



# Sustainability Report

2024



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## 1. Introduction

As a leading service provider in the builders' merchant sector, we recognise our critical role in fostering environmental stewardship, social responsibility, and economic resilience. By integrating sustainable practices into our business model, we aim to create long-term value for all stakeholders, contribute meaningfully to global sustainability efforts, and pave the way for a more sustainable future.

Our recently identified material topics provide the cornerstone for measuring our progress in relation to sustainability. Following a significant engagement with external consultants, we identified ten areas in which NMBS has the most significant impact on people and the environment. The primary aim of this report is to be transparent about what topics we consider to be most material for NMBS and demonstrate our progress against these topics over the last period of account.

By identifying our most material sustainability-related topics, we can focus on the areas where we have the greatest societal and environmental impact and lead by example to demonstrate our commitment to our stakeholders.

“In 2024, NMBS has continued with its commitment to its net zero targets, together with the furtherance of programs originally begun in 2022 when this journey started. This includes the electrification of the vehicle fleet, the move to cleaner energy providers, the continual monitoring of the supply chain with regards to Modern Slavery commitments and the voluntary adoption of the QCA code.” - *Chris Hayward, CEO*

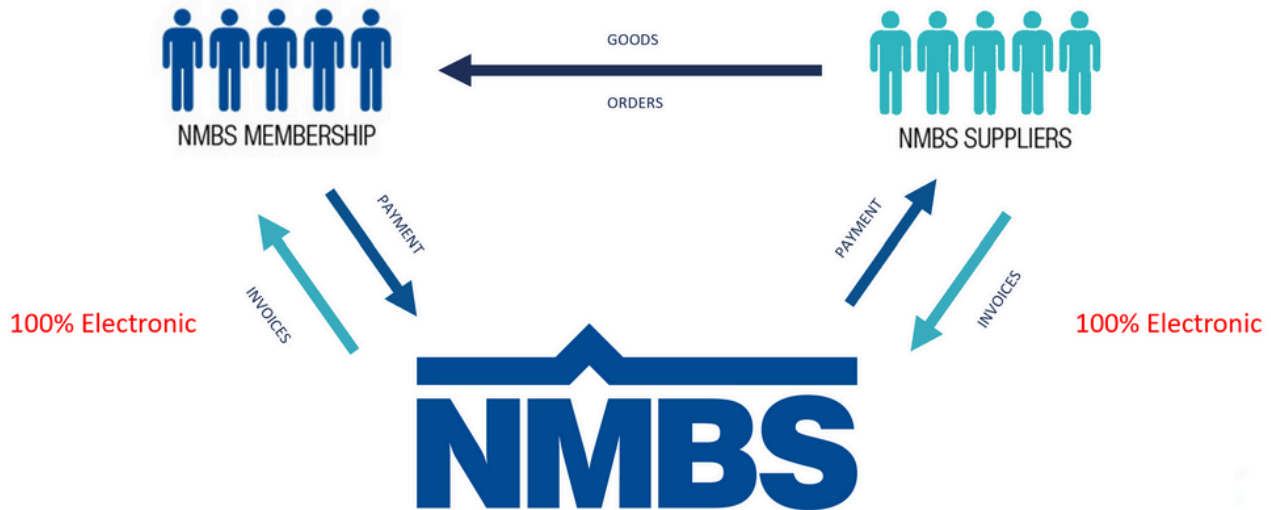
## 2. NMBS background

Established in 1963, NMBS is the number one buying society for independent merchants in the UK, with £2.22 billion buying power. Operating as a co-operative owned by our 1,367 members, we have over 5,000 branches across the UK, covering the full range of independent Builders, Plumbing & Heating, Hardware, Tool and Timber Merchants.

The primary aim of NMBS is to enable our members to succeed and to be the “Best at what Matters Most”, by focusing on the following core activities:

- Providing easy access to brand leading suppliers - via simple account set up, and access to credit provided by NMBS
- Exclusive discounts & rebates - impacting the bottom line
- NMBS Trade Exhibition - our very own buying & selling show with exclusive discounts and rebates
- Reduced administration costs via invoice clearing - easy online download of invoices/credits and statements, with one payment to cover multiple supplier accounts
- Electronic invoicing - one step set up to give simple and easy access to Electronic Data Interchange (EDI) invoicing with almost 500 suppliers
- Professional support from the NMBS Team - clear help and advice
- NMBS ONEPLACE™ Ordering & PIM Portal

Put simply, NMBS negotiates a framework deal with a supplier, which is then communicated to our members, therefore empowering and strengthening independent merchants through offering exclusive terms to add to their bottom line. We provide digital platforms to allow merchants to source all of the information they need to run their businesses efficiently.



## Our Mission

We are 100% committed to developing and strengthening independent merchants by constantly innovating and adding value at every opportunity.

## Our Vision

We are 100% committed to increasing the profitability of all our members.

## Our story so far



**1963**

NMBS (North Midlands Buying Society) is formed by 12 merchants from Nottingham, Leicester, Lincoln and Belper.



**1964**

John Tatton, NMBS' first employee is appointed due to rapid success and growth.



**1968**

The first ever NMBS Exhibition is held on 25<sup>th</sup> April at the Pennine Hotel in Derby.



**1971**

NMBS changes its name to National Merchant Buying Society as merchant numbers grow.



**1983**

Installation of NMBS' very first in-house computer system.



**1994**

NMBS introduces EDI trading solutions for our suppliers to start sending invoices and credit notes electronically.



**2001**

NMBS launches its very first website.



**2006**

The NMBS Report Centre is launched, providing our members and suppliers with 24/7 access to online accounts information.



**2012**

NMBS re-brands, with a new logo. The rebrand ensured our visual brand continued to reflect the evolving nature of NMBS.



**2014**

NMBS amalgamates with Unimer, increasing its membership to over 1,000 merchants.



**2018**

94 merchant members made the decision to join NMBS. This breaks all previous records.



**2020**

INMBS launches OnePlace. The B2B ordering and product information management (PIM) platform.



**2021**

NMBS turnover hits £2 billion for the first time.



**2022**

NMBS develops a Paris Agreement 2015 aligned net zero roadmap and makes a commitment to net zero GHG emissions by 2040.



**2023**

Launch of Data Plus, the new NMBS Report Centre.



**2023**

NMBS celebrates its 60<sup>th</sup> anniversary by placing 60 apprentices into the industry.



**2023**

NMBS publishes its first sustainability report, demonstrating a clear commitment to reducing our impact on people and the environment.

### 3. Governance

The governance structure at NMBS plays a vital role in maintaining the integrity, accountability, and performance of the Society. Being underpinned by these values helps us to maintain effective oversight and strategic direction, while ensuring that the best interests of our members and stakeholders are met.

The NMBS Executive is supported by four board-level sub-committees: the Governance and Remuneration Committee, the Audit and Risk Committee, the Non-Executive Board, and the Succession Committee.

The Executive Board is responsible for the overall strategic direction and governance of the Society. The Board comprises a diverse group of directors who bring a range of expertise and experience. Their key roles and responsibilities of the Board include:

1. Sustainability oversight: Setting and reviewing the strategic goals and objectives of NMBS, including those related to sustainability
2. Governance: Ensuring that the Society adheres to high standards of corporate governance
3. Financial Oversight: Approving budgets, financial plans, and ensuring the financial health of the Society
4. Policy Development: Establishing and reviewing key policies and procedures
5. Performance Monitoring: Evaluating the performance of the Society and its senior management

The Governance Committee is a sub-committee of the Executive Board. It focuses on ensuring that the governance practices of NMBS meet the highest standards, and that the Board operates effectively. The responsibilities of the Governance Committee include:

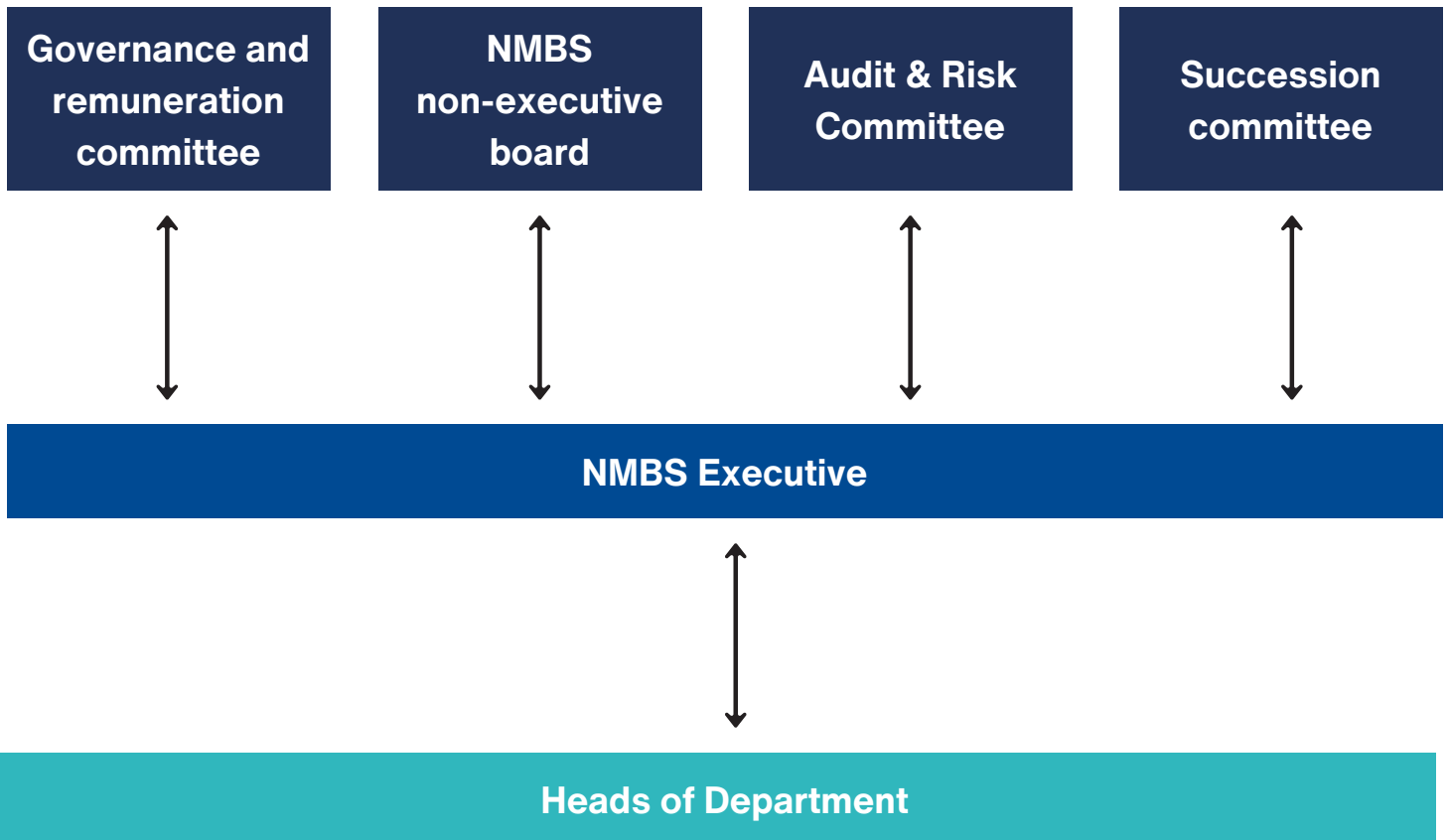
1. Board Composition: Reviewing the structure, size, and composition of the Board, including the balance of skills, experience, and independence
2. Nominations: Overseeing the process for appointing new directors, ensuring a transparent and rigorous selection process
3. Board Evaluation: Conducting regular evaluations of the Board's performance, and that of its committees and individual directors
4. Governance Policies: Reviewing and recommending governance policies to the Board

The Audit & Risk Committee is another crucial sub-committee of the Executive Board. It focuses on overseeing financial reporting, internal controls, and risk management. The key responsibilities of the Audit & Risk Committee include:

1. Financial Reporting: Monitoring the integrity of the financial statements and ensuring that they present a true and fair view of the Society’s financial position
2. Internal Controls: Reviewing the effectiveness of the Society’s internal controls and risk management systems
3. External Audit: Overseeing the relationship with the external auditors, including their appointment, independence, and performance
4. Risk Management: Identifying and evaluating significant risks facing the Society, including climate-related risks, and ensuring that appropriate mitigation strategies are in place
5. Compliance: Ensuring compliance with legal and regulatory requirements, and reviewing the effectiveness of the Society’s compliance programs

The Succession Committee was formed in 2024 to oversee the transition resulting from the departure of Julie Langford (Finance and Operations Director), and Chris Hayward (Chief Executive Officer), in 2025 and 2026 respectively.

As of 2024, we have also appointed a Company Secretary, who will help to support NMBS’ existing governance structure by bringing a deeper level of knowledge and capacity to the team.





## Responsibility for sustainability

The governance bodies outlined above have a responsibility for ensuring that sustainability is considered across all decisions at NMBS. To enforce this, senior leadership have been involved in and trained on key sustainability themes and aim to use this knowledge on a day-to-day basis.

Sustainability-related issues, including discussions around our material topics, are a standard agenda item across all senior leadership meetings to ensure their integration into our wider business strategy.

Ultimate responsibility for all ESG-related topics sits at the board level with Julie Langford, Director of Finance and Operations.

## 4. Our commitment to sustainability

The progress we have made against our pledges and targets over the last year demonstrates our clear commitment to a more sustainable future. While we are still at the beginning of our sustainability journey, we have taken key steps to highlight sustainable practices across our core business functions.

A significant step involved the determination of NMBS' material sustainability topics. These are the activities which have the most significant impact on both people and the environment and therefore demand our immediate attention. As this report will demonstrate, NMBS has considered and reflected upon our material topics, and we have taken various steps to ensure that their impact is mitigated.

The actions we take are deeply connected to what we call 'The NMBS Way'. The NMBS Way is a framework of three guiding principles which help us to approach our work in a positive, inclusive and sustainable manner. These principles are outlined below.

### **Strong Relationships**

Healthy working relationships lead to positive outcomes for all. We look out for the people we work with, and we respect and recognise them. Strong healthy relationships are the foundation of our stakeholder loyalty.

### **Constant Improvement**

We do things the right way. We enjoy our work and take pride in our achievements. We are not afraid to challenge the status quo to find better ways.

### **Sustainable Growth**

Maintaining sustainable levels of profitability is only part of our success. We prioritise long term success over short term financial gains because we care about our people, our community and our planet.

## 4(a). Stakeholder community

The NMBS stakeholder community are a critical part of our Society's architecture and ultimately play a key role in informing our strategic decision. We make an active effort to consult our stakeholder community in any key decision-making process, particularly in relation to our sustainability-related initiatives.

Through an assessment of our value chain, we identified the following groups as forming the NMBS stakeholder community:

- Employees
- Members
- Suppliers
- Communities
- Industry Groups

## Employees

Our engagement with our employees aims to enhance their work experience, while promoting continuous alignment on our sustainability values and strategy. We do this through 1:1 employee development sessions, team huddles, annual team socials, and a consistent investment in our people strategy.

Over the last year, we have made significant progress in gathering continuous feedback from our employees, beginning with a major exercise as part of the Investors in People examination which took place in October 2024. Investors in People is an internationally recognised accreditation for people management and employee wellbeing. After being awarded our Gold Investors in People certification, we hope to gain impactful feedback on how we can improve our investment in our people and their wellbeing.

We also conducted an internal employee feedback exercise in December 2024. Society-wide participation rates in this survey were high, allowing us to determine a strong benchmark for future surveys. We will continue to periodically assess employee satisfaction using these surveys and use any insights we gain from them to implement changes where necessary. A separate survey to measure how employee commuting contributes to our emissions was also conducted, with the results included in our table of emissions in Section 4(c) of the report.

## Members and suppliers

We want to ensure that the NMBS values are aligned throughout our supply chain. We therefore ensure that our members and suppliers are continuously informed about key developments at NMBS, and that they can provide input into various strategic decisions. We engage with our members and suppliers through the NMBS Exhibition, our bi-annual conference, and a variety of networking events that take place throughout the year including supplier lunches.

Over the last year we have introduced member and supplier NPS surveys to help us gain further insights into their views. Our member scores in particular highlighted our strong commitment to customer service. Our 2024 member satisfaction score increased by three percentage points to 54%, which is nine points above the industry average. When asked what drove participants to answer as they did, a majority responded that our commitment to a membership model and strong communication were the primary drivers of member satisfaction.

We will continue to assess member and supplier satisfaction in this way and aim to build on both the positive and constructive feedback which we receive.

## Communities

Communities are defined as individuals, or groups of individuals, who live or work near NMBS operations. At NMBS, we find it critical to learn from and listen to our local communities to understand what issues matter to them. We do this through CSR days, as well as participating in a variety of local initiatives.

### **Pavestone Rally - supporting charities close to our hearts**

In 2023, four team members took part in the Pavestone Rally; an epic adventure where participants purchase a car for under £500, dress it and themselves up, and journey across Europe from Ghent to Monte Carlo. The NMBS team raised just under £5,000 for the Rainy Day Trust, the British Heart Foundation, Crash, and Variety.

We aim to participate in the Pavestone Rally as frequently as possible, with our next trip planned for 2025. We have received significant participation interest from across NMBS to partake in the next rally and hope to raise even more money for the charities closest to our hearts.

### **National Forest partnership:**

NMBS has entered a long-term partnership with the National Forest. Through various tree planting initiatives and events, we have been able to contribute to the biodiversity of the areas surrounding our operations and give back to the communities our business interacts with. In total, five NMBS employees dedicated their time to tree planting events as part of our commitment to the National Forest.

## Industry groups

Industry groups refer to membership organisations within the construction or builders’ merchant sectors. We continuously engage with these groups to promote shared ownership and challenge industry stakeholders to progress further against sustainability-related topics. Engagement with industry groups is also important to help define and set an industry minimum standard in relation to sustainable construction, something we are passionate about delivering. This engagement is enabled through our participation in the Builders Merchants Federation, the Construction Inclusion Coalition and the Construction Products Association.

## Materiality assessment engagement

Our **employees, members** and **suppliers** were consulted throughout the materiality assessment process. Wider stakeholder engagement was critical in ensuring that the perspectives and concerns of all parties were considered, and that the most relevant topics to NMBS could be prioritised.

To understand the views of our stakeholders on sustainability-related topics, a survey covering a wide range of topics was designed and sent to our employees, members and suppliers. Across the three groups, a total of 123 stakeholders provided their input on what they believed were the most important sustainability topics in relation to the NMBS business.

Employee findings (38 participants):

Top 3 sustainability-related topics	Bottom 3 sustainability-related topics
Health and Safety	Biodiversity
Inclusivity	Responsible Selling
Modern Slavery	Community and Charity

Member findings (33 participants):

Top 3 sustainability-related topics	Bottom 3 sustainability-related topics
Health and Safety	Community and Charity
Climate Change	Culture
Waste	Responsible Selling

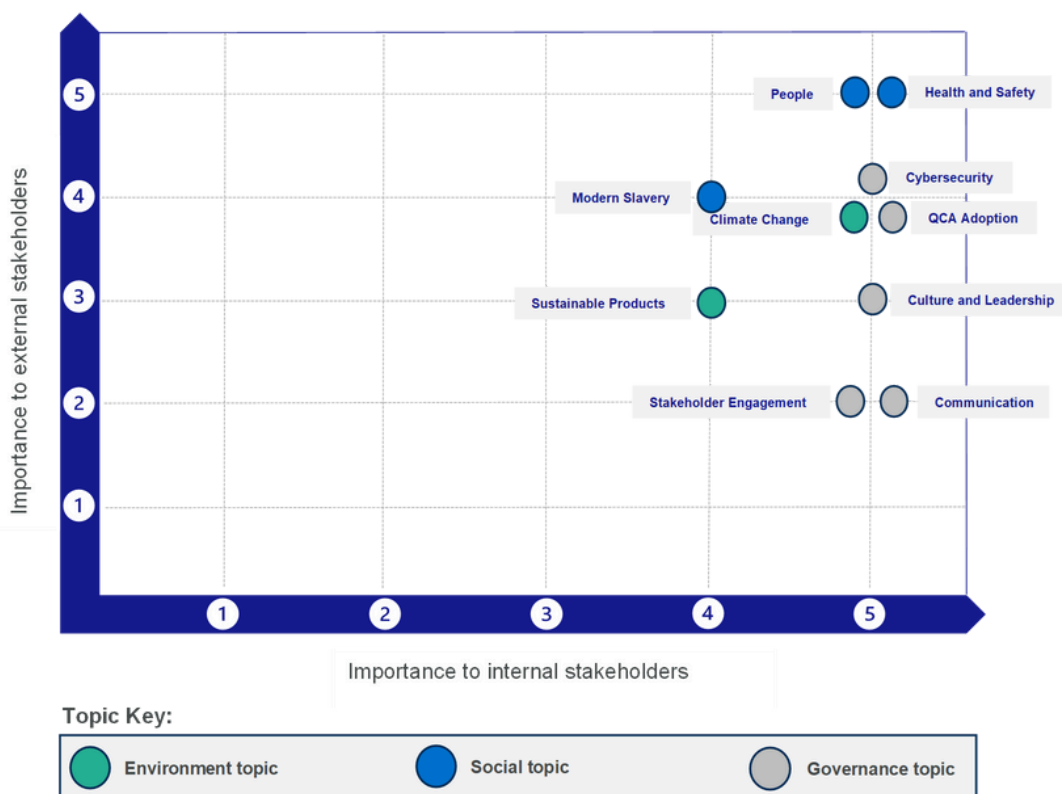
Supplier findings (52 participants):

Top 3 sustainability-related topics	Bottom 3 sustainability-related topics
Modern Slavery	Community and Charity
Product Standards	Biodiversity
Governance and Integrity	Water

The results of this stakeholder engagement demonstrate the clear importance placed on sustainability by NMBS’ key stakeholder groups. Particularly high-scoring topics included Modern Slavery, Health and Safety, and Governance and Integrity. Community and Charity, Biodiversity, and Culture were relatively low-scoring categories, yet this does not mean that NMBS has zero impact in these areas.

In order to build on the results of the findings from the stakeholder engagement, and develop a final list of material topics, a materiality workshop was held involving key internal stakeholders and consultants from Forvis Mazars. Throughout the workshop, the NMBS team were taken through the results of the stakeholder engagement survey. This helped to facilitate discussions around the relative importance of each topic, as well as decide whether any further topics should be considered.

The final result of the workshop was a set of 10 material topics derived from both the external and internal stakeholder engagement discussed above. NMBS’ material topics can be found in the matrix below.



## 4(b). Strategic ambitions

These newly identified material topics are intimately connected to our strategic ambitions as a Society. Not only do these topics highlight where we have the biggest impact on people and the environment, but they highlight key financial risks and opportunities.

Sustainability-related risks are those that may have a negative effect on our business model and strategy and would ultimately limit our ability to create value for our stakeholders. For example, if we fail to adapt to the effects of climate change, we risk exposing ourselves to a number of physical, regulatory, reputational and financial risks.

Simultaneously, the identification of our material sustainability-related topics has presented us with a number of opportunities which can help us to create a positive effect on our business model and strategy. For example, in committing to a net zero roadmap to mitigate our impact on climate change, we have the opportunity to become more climate resilient, improve our reputation, and lower our operational costs in the long-term.

To reap the benefits of these opportunities and mitigate potential risks to our business, we must focus on making progress against each of our material topics. The following section will talk to each material sustainability-related topic, demonstrating how each is related to our strategy, and ultimately how we aim to mitigate the risks and maximise the opportunities that they present.

## 4(c). Progress on our material topics

### Climate Change

For the last three years, NMBS have worked together with external consultants to comprehensively measure our Greenhouse Gas (GHG) Emissions and develop a Net-Zero road map. We are proud to state that through our work to-date, and our commitment to future action, NMBS have set a Net-Zero target for 2040. This will be achieved through the continuous monitoring of our GHG emissions, as well as the implementation of various emissions reduction drivers.

### Scope 1 and 2 Carbon Emissions

Scope 1 emissions cover the direct emissions from owned or controlled sources. Source 2 emissions consist of indirect emissions from the generation of purchased electricity, steam, heating and cooling. Our primary Scope 1 emissions come from our company-owned vehicles. During this period of account, we saw a slight increase in emissions, mainly due to the growth of our fleet. However, all new vehicles added to our fleet have been electric, demonstrating our commitment to integrating electric and hybrid vehicles. Our entire fleet now comprises of electric and hybrid vehicles only, and we remain dedicated to ensuring that all new additions align with this commitment.

We have seen a slight reduction in Scope 1 emissions related to natural gas, thanks to our ongoing promotion of best-practice behaviours among employees. Moving forward, we aim to phase out natural gas from our operations, with the goal of eliminating Scope 1 natural gas-related emissions by 2029.

We have experienced an increase in our Scope 2 emissions, primarily due to the increased electrification of our fleet and the increasing number of employees coming into the office. We are considering the possibility of procuring a renewable electricity tariff to help achieve our Net-Zero goal. Despite the rise in our Scope 2 emissions, during this period of account, we successfully contributed to renewable solar energy generation by producing over 8,000 kWh of on-site electricity and remain dedicated to continuing this effort.

Scope 1 and 2 Emission Category	Reduction Driver	Progress against reduction driver
Company-owned vehicles (Scope 1)	Electrification of fleet	58% of fleet is electric and 42% is hybrid
Natural Gas (Scope 1)	Moving to cleaner energy sources and behavioural change	29% reduction in natural gas related emissions
Electricity (Scope 2)	Move to a cleaner electricity tariff	Consideration of a long-term renewable electricity provider

## Scope 3 Emissions

Scope 3 emissions include all other indirect emissions not included within Scope 1 and 2. These typically occur across the value chain and make up 96% of NMBS’ GHG emissions in 2024. While these present the greatest challenge for NMBS to control, we have taken various steps to reduce these impacts and help us to ultimately reach our Net-Zero target for 2040.

Scope 3 Emission Category	Reduction Driver	Progress against reduction driver
Purchased Goods and Services	Deployment of a supplier engagement platform	Plans for deployment of a supplier engagement platform are still in discussion
Waste Generated in Operations	Recycling all waste and improving data quality	95% of waste has been recycled - we are looking to improve the granularity of our waste collection data over the next year
Water Usage and Treatment	Moving to an actual usage tariff rather than a flat-rate tariff	We are still investigating with our providers moving to an actual usage tariff
Capital Goods	Deployment of a supplier engagement platform	Plans for deployment of a supplier engagement platform are still in discussion
Business Travel	Implement a business travel policy	Business Travel policy published in 2024
Employee Commuting	Implement an EV leasing salary-sacrifice scheme	Salary-sacrifice scheme is not in place, however general awareness around EVs has increased
Homeworkers	Deployment and promotion of sustainability training tools to increase awareness and engagement	Sustainability training for employees in development phase, to be implemented in H2 2025

While we recognise that certain Scope 3 emissions categories have increased over the past year, we have overall seen a reduction in our Scope 3 emissions. As above, we are working on implementing measures to further reduce these emissions in future years.



Our most material Scope 3 categories are purchased goods and services, and capital goods, where we have seen a decline in emissions over the past year. Our primary long-term goal is to implement a supplier engagement platform to enhance our visibility of the impact of the goods and services we purchase. In the short term, we are taking various measures to reduce emissions in this category, including direct engagement with suppliers and improving the granularity of emissions factors and supplier-related data.

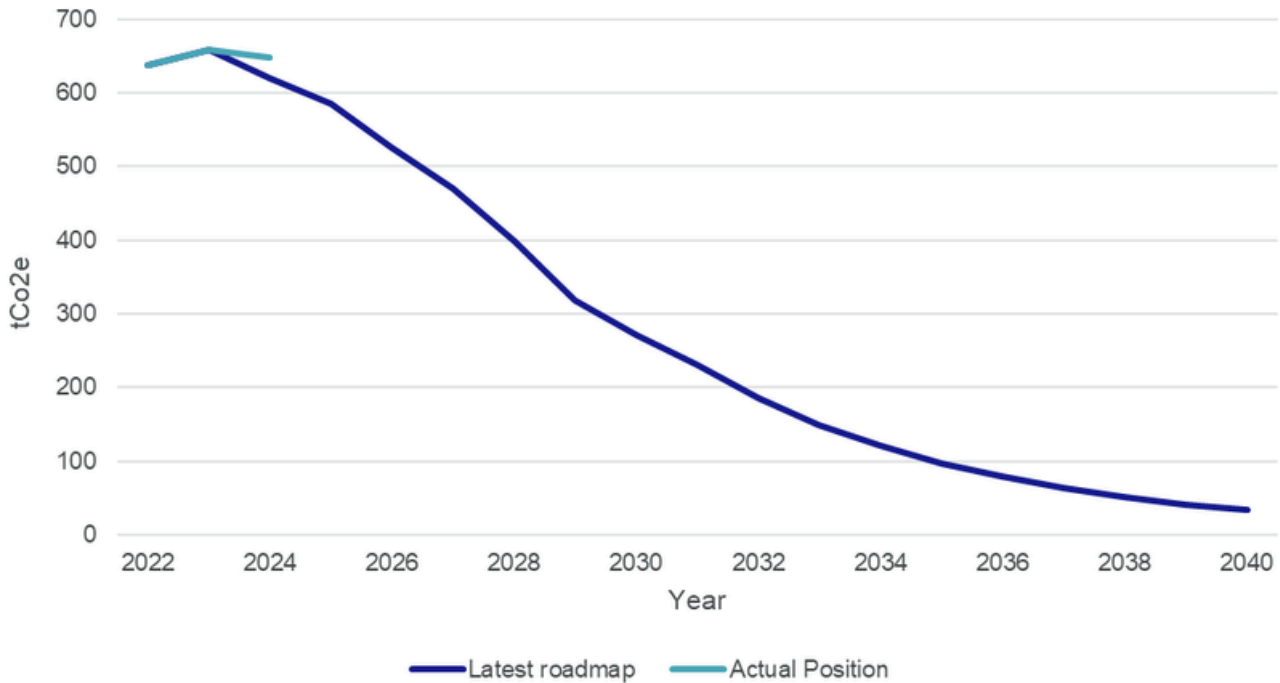
*Quotation from Claire Byrne, Head of HR and Facilities: "Sourcing greener alternatives to office supplies, including utilities, is paramount, together with the continued electrification of the company vehicle fleet."*

Over the past year, as more colleagues have returned to the office, we have seen an increase in emissions from employee commuting. However, this has been offset by a decrease in emissions related to homeworking. To address commuting and homeworking emissions, we are raising the awareness of sustainability matters through targeted employee training.

Overall, during this period of account we have seen a slight decrease in emissions. Refer to the table and roadmap below for further details:

Type of Emissions	Activity	Emissions 2023	Emissions 2024	Change (tCO <sub>2</sub> e)	% of Total (2024)
<b>Scope 1</b>	Company-owned vehicles	8.6	11.2	+2.6	1.7%
	Natural Gas	7.7	5.5	-2.2	0.9%
<b>Scope 2</b>	Electricity	7.6	10.8	+3.2	1.7%
<b>Scope 3</b>	Purchased Goods and Services	429.0	414.0	-15.0	64.3%
	Capital Goods	138.0	92.2	-45.8	14.3%
	Business Travel	15.1	45.4	+30.3	7.1%
	Water Usage and Treatment	0.1	0.1	+/-0	0.0%
	Employee Commuting	19.3	38.1	+18.8	5.9%
	Homeworkers	25.2	16.2	-9.0	2.5%
	Waste	1.1	1.8	+0.9	0.3%
	Energy-Related Transmission and Distribution Losses	7.6	8.2	+0.6	1.3%
<b>Total</b>		<b>659.3</b>	<b>643.5</b>	<b>-15.8</b>	
<b>Intensity Measure</b>	tCO <sub>2</sub> e/Employee	8.9	8.7	-0.2	
	Employees	74	74	+/-0	

## NMBS Net-Zero Roadmap



## Modern Slavery

At NMBS, we are committed to tackling the fundamentally unacceptable practice of modern slavery and human trafficking and we will not tolerate the use of any form of modern slavery or child labour across our business and value chain. Due to NMBS’ unique role in facilitating payments between members and suppliers, we are aware that NMBS has significant leverage to influence suppliers in taking action to identify, prevent, and mitigate potential modern slavery and human trafficking, and to provide remedy where cases occur. This role is in line with that of the UN Guiding Principles on Business and Human Rights, which specifically outlines the responsibility of organisations to use their leverage to tackle human rights impacts.

With this in mind, and with the support of external consultants, we embarked on a review of our existing related policies and management systems, in addition to a sector and supply chain risk assessment.

A construction sector-specific review has been carried out, with specific focus placed on geographies with known prevalence of modern slavery. Due to a lack of transparency around supplier sourcing locations, it was not possible to draw a direct connection to NMBS suppliers and products. However, it was noted that NMBS have suppliers that explicitly state operations within the following high-risk locations or commodity types; Vietnam, Gulf States / Middle East, Granite & Stone, and Timber.

To supplement this review, we engaged Forvis Mazars to conduct a comprehensive review of our supplier base. A screening of all 532 NMBS suppliers was conducted to determine any suppliers who had an out-of-date Modern Slavery Act statement. An initial review found that 186 out of the 532 suppliers were in-scope of the Modern Slavery Act 2015 and are therefore required to publish an up-to-date modern slavery statement.

A second round of review of in-scope suppliers found that 41 NMBS suppliers did not have an in-date modern slavery statement and were therefore not compliant with the Modern Slavery Act 2015. Therefore, a total of 7.71% of NMBS suppliers did not have a compliant modern slavery statement at the time of review.

We are actively looking into the 41 suppliers who failed to meet the requirements of the Modern Slavery Act 2015 and are taking the appropriate measures to ensure that our relationships with them can proceed in full confidence that they are taking mitigating actions.

We have also ensured that our own Modern Slavery Act Statement is in-date and compliant with the relevant requirements.

## Health and Safety

Due to the nature of our business, and the majority of our own operations being office-based work, we are fortunate to have few health and safety-related incidents at NMBS. However, both our employees and our members cited health and safety as a priority for them, and we therefore take steps to ensure that progress is made in relation to this topic.

We are currently in the process of becoming ISO1800 compliant. ISO1800 is the internationally recognised standard for occupational health and safety management, which aims to demonstrate an organisation's commitment to reducing accidents, complying with the law and improving our overall health and safety standards. Our most recent assessment provided us with valuable feedback which we are currently implementing prior to our next assessment in 2026. As well as working towards adoption ourselves, we are actively communicating the benefit of this certification to our members.

We are also consistently working towards the upholding of our target of zero accidents within our own operations, which we maintained throughout 2024.

## Cybersecurity

A review of our previous cybersecurity policy found that there was room for NMBS to become stronger in our enforcement of cybersecurity. We have therefore taken numerous steps to enhance the level of protection we face against external threats.

Our Cyber Essentials and Cyber Essentials Plus certifications have recently been renewed. Throughout this process a comprehensive evaluation was conducted of our existing processes, including vulnerability scans and a detailed review of our IT security controls.

We are also looking to become ISO27001 certified, which is the internationally recognised standard for information security and management systems. The process of obtaining this certification will involve a systemic examination of our information security risks, and the implementation of appropriate measures to mitigate potential risks. We are expecting to complete this process by December 2025.

## QCA adoption

Adopting the QCA Corporate Governance Code is a key step towards helping NMBS to work better for our staff, investors, partners and wider stakeholders. This code identifies three core themes (Deliver Growth, Maintain a Dynamic Management Framework, and Build Trust) that focus on the pursuit of medium to long-term growth, without stifling the entrepreneurial spirit in which NMBS was founded.

Underneath the three themes sit ten principles, against which NMBS must demonstrate the actions it has taken to adopt this principle, and what further needs to be done.

Our adoption of the QCA Corporate Governance Code is a demonstration of the clear progress we have made against this material topic. NMBS' Annual Report for 2024 (p. 14) demonstrates the progress made against this topic and the principles which underpin it in significant detail.

## Sustainable products

We have a commitment to providing our members with the best possible products from the best suppliers across the world. This includes a commitment to offering our members sustainable products. We achieve this through our four commodity committees, whose purpose is to identify and highlight suppliers for our membership. Across their three annual meetings, each committee has a commitment to deliver their findings on at least one supplier of sustainable products.

All of our suppliers are promoted in the NMBS Buyers Guide, some of whom are leaders in sustainable and green products.

"A focus of the commodity committees is to identify opportunities with sustainable, energy-saving and renewable products, such that NMBS can help generate awareness and drive growth opportunities".

*Andy Hextall – Commercial Director*

## Culture, Leadership and People

At NMBS, we are passionate about building a diverse construction industry that reflects the communities it builds for. Recent polling (**CIC - Equity Diversity & Inclusion**) has suggested that 46% of respondents would be more likely to seek out employment opportunities in the construction sector if it demonstrated a stronger commitment to diversity and inclusion, highlighting a clear need for industry leadership to drive change.

To help drive this change, NMBS, along with other leading organisations across the construction industry, founded the Construction Inclusion Coalition (CIC). The ultimate aim of the CIC is to foster collaboration, establish a network to share knowledge and resources across the industry, and to co-create solutions that make a difference. The result of this is numerous diversity, equity and inclusion initiatives that create genuine impact across the construction industry.

Members of the coalition are required to commit to the Built on Better Pledge. The Built on Better Pledge was created to give clear guiding principles for businesses in the industry to address equity, diversity and inclusion within their organisations. It outlines seven key actions that all members of the Coalition are expected to commit to:

1. **Inspire** - Work together to inspire the next generation of leaders in the construction industry
2. **Listen** - Conduct internal surveys on equity, diversity and inclusion, and to act on the main problems and barriers identified
3. **Share** - Develop and share resources from within and beyond the construction industry
4. **Support** - Support a healthy and collaborative workplace environment, and maintain a whistleblowing procedure where colleagues feel comfortable speaking out
5. **Educate** - Educate ourselves, our colleagues, and the wider industry around aspects of equity, diversity and inclusion
6. **Measure** - Commit to benchmarking, tracking and sharing equity, diversity and inclusion data within organisations
7. **Report** - Assess our equity, diversity and inclusion progress on an annual basis, publishing a report and outlining a plan for further action every year as a coalition

As part of our work within the CIC, NMBS co-organised an industry-wide conference in October 2024, which was attended by key NMBS suppliers, members, and wider industry stakeholders. The aim of the conference was to get industry-wide buy-in to join the CIC and commit to taking the pledge to make equity, diversity and inclusion a priority for all construction companies.

## People

We have also been making progress internally to create a highly inclusive working environment for all of our employees. We are proud to announce the publication of our first DEI statement in September 2024. As confirmed in the statement by NMBS CEO, Chris Hayward, 'DEI is critical for business'. Our statement is a significant step towards building a fairer, more inclusive culture which will help us to reap the benefits of a more diverse team.

NMBS are also an early adopter of new Sexual Harassment Prevention legislation and provide mandatory training on this topic to all of our staff. Further mandatory training of our employees includes Menopause Awareness training, which aims to enhance staff understanding of the effects of menopause and create a more inclusive environment for all.

## Communication

We want to ensure that our sustainability-related progress is communicated to relevant stakeholders and industry-partners effectively. Not only does this allow us to demonstrate clear leadership within the industry, but it also allows our peers to learn from our progress and foster sustainable progress on a wider scale. The annual updating and publishing of this sustainability report plays a clear role in achieving this. We also make an active effort to update our website regularly with any key sustainability-related updates and initiatives.

To enhance the communication of our sustainability-related progress, we have partnered with the public relations agency Liz Male. We hope that this partnership will enhance our ability to communicate our drive for progress around sustainability and ultimately foster a more sustainable construction industry.

## 5. Conclusion

This report has demonstrated our clear commitment to making progress against each of our identified material topics. The interplay of these topics with our wider strategy is equally clear; these sustainability-related topics present various risks and opportunities to our Society, which cannot be separated from our strategy.

While the report has demonstrated significant progress against certain topics, such as modern slavery, it has also identified some room for improvement over the next year. While our current GHG emissions have marginally decreased compared to the previous period of account, they did not decrease in-line with our net zero roadmap. This will therefore be a key focus area for us in the coming year, as we aim to implement our emission reduction drivers and position ourselves to reach our net zero target of 2040.

Overall, we are proud to have published our second annual NMBS sustainability report and look forward to continuing to drive progress against our material topics, in-turn having a more positive impact on both people and the environment.

KPI Annex	
<b>Health and Safety</b>	
Staff members completing health and safety courses on an annual, and then three-year basis	100%
Recorded accidents	0
Recorded absenteeism	0.32 (average no. of days per month)
<b>People</b>	
Staff turnover	18%
Board diversity	Female - 15%, Male - 85%
General staff diversity	Female - 54%, Male - 46%
Staff vacancies	3%
<b>Cybersecurity</b>	
No. of security breaches	0
Staff members completing Infosec courses on a monthly basis	100%
<b>Net Zero</b>	
Emissions in tCO2e	644
Tonnes of CO2e per FTE	8.7
<b>Modern Slavery</b>	
NMBS compliance with the Modern Slavery Act	Compliant
Percentage of suppliers compliant with the Modern Slavery Act 2015	92%
Percentage of new suppliers reviewed for Modern Slavery Statement compliance	100%
<b>Culture and leadership</b>	
Engagement with Trade Associations	100%
<b>Stakeholder engagement / transparency</b>	
Members NPS score	53