

# Corporate Social Responsibility

The Group recognises the importance of conducting its business in a socially responsible manner. This is demonstrated in the way we deal with our employees, customers, suppliers and the communities in which we do business. The Group considers that corporate social responsibility is an integral element of good business management.

## The Environment

Group companies are committed to reducing the amount of waste they produce and to limiting the impact which our businesses have on the environment. The Group's Irish businesses are members of Repak and our UK businesses are members of Biffpack. Continued improvement in environmental performance is sought through various initiatives including reducing waste going to landfill through the use of bailers for recycling packaging. The Woodie's DIY business stocks a range of environmentally friendly products including energy-saving lamps, solar garden lights and composters for recycling garden and household waste. Buildbase works closely with its timber suppliers and the Forest Stewardship Council ("FSC") and stocks FSC certified timber at its branches. Jacksons joined the Carbon Trust in 2006 with a view to the business minimising carbon emissions. Heiton Buckley branches stock a range of products to reduce the impact of climate change through better building including heat pumps, solar panels and condensing boilers that reduce demand for fossil fuel. Controlled ventilation systems and insulation products designed to conserve heat are also stocked.

## Health and Safety

The Group is committed to achieving the best practicable standard of health and safety for our employees, customers and visitors to our trading locations. We consider health and safety to be an important element in the overall management of our businesses. Group companies actively work to identify and minimise health and safety risks. They aim to ensure that all reasonable precautions are taken to provide and maintain conditions for employees, customers and visitors alike which are safe and healthy and in compliance with statutory requirements. Accidents are monitored so that corrective action may be taken where considered necessary and in order to reduce the number of incidents and the cost of claims from employees and customers.

## Human Resources

The success of the Group over a long period is due to the exceptional contribution and commitment of its management and staff. The Group's decentralised culture, which is well supported at Group level, gives management and staff the autonomy to use their expertise, skills and talents both for their own career development and for the success of the Group.

The Group and its businesses are committed to high standards of employment practice and is recognised as a good employer in both the UK and Ireland. The Group aims to reward management and staff fairly by reference to skills, performance, peers and local market conditions. The Group provides incentives to management and staff through remuneration policies which promote commitment and reward achievement. It is Group policy that all employees receive fair and equal treatment regardless of gender, age, ethnic origin, nationality, religion or disability.

The Group is committed to offering equal opportunities to all individuals in their recruitment, training and career development having regard to their particular aptitudes and abilities. Training and development programmes are important to the growth and prosperity of our business. Significant attention and resources are devoted to this area. Training programmes organised internally by Group businesses and in conjunction with external bodies, such as the Builders Merchant Federation in the UK, cover a range of issues including sales development, customer service, product training, health and safety and leadership skills. These programmes help to ensure that we develop, retain and attract the best individuals at all levels in the business. We aim to fill vacancies through internal promotions and complement internal appointments with recruitment from outside the organisation.

The Group has Revenue approved share schemes in place in the UK and Ireland which enable employees to share in the success and growth of the Group. The majority of our employees in Ireland are members of the Group's Share Participation Scheme which enables them to benefit from acquiring shares in the Group tax efficiently. Following a highly successful first offer under the Group's UK Save As You Earn Scheme which matured in 2005, the Group provided eligible UK employees with the opportunity to acquire Grafton Units at the end of a three year savings period.

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## Community

We recognise our responsibility as a member of the communities where our branches/plants are located and where we do business. We are committed to developing close relationships with those communities through local management supporting a range of initiatives covering health, welfare, sport, education and community projects. The Group also supports a range of charitable causes, mainly at local level, by giving donations.

The Group supports the Irish Landmark Trust, a charitable trust established to save heritage and architecturally interesting buildings in Ireland that are abandoned or at risk. The Trust undertakes their conservation and converts them to domestic use suitable for short-term holiday letting. Woodie's DIY has extended its sponsorship of Athletics Ireland during 2007 to cover all cross country championships at senior, intermediate and juvenile level and also the Indoor National Championships. Irish Merchants branches provided financial support to local sports clubs, drama groups and agricultural shows. Group companies in Ireland support the Irish Hardware and Building Materials Association Benevolent Fund and The Lighthouse Club, both of which are dedicated to providing aid and assistance to construction workers and their families who suffer accident, ill health or bereavement. Staff in Atlantic Homecare stores supported Our Lady's Hospital for Sick Children in Dublin by participating in the Dublin Marathon and fundraising in the DIY stores.

Buildbase was the first builders merchant to become a patron of the Construction and Property Industry Charity for the Homeless, a charity which provides support to homeless people throughout the UK. During 2007, Buildbase staff at the Oxford branch and head office raised over Stg£63,000 to support Oxford Children's Hospital through a range of fundraising activities.