, therefore delivering their ambitions will be an important contributor to Grafton achieving our targets.

Technological advancements – longer term, technological advancements will be necessary in how buildings are constructed and the technology used to power them as well as in the transport industry for heavy goods. We will work with our supplier partners where possible to trial and promote these technologies, but much of the innovation will take place within our supply chain.

Data improvements – As a business Grafton sells hundreds of thousands of products therefore the calculation of Scope 3 emissions is subject to assumptions. As Grafton improves the monitoring of its emissions and suppliers improve the quality of the information they report on their products we will likely need to recalculate our emissions (in accordance with the base year recalculation policy).

Scope 1 & 2 Transition Plan †

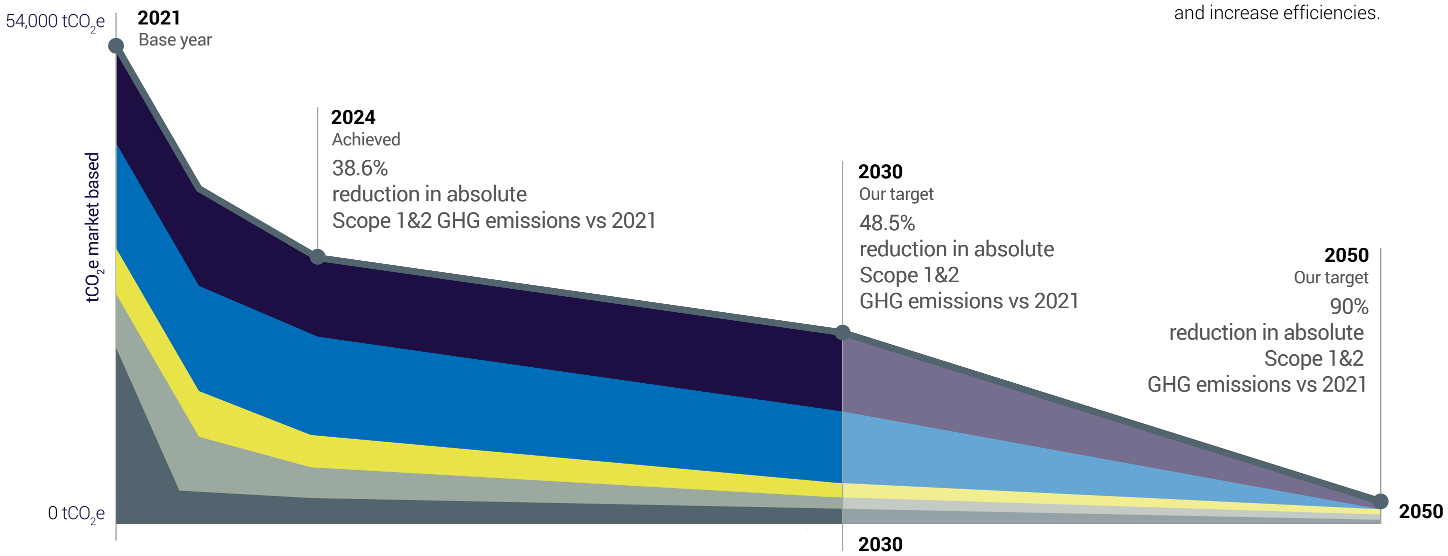
Gas heating
Initial focus on increased efficiency and long-term transition to alternative forms of heating.

Commercial Vehicles
Phased transition to electric, bio-fuels or other alternative technology in the long term.

Car Fleet
Switch to alternative fuels and support this move with the installation of charging points.

LPG
Initial focus on increased efficiency in manufacturing process and long-term working with suppliers to develop technological/efficiency innovations.

Electricity
Move to 100 per cent certified renewable energy and increase solar production capacity for new and existing sites. Continue to improve monitoring of our energy use and increase efficiencies.



Transition Plan continued

Action

Implementation strategy

The Executive Sustainability Committee ensures that GHG emissions targets are embedded in the business planning and operations of the business. In 2024, the Committee was consulted on the targets and the transition plans, and the priority areas are displayed in the infographics on pages 65 and 66.

The actions are separated into Scope 1 and 2, and Scope 3 so that the relevant teams across each business unit can take ownership for the delivery. Grafton includes climate change in the budgeting process to ensure that financial impacts of decisions are effectively quantified.

Engagement strategy

Engagement across Grafton's value chain and especially with suppliers and customers will be an essential part of achieving the targets. Suppliers will be required to share detailed data on the products supplied and be encouraged to set Science Based Targets. Collaboration to bring new products to market will also be key. Grafton's supply chain due diligence process will be extended to capture more detailed information on GHG emissions.

Grafton collaborates across the industry through groups such as the Builders Merchant Federation. These forums provide an opportunity for information and views to be shared with other building materials distributors, suppliers, and leading industry figures. As part of our sustainability strategy we consult key stakeholders including customers, suppliers, shareholders and lenders. This is used to gain feedback on their priority areas and the actions that they would like to see Grafton taking.

Training of colleagues

The Group sustainability team communicate extensively with colleagues on climate change, targets and reduction strategies. In 2024 sessions have been held at Board level, with the Executive Sustainability Committee and at sustainability review meetings with business units.

Accountability

Governance

Climate Change governance follows the sustainability governance process set out on page 79.

Scope 3 Transition Plan†

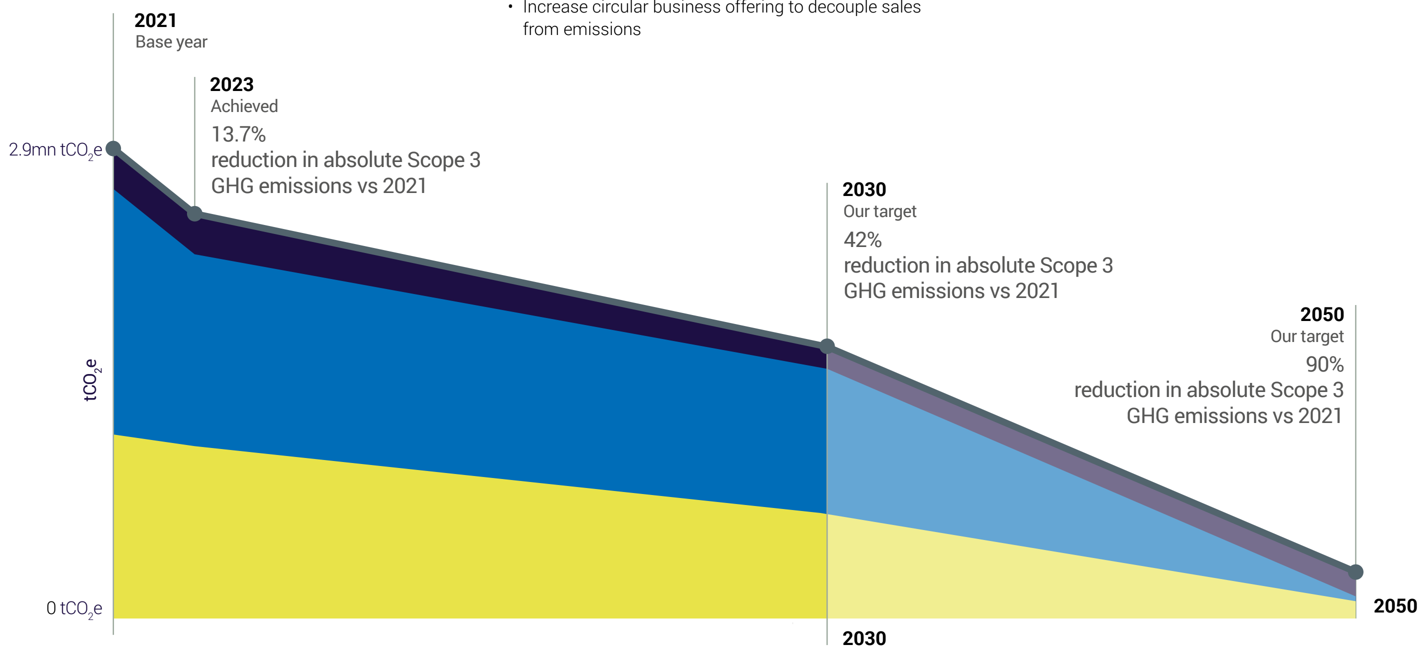
Goods for resale

- Collate accurate product level emissions data from Environmental Product Declarations or other Life Cycle Analysis
- Increase proportion of products sourced from suppliers with Science Based Targets
- Prioritise reductions in categories that make the biggest contributions
- Increase circular business offering to decouple sales from emissions

Use of sold products

- Offer alternatives to energy intensive products e.g. boilers
- Improving efficiency of energy using products as well as reducing emissions associated with use through increased renewables in the grid

Other



Greenhouse gas emissions reporting †

Scope 1 & 2	Unit	2021	2022	2023	2024	2024 performance on 2023	2024 performance on base year
Scope 1*	**tCO_2e**	**40,718.9**	**38,328.0**	**32,847.8**	**31,250.7**	**(4.9%)**	**(23.3%)**
Commercial vehicles	tCO_2e	14,173.4	13,824.7	11,402.3	11,300.3	(0.9%)	(20.3%)
Gas heating	tCO_2e	7,086.0	5,902.1	5,008.0	5,335.1	6.5%	(24.7%)
Manufacturing (LPG)	tCO_2e	13,033.9	14,286.4	12,553.3	10,676.8	(14.9%)	(18.1%)
Scope 2 – location-based	**tCO_2e**	**15,143.8**	**13,900.7**	**12,511.0**	**11,191.4**	**(10.5%)**	**(26.1%)**
Scope 2 – market-based*	**tCO_2e**	**13,182.1**	**5,816.8**	**5,086.7**	**1,841.5**	**(63.8%)**	**(86.0%)**
Electricity	tCO_2e	11,763.6	4,683.5	4,344.2	1,237.8	(71.5%)	(89.5%)
District heating	tCO_2e	1,414.8	1,094.4	658.2	469.5	(28.7%)	(66.8%)
Scope 1 & 2 – location-based	**tCO_2e**	**55,862.7**	**52,228.7**	**45,358.7**	**42,442.1Δ**	**(6.4%)**	**(24.0%)**
Scope 1 & 2 – market-based	**tCO_2e**	**53,901.0**	**44,144.8**	**37,934.5**	**33,092.2Δ**	**(12.8%)**	**(38.6%)**
Scope 1 & 2 – market-based intensity	**tCO_2e/£m Revenue**	**25.5**	**19.2**	**16.4**	**14.7**	**(10.2%)**	**(42.5%)**

* major sub-categories of Scope 1 and 2 data presented in the table. Small contributions from electric vehicles, forklift trucks and fugitive emissions are incorporated in the totals.

Scope 3	Unit	2021	2022	2023	2023 performance on 2022	2023 performance on base year
Scope 3	**tCO_2e**	**2,939,708.3**	**2,613,773.3**	**2,535,912.7**	**(3.0%)**	**(13.7%)**
Goods for resale	tCO_2e	1,158,532.1	1,121,718.7	1,088,381.5	(3.0%)	(6.1%)
Use of sold products	tCO_2e	1,536,871.7	1,231,972.6	1,194,776.1	(3.0%)	(22.3%)
Other categories	tCO_2e	244,304.6	260,082.0	252,755.1	(2.8%)	3.5%

Energy consumption †

	Unit	2023	2024	% of total energy consumption
Energy consumption	**Mwh**	**208,724.7**	**188,629.4**	**100%**
Fossil fuels	Mwh	164,062.0	136,690.3	78.6%
Renewable sources	Mwh	44,662.7	51,939.1	21.4%
Fuel	Mwh	5,066.5	8,593.3	2.4%
Self-generated	Mwh	510.5	883.4	0.2%
Acquired	Mwh	39,085.7	42,462.3	18.7%

Environmental disclosures continued
Climate change continued

Accounting principles GHG emissions

We report our emissions as per the methods set out in the GHG Protocol. Under the GHG Protocol, emissions are categorised into Scope 1, 2, and 3.

We report our emissions in tCO_2e and on emissions from all entities over which we have operational control. For 2024 environmental data excludes data from 2024 acquisition of Salvador Escoda. †

Please see our "Scope 1 and 2 GHG Criteria" and "Scope 3 GHG calculation methodology" available at graftonplc.com.

Grafton states that recalculations to the base year may occur given our business model. For more detail, please see "GHG Recalculation Policy" available at www.graftonplc.com.

Scope 1 emissions

Direct GHG emissions from operations, this includes emissions from our vehicle fleet, fugitive emissions, combustion of fuels for heating and manufacturing processes.

Scope 2 emissions

Indirect GHG emissions from electricity, heat and steam, purchased and consumed by Grafton Group. Location-based emissions are based on national grid average emission factors for defined locations. Market-based scope 2 emissions refer to indirect GHG emissions associated with purchased electricity, heat and steam through procurement of contractual instruments such as Energy Attribute Certificates and Guarantees of Origin from sources such as wind, hydro, solar and biomass. For sites without such contractual agreements and for other scope 2 energy types in the absence of supplier specific emission factors and/or residual mix emission factors, the national average emission factor has been applied.

Total energy consumption from fossil sources

Primary energy consumption from crude oil petroleum products, and natural gas, as well as consumption of externally purchased secondary non-renewable energy such as electricity, heat, steam and cooling. Energy consumption is based on meter readings and/or invoices. Considering the ESRS requirements, we have enlarged the scope of the total energy consumption metric to include all entities under operational control, including fuel consumption in leased vehicles.

Total energy consumption from renewable sources

Wood, biogas and externally purchased electricity from renewable sources, such as wind, solar, hydropower, biomass or biogas, as defined in the contractual agreements. Consumption is based on meter readings and/or invoices and complemented with data on renewable energy certificates for each site.

GHG intensity

Total energy consumption/total GHG emissions per million net revenue

Scope 3 emissions

We report our Scope 3 emissions using the following Scope 3 accounting principles:

- Relevance – Our Scope 3 inventory contains Goods for Resale, Goods Not for Resale, Use of Sold Products, Capital Goods, Operational Waste, Fuel and Energy Related Activities, Upstream Transport and Distribution, Downstream Transport and Distribution, Processing of Sold Goods, Business Travel, Employee Commuting, Downstream Leased Assets, End of Life Treatment.
- Completeness – Our Scope 3 inventory reflects our GHG emissions appropriately. Upstream Leased Assets, Franchises and Investments are not relevant for Grafton Group and are therefore excluded from the inventory.
- Consistency – We have calculated our Scope 3 emissions for 2021, 2022 and 2023 with consistent methodologies and reporting boundaries. This lends us to performing trend analysis and monitoring emission reduction progress over time.
- Transparency – Our Scope 3 methodology and assumptions can be found at www.graftonplc.com.
- Accuracy – During the calculation process, source data undergoes quality checks and calculations are reviewed by a third-party consultancy firm to ensure credibility in the end emission analyses.
- The latest data for Scope 3 is 2023.

E5 Resource use and circular economy

Careful resource management is central to our sustainability programme. Our focus areas include operational waste management, packaging, raw material sourcing and circular business models.

Impact Area	Policy/Approach	Metrics/Targets
Operational waste	Environment Policy	• Tonnes operational waste • Operational waste diverted from landfill
Packaging	Approach specific to operational market	• Report packaging data as per regulations
Raw material sourcing: timber	Deforestation Policy	• Timber certified through internationally recognised schemes • Due diligence processes in place in all relevant business units
Manufacturing: raw material use	Deforestation Policy Supplier engagement	• Timber certified through internationally recognised schemes • Restoration plans in place for aggregate sites
Circular business models	Approach specific to each business unit	• Pilot circular business opportunities by 2025 • Promote products to customers with sustainability attributes by 2030

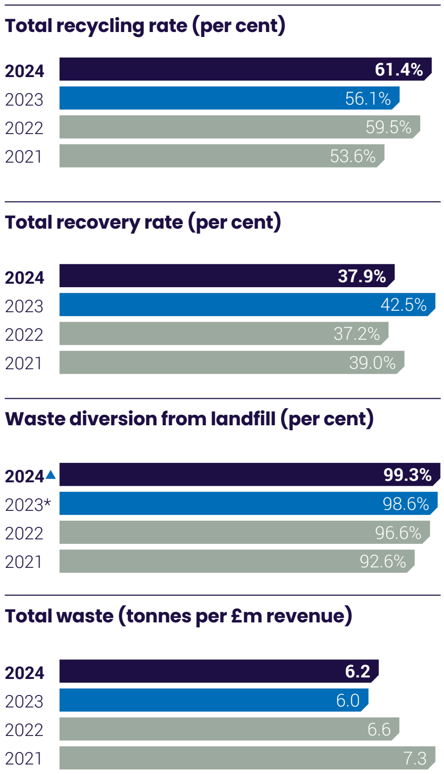
Operational waste

Grafton works with waste management companies to monitor waste, manage it responsibly and look for opportunities to reduce it. Across the Group total waste generated in our operations remained consistent with 2023 data. In partnership with our waste management companies, teams work to divert the waste in our own operations from landfill and in 2024 achieved a 99.3 per cent diversion rate Δ. We continue to look for opportunities to replace plastic wrap used to distribute products with recycled alternatives as well as trying to reduce the amount used where possible by using collapsible boxes, moving to cages or strapping products together. However, all alternatives need to be carefully assessed with our colleagues' safety in mind as many of our products are heavy and safety is of the utmost importance.

Accounting principles

Operational waste includes all waste generated in our operations excluding Salvador Escoda. The data is collated via 3rd party reports from waste providers detailing disposal methods of waste streams.

Operational waste data †



* Recalculated following improved data collection. Operational Waste Criteria is available from www. graftonplc.com

Packaging data

All businesses report packaging data as required by legislation in their country of operation. The biggest change to this system has been taking place in the UK, where business units have continued to report against the existing packaging scheme and plastics tax regulations whilst also preparing for the new extended producer responsibility system.

Business units have been working closely with suppliers to collect the data required on packaging. We have also been working to improve the packaging that we use.

Business units have also focused on increasing the recycled content of plastic wrap.

Environmental disclosures continued
Resource use and circular economy continued

Raw material sourcing

Gaining greater traceability of priority raw materials is an important focus. Timber is a key raw material for a number of the distributors within the Group and for StairBox. The Group Deforestation Policy outlines the legal requirements, responsible sourcing and due diligence guidelines.

In 2024 the focus has been on preparing for the EU Deforestation regulation. Identifying products in scope, reaching out to suppliers, planning the IT systems needed to monitor data and establishing the formal due diligence processes required to meet the requirements.

Business units have also continued to promote the certification of the products sold through internationally recognised certification schemes.

Percentage of Selco timber certified to internationally recognised standards

99.1%

Percentage of StairBox timber certified to internationally recognised standards

99.6%

Raw materials for manufacturing

Our manufacturing businesses produce ready mix and bagged mortar products, bespoke staircases and windows. The manufacturing process is different, but the processes have been developed to minimise wastage, source raw materials responsibly and produce quality products that are made to last.

Raw material inflows

Mortar

Cement

72,700 tonnes

Sand

459,400 tonnes

CPI Euromix operate nine manufacturing sites across the UK sourcing cement, sand and additives from trusted suppliers to produce the product and their manufacturing processes follow the following standards:
- ISO 9001: Quality Management System
- ISO 14001: Environmental Management System
- BES 6001: The Framework Standard for Responsible Sourcing.

Attaining these certificates demonstrate CPI Euromix's commitment to providing high quality products using raw materials that are sourced responsibly and following a manufacturing process designed to minimise impact on the environment. CPI Euromix received an 'Excellent' performance rating for their BES 6001 certification and use this framework when considering new suppliers. CPI Euromix has been certified against ISO 9001 and ISO 14001 since 2016, and through regular auditing across all locations and regularly reviewing internal management systems maintain high-quality product manufactured responsibly. CPI Euromix has also worked with their cement suppliers over time to ensure that GHG emissions associated with this raw material are reduced and the sand suppliers have strong restoration plans in place for all extraction sites.

Staircases

Timber

4,143 tonnes

StairBox uses state of the art technology to design and manufacture made-to-measure products. This ensures that minimal waste is generated in the installation of the product. Their sales teams have extensive training to support customers to design the products to the correct specifications.

StairBox operates a series of quality inspections throughout the manufacturing process, prior to a final full quality sign-off prior to loading and delivery. They have a chain of custody timber sourcing process to ensure that the timber used is responsibly sourced. 99.6 per cent of StairBox timber is certified by internationally recognised timber certification schemes. The certification process provides confidence that timber sourcing is not contributing to illegal deforestation, that strong labour standards are met.

The chain of custody audit ensures full traceability of all materials from initial source to end user as well as checking policies and procedures.

Circular business models

Our business units are investigating and trialing different circular business models. They fall into a number of categories.

1. Products as a service

Chadwicks' Sam Hire brand provides high quality construction equipment on a rental basis to customers in the ROI. At any one time it has approximately 6,500 pieces of equipment from diggers, dumpers, generators, scissor and material lifts to concrete cutting saws. The operation has expanded from 15 branches to approximately 23 branches over the past nine years and a new hire department opening is planned for the Chadwick's Gorey branch in 2025. Two to three team members run the operation in each branch providing rental and maintenance services. TG Lynes also operate a plant rental service. In 2024 Selco launched a partnership with HSS Hire to offer customers tool and equipment rental options from their stores. As of February 2025, 19 Selco stores offer the HSS rental service.

2. Sale of spare parts

For IKH the spare parts and rental offerings have been central to its business model for over 20 years. Spare parts are offered for tools, large machinery and more than 2,000 tractor models which are either purchased from suppliers or farmers and companies that sell second hand parts. Maintenance and repairs of rental products are performed in-house, maximising the life of each product.

3. Take-back schemes

Selco is currently conducting a phased rollout period for pallet collection across eight branches. This involves sending old pallets to be repaired and reused from multiple locations using a third-party. This is a pilot project to centralise the repair process at one location.

Selco employs a similar process with plastic wrap, where each branch sends any clear plastic wrap to a central distribution center for further sale. This process ensures that all plastic wrap is recycled rather than sent to landfill.

Our Netherlands businesses, Isero and Polvo have a strong focus on battery recycling and tool repairs. Both businesses have collection points in every branch for customers to take used batteries, which are collected by a third party and recycled. Polvo offer a service where customers take tools to their local branch, and they have the option to be repaired instead of being taken to landfill.

4. Repair & maintenance

Isero are innovating in the refurbishment space by working with one of their value chain partners on a sanitary ware refurbishment scheme collecting, refurbishing and reselling certain products and working to calculate the associated GHG emissions savings.

Additional environmental disclosures

Water management

Water is not a material issue within Grafton's operations as the branches and manufacturing facilities are not large users of water. However, Grafton is monitoring its water usage to ensure that this resource is used as efficiently as possible.

Biodiversity

There are various initiatives in place across the Group that are designed to address biodiversity as well as other environmental issues.

Branches work to support and promote biodiversity at a local level. Chadwicks for example is a member of the All Ireland Pollinator Plan implemented by the National Biodiversity Data Centre. As part of this membership biodiversity projects are introduced to stores during refurbishments.

The timber sourcing programme is promoting responsibly sourced timber including internationally recognised certification which are tackling deforestation. We have a commitment to work with our aggregate suppliers to ensure that all extraction sites have restoration plans in place. CPI Euromix has engaged with all of its quarries on this topic.

Pollution

Grafton's manufacturing businesses have policies and procedures in place to monitor, manage and minimise any emissions associated with the manufacturing process. CPI Euromix has 'baghouse' technology on all sites which collects dust, and removes particulate matter and harmful gases from the manufacturing process. StairBox uses a bag filter to collect and store dust in a silo which is regularly maintained.

There are alarms installed to alert the teams in the case of a breach of the limits as well as a response plan in place. For the distribution businesses, air quality management associated with the fleet is important. Selco have invested in CNG fuelled vehicles in metropolitan areas as they emit lower amounts of particulate matter than standard diesel fuelled vehicles.

Social disclosures

ESRS
- S1: Own workforce
- S2: Workers in the value chain
- S4: consumers and end users

Strategy linkage
- People
- Customer and Product
- Ethics

UN SDG

S1 Own workforce

Our colleagues are integral to our success as a business and we are committed to fostering an environment where everyone can thrive. Our people strategy prioritises wellbeing, inclusivity, and professional development and is supported by comprehensive policies.

The Group HR Director, along with HR leaders in each business unit, ensure the effective delivery and promotion of our people strategy and colleague engagement initiatives across each of our businesses. The Group-wide HR forum serves as a platform to collaborate and share best practice, and monitors key metrics to ensure continuous improvement.

Overview and Action taken on policy areas in 2024

Topic	Policy/Approach	Metrics/Targets
Colleague engagement	• Colleague engagement surveys • Workplace forums • Non-Executive Director engagement • Colleague engagement platforms • Speak Up Policy	Engagement surveys at least every two years.
Equality, equity, inclusion & diversity	• Group Equality, Equity, Diversity, and Inclusion Policy	Alignment with FTSE Women Leaders Review on gender diversity and the Parker Review on ethnic diversity. Year-on-year increase in the number of females across all levels in our businesses. Percentage increase in the number of females in a defined senior management group.
Colleague health, safety and wellbeing	• Health and Safety Policy • Wellness at Work Policy	Lost time injury frequency rate. Lost time injury severity rate.
Training and Development	• BU-specific development opportunities, such as apprenticeship, training programmes, mentorship, and career advancement resources	Average hours of training per colleague annually which is measured at business unit level.
Pay Benefits and Rewards	• BU specific reward incentives to promote commitment and reward achievement	Compliance with future EU pay transparency legislation. All colleagues receive at least one per cent above the local national minimum wage.

Colleague engagement

The success of our business is closely aligned with our corporate culture and the contribution and commitment of each of our colleagues. We recognise the fundamental importance of colleague engagement and talent management to the future growth of the Group.

We seek to ensure that all colleagues are fully engaged in their work and with the workplace. We encourage their active participation in decision-making processes.

Workplace forums, such as works councils and colleague committees, serve as platforms for discussing important work-related matters. These forums allow colleagues to present ideas and questions to business leaders who consider their viewpoints and concerns. The forums aim to foster trust and confidence between colleagues and the Company and play a significant role in our engagement strategy and diversity strategies.

Colleague engagement surveys provide us with valuable insights into colleague satisfaction and sentiment. Colleagues across our business can participate in formal engagement surveys at least once every two years. Survey results are shared with management teams and colleagues, and local action plans are developed to improve engagement. The results and action plans are discussed with business unit management, and turnover and retention rates are continuously monitored. The engagement survey results are also shared with the Board.

Non-Executive Directors attend colleague forum meetings at larger businesses in the UK and Ireland at least once a year, allowing them to gather the views of colleagues and learn about their businesses directly. The Non-Executive Directors then share this information with the Board, providing a colleague perspective to assist in decision-making and considering the views of this important stakeholder group. Where directors cannot attend due to language barriers, a summary of the discussion is provided.

Grievance Process

Formal grievance and disciplinary procedures across all our businesses serve to protect colleagues' interests and ensure grievances in the workplace are addressed objectively and provide an effective resolution of colleague concerns. Our aim is to handle grievances promptly and fairly to maintain a positive workplace environment and to prevent issues from escalating.

Our SpeakUp reporting service, managed by a third party, allows colleagues to report concerns confidentially and anonymously.

Confidential Feedback

All our businesses have grievance and whistleblowing processes, including the SpeakUp reporting service, described in further detail on page 82, ensuring that colleagues have a facility for anonymous reporting and protection against retaliation. SpeakUp reports are documented and reviewed, with an annual summary presented to the Audit and Risk Committee.

Social Bargaining, Collective Bargaining and Freedom of Association

We respect the right to freedom of association and collective bargaining for all our colleagues and maintain a neutral stance regarding their choices to join or not join a trade union. Colleagues are entitled to representation by trade unions or other elected representatives, in line with local regulations.

Equality, equity, inclusion & diversity (EEDI)

We strive to create a workplace where everyone feels valued, respected, and empowered to contribute. The Board receives regular updates on the progress of our equality and diversity initiatives. Our Group-wide EEDI policy ensures a consistent approach across the entire business. Diversity and Inclusion working groups assist our businesses to foster an inclusive culture. Our objective is to maintain a workforce that represents the communities in which we operate.

All our colleagues are expected to support diversity, promote fair and respectful treatment of everyone, challenge unacceptable behaviours and must comply fully with all legislation relating to equality and diversity in their location.

Recruitment process ensures no discrimination

We have objective and robust processes for recruitment and selection in each of our businesses and we monitor diversity at each stage of the process.

Actions to prevent workplace harassment

Each of our businesses has a Dignity at Work Policy to help colleagues identify potential bullying and harassment and to provide them with resources to address these issues should they arise. In our UK businesses, we have implemented measures to ensure all stakeholders are informed of our policy of zero tolerance on third party harassment.

Support for vulnerable groups

Many of our businesses have specific women's groups and inclusion networks to ensure that the views of all colleagues are captured and to drive our diversity agenda.

Our businesses support and leverage the expertise of a wide range of organisations focused on increasing equality, diversity, and inclusion. Grafton is a signatory to The Social Mobility Pledge, and is also a member of the Valuable 500. CPI Euromix is a platinum member of Women into Construction which promotes gender equality in construction. All our businesses in the UK and Ireland have at least silver status with the National Centre for Diversity, with Woodie's attaining gold status.

Actions to promote diversity in leadership

We were very pleased to increase the number of women in leadership from 13.0 per cent to 15.0 per cent in 2024. This progress reflects our commitment to fostering an inclusive workplace that values diverse perspectives and promotes equal opportunities for all colleagues. We have implemented recruitment strategies to attract a diverse pool of candidates. Additionally, our benefits programs have been expanded to support work-life balance and wellbeing. Our inclusion networks and colleague forums offer opportunities for employees to actively contribute to our diversity initiatives.

Social disclosures continued
Own workforce continued

Actions to promote the inclusion of colleagues with disabilities

We are committed to fostering an inclusive and safe workplace. We make necessary adjustments to our physical environment to support colleagues with disabilities, ensuring that all colleagues can work in a secure and accessible setting. We are committed to ongoing improvement in this area, ensuring that our workplace complies with health and safety regulations and promotes inclusivity and accessibility. Initiatives include:

- **Accessibility improvements:** Upgrading our facilities to include automatic doors, and accessible restrooms, ensuring ease of access for colleagues with mobility challenges.
- **Ergonomic workstations:** Customising workstations to meet the specific needs of colleagues with disabilities, promoting comfort and reducing the risk of injury.
- **Assistive technology:** Investing in technologies, on our external websites to support users with visual impairments.

Monitoring equal pay

Monitoring pay rates among colleagues is an important step to ensure that everyone is fairly rewarded for their work and contribution to our business. We continuously review ways to address any differences in pay and work hard to support career development and progression for all colleagues.

Our businesses in the UK and Ireland that are in scope for gender pay reporting under local legislation publish their gender pay reports on their websites. The Group also reports gender diversity data under the FTSE Women Leaders Review and the Parker Review.

We were pleased to have improved our ranking amongst the FTSE 250 from 101 to 90 in the 2024 FTSE Women Leaders Review.

Total colleagues

Total headcount at the year end	**10,003**
Breakdown by Country	
United Kingdom	4,016
Ireland	3,133
Netherlands	1,635
Finland	432
Spain	787

The data below includes colleagues employed in Ireland, the UK, the Netherlands and Finland.

Colleagues by contract type †

Permanent	**95%**
Temporary	**5%**
Full-Time	**76%**
Part-Time	**24%**

Colleagues by gender †

Male	**72%**
Female	**28% Δ**

Colleagues by age †

<30	**22%**
30-50	**47%**
>50	**31%**

Gender distribution in management †

	2024		2023	
	Number	**%**	**Number**	**%**
Board of Directors				
Female	3	38%	3	33%
Male	5	62%	6	67%
Group Management Team (GMT)				
Female	2	40%	1	20%
Male	3	60%	4	80%
Senior Management				
Female	10	32%	33	28%
Male	21	68%	84	72%
Management				
Female	76	15% Δ	68	13%
Male	432	85%	456	87%

Accounting Principles

The data above includes the members of the Board of Directors of Grafton Group plc, the GMT, Senior Management and Management as at 31 December 2024 and 31 December 2023.
The membership of the Board and the GMT is set out on pages 82 to 83 and 84 respectively.
'Senior Management' is the group reported for the purposes of the FTSE Women Leaders Review. In 2024 and for future years this comprises the GMT and their direct reports. In 2023 this was based on a wider group of colleagues.
'Management' comprises the GMT, certain Group leadership roles, Business Unit CEOs and their executive committees, regional managers and branch managers across the Group and is the population captured in the diversity element of the 2024 annual bonus for Executive Directors.

CEO total remuneration metrics

The table on page 120 shows the ratio of the CEO's total remuneration to the lower, median and upper quartile full-time equivalent remuneration of the Group's UK colleagues.

Pay Benefits and Rewards

We take a comprehensive approach to pay, benefits and reward to ensure that all colleagues feel valued and motivated. We offer a range of rewards and recognition programmes to celebrate colleague achievements and milestones. We continuously assess the evolving needs of our workforce and regularly update our compensation and benefits policies. Our benefits package includes health insurance, retirement plans, and wellness programmes.

Our policy is that all colleagues receive at least one per cent above the local national minimum wage. Our businesses operate either in the UK or the EU, and the countries in which we operate either have a statutory National Minimum Wage or our colleagues are covered by a Collective Agreement which determines minimum pay levels for the sector. In countries where there is a statutory National Minimum Wage, we define the wage benchmark for our colleagues to be National Minimum Wage +1%.

We are working with our businesses to ensure compliance with forthcoming EU pay transparency legislation.

Social protection

We are committed to supporting our colleagues through various life events that may impact their income. Our benefits programmes are designed to provide financial security and peace of mind. We provide safeguards against income loss due to major life events including loss of income due to sickness, unemployment, workplace injury and acquired disability, parental leave and retirement.

All our businesses operate within the EU or the UK and all colleagues are covered by at least the statutory minimum payments for sick pay, redundancy pay, parental leave and redundancy payments. Many of our businesses also provide enhancements to these benefits.

Social disclosures continued
Own workforce continued

Training and development

We invest in continuous learning and development opportunities for our workforce to enhance skills and career growth and offer equal access to development opportunities, such as apprenticeship, training programmes, mentorship, and career advancement resources. We review our talent and succession plans regularly to address disparities, reinforcing our commitment to ensuring fairness and equality in career progression.

We keep up-to-date records on recruitment, training and promotion that provide a transparent view of opportunities for colleagues and their progression.

Colleague health and safety

We believe nothing we do is so urgent that we cannot do it safely. We remain committed to doing everything we can to ensure that our colleagues, customers, and business partners return home safe and well each day, and we continue to embed health and safety into our everyday business practices.

Safety, Health, and Environment (SHE) teams in each of our businesses integrate health and safety planning into business plans and ensure risk assessments reflect the reality of existing operations as well as new projects. Local management teams lead their health and safety agendas, while receiving guidance and support from the Group Safety, Health and Environment Director.

Each business is subject to regular health and safety audits, including branch compliance checks by internal teams in the businesses, external enforcement officer inspections, and higher-level reviews by the Group Internal Audit and Business Risk team. These measures support and drive a continual health, safety, and wellbeing improvement plan.

We encourage all colleagues to actively contribute to our health and safety management by raising concerns and making suggestions. This is facilitated through a combination of day-to-day management, focus groups, team meetings, our 'Notify' Safety Management System and the Group Risk Committee.

Near miss reporting across the Group has increased by 90 per cent from 2021 to 2024 as colleagues at all levels have taken positive steps to report concerns or near miss incidents, helping to eliminate or reduce the risk of recurrence.

2024 saw a continued reduction in injury severity as a result of our focus on the key health and safety priorities around the Group. The individual activities and initiatives in each business varied across our sectors according to local requirements but the key priorities remain centred around:

- Keeping pedestrians safe from moving vehicles;
- The safe handling and storage of products, including safe working at height; and
- Ensuring safe customer deliveries on site.

Maintaining the engagement and involvement of all colleagues in their individual workplaces with these key priorities and their own local initiatives is imperative to assist us in keeping people safe.

In 2024, the Group Lost Time Injury Severity Rate has reduced by a further six per cent versus 2023 while the Lost Time Injury Frequency Rate increased by one per cent. During the period 2021 to 2024, the Lost Time Injury Severity Rate has reduced by 35 per cent and the Lost Time Injury Frequency Rate has reduced by 13 per cent.

Visible felt leadership of health and safety across all levels of supervisors and managers in our businesses will be a fundamental focus in 2025 to positively recognise colleagues doing the 'right thing' and to reinforce the correct behaviours where necessary.

Lost Time Frequency †
Lost Time Injuries/100,000 hours worked

0.87

Lost Time Severity †
Working Days Lost/2,000 hours worked

0.17

Accounting Principles for health and safety

Health and safety metrics covers all colleagues, excluding colleagues from Salvador Escoda.

Lost time injury frequency rate refers to the number of work-related injuries resulting in lost working days per 100,000 hours worked.

Lost time injury severity rate refers to the number of lost working days due to a work-related injury per 2,000 hours worked. Days lost are calculated from the first full day to the last, counting 5 days per week regardless of individual contracted working hours.

Colleague wellness

We believe in supporting the physical, social, emotional and financial aspects of our colleagues' wellbeing. Our Wellness at Work Policy outlines our strategy and provides a baseline standard across all our businesses.

We provide health benefits and sick pay to ensure our colleagues stay fit and are supported during times of ill health. We also offer colleague assistance to support colleagues dealing with personal or work-related problems that might affect their job performance, health, and wellbeing. This benefit provides confidential support and counselling services to our colleagues. We ensure a safe and pleasant work environment, provide mandatory health and safety and job-specific training, and offer work breaks and holidays, along with free hot and cold refreshments. We offer communal spaces, recognise key life events, and support paid volunteer days and locally approved charities.

We encourage all our businesses to view wellness through a diversity, equality and inclusion lens to ensure we are being equitable and fair with support that can affect colleagues' health and financial outcomes.

Our CEO Mental Wellbeing Statement, which is available on our Group website, www.Graftonplc.com, sets out our leadership approach to colleague wellbeing which underpins colleague engagement and is to the benefit of our business and all our stakeholders. It is important that we all show care and respect for each other, support work-life balance and that our businesses provide the tools and resources to support our colleagues.

S2 Workers in the value chain

Supply chain risk management is a top priority for the Group, and we understand the importance of effective management of the environmental and social impacts in our supply chain.

Our businesses source products from a range of suppliers including:
- Branded building materials manufacturers
- Branded raw materials suppliers
- Own brand suppliers
- Distributors and agents
- Suppliers engaged through buying groups.

Our due diligence process allows us to have visibility of whether our suppliers have effective processes in place to manage their environmental and social impacts including strong working conditions for those involved in the manufacture of the products we sell. In 2024, we selected EcoVadis to support us in gaining greater transparency in our supply chain management and ensure our suppliers' standards follow best practice.

Policies

The Grafton Group Code of Business Conduct and Ethics sets out our expectations for colleague conduct with suppliers.

The Grafton Group Supplier Code of Conduct sets out our expectations for suppliers covering legislative compliance, human rights, environmental sustainability and business practice. The Code has been published in multiple languages and on business unit websites. This has been approved by the Procurement Board and the Group CEO.

These Codes are reviewed every two years or sooner if significant changes occur.

Supply chain due diligence

We have continued through 2024 to work with Exiger on our supply chain risk management. We work with Exiger to send due diligence questionnaires to large suppliers covering a range of environment, social and governance topics. The system also screens suppliers against sanctions lists to identify adverse media findings (further information about this process can be found in our 2024 Modern Slavery Statement which is available at www.grafonplc.com).

At the end of 2024, 84 per cent of suppliers on the risk management system have completed the assessment which has increased from 81 per cent at the end of 2023. In 2022 to 2024 there have been 40 screening reports which flagged concerns and have been raised and resolved by the relevant business unit in partnership with the supplier in question.

However, in 2025 we are updating our due diligence process through our work with EcoVadis. EcoVadis is a globally recognised sustainability rating agency conducting assessments based on international sustainability standards to assess our supply chain partners.

Our due diligence process is designed to identify and mitigate risks within our supply chain. Each of our business units manages their own sourcing process.

Suppliers will be uploaded onto the EcoVadis IQ+ Platform where it will be assigned a sustainability risk.

Based on this risk suppliers are engaged on key actions to mitigate risks. Supplier risk and performance will be monitored and reviewed.

In addition to the EcoVadis process we have mechanisms in place to identify concerns which include supplementary adverse media screening, the SpeakUp whistleblowing service which allows stakeholders to report any concerns confidentially to an independent party with safeguards in place. We also encourage open dialogue between suppliers and our commercial teams.

Some business units have enhanced due diligence processes for key suppliers which can include auditing of manufacturing facilities. For example in 2024 Selco started working with Surity for their direct sourcing programme. Surity carry out detailed compliance and sustainability assessments on and improvement programmes with each factory that they work with covering ethical, environmental, safety and quality issues.

Adverse Impacts identified through our due diligence process will be monitored, tracked and escalated where necessary.

Value chain worker engagement
Engagement of value chain workers is a key element of the EcoVadis rating process that suppliers will be assessed against.

Value chain worker channels
Our SpeakUp channel is available for all suppliers to share concerns.

Severe human rights abuses
None have been reported or identified through screening.

Resourcing invested in programme
Given the importance of supply chain management and due diligence this is an important area of investment.

We invest resources in our risk management and screening platforms, sustainability, procurement, analyst and audit resource in the Group and Business Unit Functions.

Accounting Principles

All information from suppliers, including assessment responses and evidence, is held on the risk management system and used to determine assessment completion rates. This metric has been circulated monthly to relevant colleagues for visibility and transparency, The system also holds information on adverse media findings, where it frequently scans online public sources for mentions of our suppliers in a negative light.

S4 Consumers and end-users

As a distributor of building materials and retailer in the DIY space ensuring we engage our customers effectively, listen to their ideas and concerns and respond appropriately is critical to our commercial success.

Our customers include:
- SMEs involved in Repair, Maintenance and Improvement (RMI)
- Large private sector customers involved in the construction industry
- Public sector organisations
- DIY customers

Our business units engage with customers in a range of different ways such as:
- Customer service teams
- Customer surveys
- Customer insight programmes
- Product return processes
- Face to face conversations in branch

Our business units use these insights to develop their customer propositions.

Impact area and disclosure

Product safety and quality

Product safety and quality processes of our manufacturing businesses are incorporated in the resource use and circular economy information on page 70.

Beyond this our distribution and retail businesses have approaches tailored to their product and supply mix. These processes include contractual arrangements with suppliers to ensure products meet appropriate standards, product recall processes and procedures should a concern arise, technical manuals covering products specifications, safety and quality standards as well as product testing regimes for certain product categories.

Health & safety of customers in our branches

The Group health and safety policy and approach covers our customers in branch. Further detail on our approach to health and safety is set out on pages 50 and 76.

Privacy & data security IT & cyber security

Our approach to privacy and data security is set out on page 80.

Additional social disclosures †

Community

Grafton's business units operate in a diverse range of communities and many of our colleagues come from these communities. It's incredibly important to act as a good neighbour and use our skills and experience to help those in need.

Colleagues care deeply about supporting community programmes through volunteering, fundraising and donating, and in the challenging economic circumstances as a business we are proud to have contributed over £1.2 million to communities in 2024, exceeding our target of 0.6 per cent of adjusted operating profit Δ, and to have raised a further £815k through colleague and customer fundraising.

The contribution by the Group to communities is made up of:

- **Volunteering time** by our colleagues paid for by the business for a host of activities which could include everything from supporting local schools, refurbishing buildings, skills training and fundraising.
- **Monetary donations** from the business to local community groups, usually voted for by our colleagues. These can take the form of donations and matched funding for colleague fundraising activities.
- **In-kind donations** which includes materials donated at a local level to support the refurbishment of buildings and services such as marketing, press and print needed to raise awareness of the organisations and issues.

Total donated by Grafton via volunteering, materials, sponsorships and cash donations

>£1.2m

Total donated by customers and colleagues

>£815k

Governance disclosures

ESRS
- G1: Business conduct

Strategy linkage
- Ethics

UN SDG

G1 Business Conduct

To deliver our business and sustainability goals we underpin our strategy with robust governance processes, strong policies and procedures, effective training and awareness, responsible sourcing and responsive management of risk and opportunities.

Governance T

Sustainability governance is integrated into Grafton's overall governance structure as outlined on page 86.

The Board of Directors has ultimate responsibility for sustainability governance. Sustainability was discussed in depth at two Board meetings during the year and an update was shared by the CFO at every meeting. Topics covered in 2024 included climate change, supply chain due diligence, sustainability legislation, progress, plans and reporting.

The Audit and Risk Committee is responsible for overseeing and monitoring the Group's risk management systems and the steps taken to mitigate key risks, including sustainability and climate change.

The Executive Sustainability Committee ('ESC') was established in 2023 to develop and implement the Group's sustainability strategy subject to approval and ultimate oversight by the Board. Its role is to ensure that sustainability considerations are appropriately embedded into the wider business strategy and commercial decision-making process, and that sustainability opportunities and risks have been identified and that measures are scheduled to capitalise on opportunities and mitigate risks.

The ESC comprises the Group CEO, Group CFO and Group Head of Sustainability as well as Business Unit leadership. It met three times in 2024.

Sustainability and climate risks and opportunities are assessed and reviewed by the Group Risk Committee (GRC) which is described in further detail on page 44. The GRC evaluates each of the Group's material risks, including sustainability and climate change, to confirm that the risk is appropriately described and prioritised, and that the current mitigating controls and actions are sufficient to manage the risk within the Group's appetite.

The Sustainability Working Group is led by the Group's Head of Sustainability and includes functional heads with expertise in property, people, environment and ethics. The Working Group is responsible for facilitating actions to help the Group and individual businesses implement the sustainability strategy, and respond to the identified climate risks and opportunities.

The Group Sustainability Strategy and climate programme is being implemented by the individual business units. The CEOs of those businesses are responsible for implementing and managing their own sustainability and climate change programme which is consistent with the Group's overall strategy. Each business has formed its own sustainability committee or working group to monitor and manage its sustainability actions.

The Group Head of Sustainability had regular meetings during the year to discuss progress and share good practice with the teams in the business units. In addition, a number of cross-business network forums have been established which discuss specific sustainability topics including property, people, and transport.

In 2024, the bonus scheme for the CEO and CFO included elements linked to the achievement of sustainability targets including reduction in Scope 1 and 2 GHG emissions and gender diversity in leadership.

Ethical business practices and human rights

The Group Code of Business Conduct and Ethics, which is available on www.graftonplc.com, reflects our responsibility to uphold high standards of ethics and integrity, and it sets the standard of behaviour which colleagues, contractors, agents and businesses are expected to follow. The Code and associated policies are the subject of mandatory training courses which are accessed by colleagues through the Group's online learning management systems.

Compliance rates are recorded and reported to the Group Risk Committee and Group Internal Audit who perform testing to confirm compliance with key aspects of the Code and Group policies as part of annual reviews. The mandatory training courses are expected to be completed by colleagues within the first three months of joining the Group, and then retaken on a regular basis (either annually or every two years depending on the course).

Overall compliance rates for the completion of mandatory training courses by colleagues across the Group have improved in 2024 although remain below the target level of 95 per cent:

	2024	2023
Business Conduct and Ethics	92.44% †	85.92%
Information Security Awareness	89.23% †	77.63%
Regulatory Compliance	91.59% †	86.85%

Governance disclosures continued
Business Conduct continued

Accounting principles
Colleague compliance with the requirement to complete three online Group Mandatory Training Courses is monitored and reported against. The requirement is for new starters to complete the training within three months of joining and then renew as required by the course in question.

The target for compliance is 95 per cent. The Scope is colleagues of all Group companies and Group Head Office at 31 December for each year and 2024 figure excludes Salvador Escoda colleagues.

Data is taken from the Learning Management System of the Individual Business Unit and collated at Group.

Compliance is expressed as a percentage of total number of colleagues allocated the course and classed as compliant divided by total number of colleagues allocated the course.

SpeakUp
Colleagues are encouraged to report any concerns they have to their line manager including anything of an ethical business nature. In addition, the Group has an established whistleblowing process in each of its territories which will be rolled out in Spain for Salvador Escoda in 2025.

The SpeakUp service allows colleagues to report concerns confidentially to an independent party with safeguards in place to ensure cases are investigated fully and prevent retaliation to reporters. Awareness of the process is through colleague training, business communications and posters at each site. A link to the reporting website is also included on the Group and individual business unit websites. We also encourage third parties, including customers and suppliers to report any concerns of wrongdoing by businesses or colleagues through the service.

During 2024 there was a five per cent decrease in the number of reports received through the SpeakUp service compared to 2023 but this was still 54 per cent higher than the number of reports in 2022 following action taken by Group and businesses to improve awareness of the service. 35 per cent of cases were substantiated following investigation and resulted in remedial action including dismissal, disciplinary, re-training and process improvement.

Privacy, data and cyber security
Grafton has continued to build on the progress of previous years in respect of process improvements and investment in information technology to detect and protect our data and systems. Both data protection and information security are key areas of focus, underpinned by comprehensive policies and ongoing awareness campaigns to ensure that all colleagues play their part in keeping information safe and secure. Each business has a cyber-attack incident plan setting out the steps to react to and recover from a cyber incident, and regular assessments are carried out to identify and resolve vulnerabilities. During 2024, a programme of activity to improve cyber security across the Group, which started in 2022, was completed. The key controls implemented by this programme are now subject to regular dashboard reporting at a business level which is monitored by the Group's Information Security Steering Committee.

Anti-Bribery and corruption
The Group Anti-Bribery and Corruption Policy sets out the Group's zero tolerance approach to all forms of bribery and corruption, and the standards expected of all colleagues. It includes thresholds and approval requirements for the offering and receiving of gifts and hospitality to and from third parties by colleagues, and requires that a declaration of independence be signed annually by senior management and other individuals who are considered to be exposed to a higher risk of conflicts of interest, including colleagues with management roles and those with responsibility for contract negotiations with customers and suppliers. Colleagues are made aware of the policy requirements through mandatory training and awareness videos. Compliance with the policy and the management of potential conflicts of interest is reviewed and tested by Group Internal Audit through annual compliance audits.

Independent practitioner's assurance report

Management of Grafton Group Plc

Scope

We have been engaged by Grafton Group plc ("Grafton") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Grafton's selected performance data and statements (the "Subject Matter") contained in Grafton's (the "Company's") Annual Report for the year ended 31 December 2024 (the "Report").

The Subject Matter includes the following selected performance data, which are also marked with a Δ symbol in the Report:

- 2024:
  - Scope 1 and 2 greenhouse gas (GHG) emissions (location-based) absolute tonnes of carbon dioxide equivalent.
  - Scope 1 and 2 greenhouse gas (GHG) emissions (market-based) absolute tonnes of carbon dioxide equivalent.
- 2024:
  - Total number of female employees in the continuing operations of the Group divided by total number of employees in the continuing operations of the Group, expressed as a percentage.
  - Total number of female Group Management Team (GMT) members and specified Group leadership roles to include: Head of Sustainability, Group Health and Safety Director, Group IT Director, Group Risk Director, Business leaders and their executive committees and the regional and branch managers in the businesses divided by total GMT and specified Group leadership roles, expressed as a percentage.
- 2024 target: At least 0.6% investment and/or sustainability related fundraising (including colleague time for paid volunteering, sponsorship of community groups, gifts in kind and cash donations, excluding colleague and customer fundraising) as a percentage of adjusted operating profit for the Group.
- 2024 landfill diversion rate: total tonnes of waste diverted from landfill, divided by the total tonnes of waste generated in operations.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Grafton

In preparing the Subject Matter, Grafton applied the Grafton's publicly disclosed criteria (the "Criteria") that is available on the Grafton website. Such Criteria were specifically designed by Grafton to guide the measurement and reporting of the Subject Matter. As a result, the subject matter information may not be suitable for another purpose.

Grafton's responsibilities

Grafton's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') and *International Standard for Assurance Engagements on Greenhouse Gas Statements* ('ISAE 3410'), and the terms of reference for this engagement as agreed with Grafton on 21 November 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on *Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Green House Gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:
- Conducted interviews with personnel to understand the business and reporting process, as well as the process for collecting, collating, and reporting the Subject Matter during the reporting period
- Checked that the calculation methodologies have been correctly applied in accordance with the Criteria
- Undertook analytical review procedures to support the reasonableness of the data
- Identified and tested assumptions supporting calculations
- Tested, on a sample basis, underlying source information to check the accuracy of the data

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 5 March 2025 for the year ended 31 December 2024, in order for it to be in accordance with the Criteria.

Use of our assurance statement

We disclaim any assumption of responsibility for any reliance on this assurance statement or its conclusions to any persons other than Grafton, or for any purpose other than that for which it was prepared.

Accordingly, we accept no liability whatsoever, whether in contract, tort or otherwise, to any third party for any consequences of the use or misuse of this assurance statement or its conclusions.

Ernst & Young
5 March 2025
Dublin, Ireland