Effective risk management

We recognise that effective risk management and internal control are fundamental to helping to protect shareholder value and deliver our strategic objectives.

The Board plays a central role in the Group's risk management process which covers all forms of strategic, operational and financial risk.

Achievements in 2025

Marshalls is exposed to a wide range of risks that, should they materialise, could have a detrimental impact on our financial performance, reputation or operational resilience. There continue to be external risks and significant volatility in UK and world markets driven by conflicts around the world. In addition to the macro-economic environment, the key risks for the Group continue to be cyber security, severe macroeconomic downturn, competitor activity and climate change. All these areas are considered in more detail on pages 55 to 60. Mitigating controls continue to be reviewed as appropriate. The Group's risk function has placed particular emphasis on the following areas during the year:

- Acceleration of the 'Transform & Grow' strategy against a market backdrop that remains subdued. This strategy is based on a robust assessment of the expected market drivers and trends in the UK construction industry
- The Group's internal financial controls review resulted in the refinement of the Risk and Control Matrices (RACMs), including testing and reporting processes, and ahead of changes to corporate governance rules from 2026
- Cyber risk has continued to evolve throughout 2025, with a market increase in both the frequency and sophistication of attempted attacks. In response, we have focused on strengthening and aligning cyber security controls across the Group and have advanced our multi-year action plan, which includes targeted investment in people, processes and technology. Key initiatives include enhanced employee awareness and training programmes, regular independent vulnerability and penetration testing, and the introduction of improved monitoring and detection capabilities

The Group completed a number of targeted internal audit projects during 2025 covering the following areas:

- Supply chain ethics and resilience
- IT vendor risk management
- Delegation of Authority design
- Landscaping Products improvement plan
- Continued support on the Group's readiness for corporate governance rules from 2026

The internal audits include "risk-based" audits, identified as a result of assessing the Group's key risks. They also include audits identified to cover key operational, financial, IT and regulatory areas subject to routine cyclical coverage.

Priorities for 2026

The priorities for the Group's risk function in 2026 include the following areas:

- Provision 29 compliance
- Further review of the risk register to enhance alignment with key strategic objectives

Risk Management and Principal Risks continued

Approach to risk management

Risk management is the responsibility of the Board and is a key factor in the delivery of the Group's strategic objectives. The Board establishes the culture of effective risk management and is responsible for maintaining appropriate systems and controls.

The Board sets the risk appetite and determines the policies and procedures that are put in place to mitigate exposure to risks. The Board plays a central role in the Group's risk review process, which covers emerging risks and incorporates scenario planning and detailed stress testing.

Process

There is a formal ongoing process to identify, assess and analyse risks, and those of a potentially significant nature are included in the Group Risk Register.

The Group Risk Register is updated by the Executive Team at least every six months and the overall process is the subject of regular review by the Board. Risks are recorded with a full analysis, and risk owners are nominated that have authority and responsibility for assessing and managing the risk. KPMG LLP, as the Group's internal auditor, attends the risk review meetings alongside Deloitte LLP, the Group's external auditor. The process continues to be a robust mechanism for monitoring and controlling the Group's principal risks, and for challenging the impact of new emerging risks.

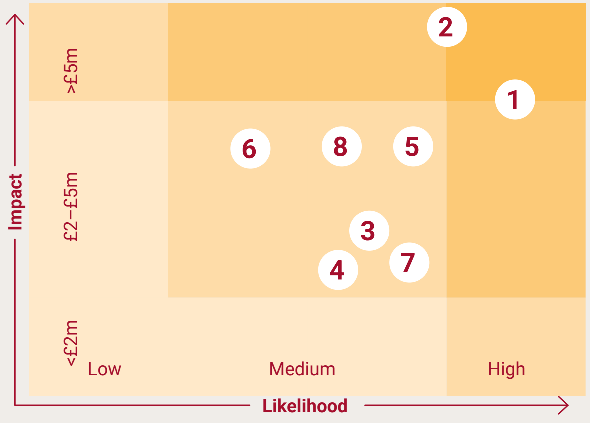
All risks are aligned with the Group's strategic objectives, each risk is analysed in terms of likelihood and impact to the business and the determination of a "gross risk score" enables risk exposure to be prioritised.

The Group seeks to mitigate exposure to all forms of strategic, financial and operational risk, both external and internal. The effectiveness and impact of key controls are evaluated, and these are used to determine a "net risk score" for each risk. The process is used to develop detailed action plans that are used to manage, or respond to, the risks, and these are monitored and reviewed on a regular basis by the Group's Audit Committee and the Board.

The Group has a formal framework for the ongoing assessment of operational, financial and IT-based controls. The overriding objective is to gain assurance that the control framework is complete and that the individual controls are operating effectively. This assurance will be enhanced in response to the change to the Corporate Governance Code that becomes effective from January 2026.

Risk heatmap (net risk scores)

1 Macro-economic and political
2 Cyber systems, security and technology
3 Security of raw material supply/raw material shortages
4 Legal and ethical
5 Competitor activity and new technology
6 Delivery of strategic programmes
7 Health and safety
8 People risks



Risk management framework

The Board:
- Determines the Group's approach to risk, its policies and the procedures that are put in place to mitigate exposure to risk

The Audit Committee:
- Has delegated responsibility from the Board to oversee risk management and internal controls
- Reviews the effectiveness of the Group's risk management and internal control procedures
- Monitors the effectiveness of the internal audit function and the independence of the external audit

Executive Directors:
- Are responsible for the effective maintenance of the Group's Risk Register
- Oversee the management of risk
- Monitor risk mitigation and controls
- Monitor the effective implementation of action plans

Internal audit:
- Independently reviews the effectiveness of internal control procedures
- Reports on effectiveness of management actions
- Provides assurance to the Audit Committee

Operational managers:
- Are responsible for the identification of operational and strategic risks
- Are responsible for the ownership and control of specific risks
- Are responsible for establishing and managing the implementation of appropriate action plans
- Are responsible for the impact of controls (net basis)

Risk Management and Principal Risks continued

Approach to risk management continued

Risk appetite

The Group is prepared to accept a certain level of risk to remain competitive but continues to adopt a conservative approach to risk management. In assessing risk appetite, the aim is to ensure that internal controls and risk mitigation measures are designed to reduce the net risk score to a point that aligns with the identified risk appetite. The aim is to ensure that we continue to channel resources to those mitigation measures and controls that specifically reduce risk to areas where we have a net risk score that lies outside our acceptable risk appetite. The risk framework is robust and provides clarity in determining the risks faced and the level of risk that we are prepared to accept. Marshalls' strategies are designed to either treat, transfer or terminate the source of the identified risk.

Viability Statement

After considering the principal risks on pages 55 to 60, the Directors have assessed the prospects of the Group over a longer period than the period of at least twelve months required by the "going concern" basis of accounting. The Directors consider that the Group's risk management process satisfies the requirements of Provision 31 of the UK Corporate Governance Code.

The Board considers annually, and on a rolling basis, a strategic plan, which is assessed with reference to the Group's current position and prospects, the strategic objectives and the operation of the procedures and policies to manage the principal risks that might threaten the business model, future performance and target capital structure. In making this assessment, the Board considers emerging risks and longer-term risks and opportunities.

The aim is to ensure that the business model is continually reviewed to ensure it is sustainable over the long term. Security, flexibility and efficiency continue to be the guiding principles that underpin the Group's capital structure objectives. The Group's funding strategy is to ensure that headroom remains at comfortable levels under all reasonable planning scenarios.

For the purposes of the Viability Statement, the Board continues to believe that three years is an appropriate period of assessment as this aligns with the current planning horizon. Although our central forecasting models cover a five-year period, it remains the case that there is less visibility beyond three years. The Construction Products Association's ("CPA") forecasts currently go out to 2027. This remains compatible with the five-year strategy and the longer-term objectives for our strategic growth pillars over a five-year period. The Group's financial forecast includes an integrated model that incorporates the Income Statement, Balance Sheet and cash flow projections.

The detailed stress testing reflects the principal risks that could impact the Group and could conceivably threaten the Group's ability to continue operating as a going concern. The assessment concluded that the deteriorating macro-economic environment is the key risk for this purpose and, in response to this, two scenarios have been run, namely a "reasonable worst-case scenario" and a "reverse stress test".

The reasonable worst-case scenario comprises a significant stress test sensitivity run against the base case model. This sensitivity reflects a scenario that is worse than the volume assumptions in the CPA's lower scenario from the 2026/2027 winter forecast and price realisation is materially worse than our budgeting assumptions. This scenario results in a cumulative revenue reduction of 6% during 2026 and 2027 against the base case forecast. An operating 'drop-through' rate has been applied based on the operational gearing of each business unit. Under the downside model, pre-IFRS 16 is forecast to be c.£135 million at the end of 2026, and bank covenants are still comfortably met. The net effect of reduced operating profit and increased interest is mitigated by reduced tax and dividend cash flows. There remains headroom against bank facilities and bank covenants are still comfortably met with the pre-IFRS 16 net debt to adjusted EBITDA covenant peaking at around three times in December 2026.

In practice, under such a downside scenario the Group could instigate certain mitigation measures to reduce costs and capacity and to manage cash throughout the viability period, to December 2028.

We also ran a reverse stress test scenario to identify a deeper downside trading performance that would give rise to a covenant breach. Against the base budget revenue, a reduction of 18% alongside an operating profit "drop-through" of around 40% would be required during 2026 to breach a covenant at 31 December 2026. This is after assuming a reduction in capital expenditure and pausing dividends. This reverse stress test scenario reduces revenue compared to budget by approximately £120 million during 2026. In this scenario, there remains reasonable headroom against bank facilities, but EBITA: finance costs would breach the covenant minimum of three times at December 2026.

In undertaking its review, the Board has considered the appropriateness of any key assumptions, considering the external environment and the Group's strategy and risks. Based on this assessment and taking account of the Group's principal risks and uncertainties, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due for the next three years.

The reverse stress test scenario provides an indication of the scale of downturn that could be absorbed by the Group. The analysis provides the required evidence that the Directors' assessment of the going concern assumption remains appropriate and supports a positive conclusion for the longer-term Viability Statement.

Risk Management and Principal Risks continued

Principal risks and uncertainties

The Directors have undertaken a robust, systematic assessment of the Group's emerging and principal risks. These have been considered within the timeframe of three years, which aligns with our Viability Statement on page 54. The risk process has increasingly allocated greater focus on emerging risks and risk outlook.

The reporting includes more detailed assessments of proximity (how far away in time the risk will occur) and velocity (the time that elapses between an event occurring and the point at which the effects are felt).

▶ **Read more about our strategy on page 54**
▶ **Read more about our business model on page 16**

1. Macro-economic and political

Nature of risk and potential impact	Key risk indicators	Mitigating factors	Change
• The Group is dependent on the level of activity in its end markets within the UK construction industry • Consequently, it is susceptible to economic downturn, the impact of UK Government policy and volatility in UK and world markets • UK Government policies have the potential to have an impact on the Group's end markets through spending priorities and changes in fiscal policy • Continued volatility in geopolitical factors (for example, war in Ukraine and the Middle East or trade wars arising from the implementation of tariffs) poses further risks to the UK economy • Weak market demand has compressed the profit pool in the sector, which results in increased credit risk in the customer base, particularly those with highly leveraged capital structures *Potential impact* • Potential reduction in consumer and business confidence leading to reduction in demand and lower activity levels • This could lead to an adverse effect on the Group's financial results and the need to take further action to manage costs, which may impact on delivering the Group's strategic priorities • A continuation of market volatility and global uncertainty, along with a prolonged period of normalised interest rates and higher inflation, could lead to disrupted markets over a more sustained period with pressures on liquidity and profitability	• Industry forecasts and reductions in consumer confidence and in order pipeline • Failure of Government to contain interest rate increases and cost inflation • An escalation of the war in Ukraine and the Middle East and other increased global uncertainty • Increase in UK tariffs on imports from India and China • Signs of credit risk stress in our supply chain	• The Board has set out a clear 'Transform & Grow' strategy for delivering market outperformance in the medium term across its portfolio of market leading businesses. This strategy is based on a robust assessment of the expected market drivers and trends in the UK construction industry • The Group monitors its external operating environment, market trends and leading indicators. The Group regularly reviews its financial performance and position and prepares periodic financial forecasts that incorporate this market intelligence and updated operating trends. The forecasts are tested against downside scenarios that assess the impact of the crystallisation of the Group's principal risks on the forecast financial performance and position of the Group. Action is taken following the evaluation of these scenarios to make changes to the business including managing costs, cash flow and capital allocation • Use of credit insurance and constant monitoring of uninsured balances • The acceleration of the network optimisation and cost reduction plan in Landscaping Products has reduced the Group's breakeven point which provides further flexibility	*No change in risk* • The UK construction market volumes have shown little growth in 2025 and have decelerated in the second half. Market forecasters expect modest growth in 2026; however, there is little sign of this in current business volumes • Stronger medium-term prospects due to a cyclical recovery and structural drivers of demand. Government policy, lower inflation and interest rates expected to support increased demand for new build housing and result in an improvement in consumer confidence that will be positive for private housing RMI • The US administration's approach to tariffs has evolved during 2025 and remains subject to change. The UK Government has not responded with retaliatory tariffs, although the EU has amended tariffs for certain products. The Group is relatively insulated from the direct impact of this at present and secondary impacts continue to be difficult to predict *Priorities* • Maintaining our strong levels of diversification to ensure we remain as resilient as possible to individual market forces

Risk Management and Principal Risks continued

Principal risks and uncertainties continued

2. Cyber systems, security and technology

Nature of risk and potential impact	Key risk indicators	Mitigating factors	Change
• Fast growing and indiscriminate risk of a cyber attack • Inadequate controls and procedures over the protection of service and data • Failure to improve controls quickly enough, given rapid pace of change • Heightened risk as digital footprint of the organisations grows including corporate and manufacturing areas • AI continues to accelerate speed of an attack and threat base • Legacy technology environment makes for higher likelihood of target • Heightened risk as our digital ecosystem grows (supplier/customer) • Heightened dependency on third-party technology and service providers, expanding supply chain exposure *Potential impact* • Operational disruption and financial loss – failure to manufacture and distribute product to satisfy customer demand • Fraud, denial of trade and loss of sensitive data – financial and reputational risk/damage to the brand • Risk of fines from external bodies • Reputational damage	• Emergence of new cyber security risks including more sophisticated AI-based attacks • More data security breaches in the wider market, and particularly in construction • Alerts have been issued by the NCSC asking UK companies to bolster their defence mechanisms • Increased targeted attacks at Marshalls • Trends in internal phishing resilience, vulnerability, management performance and security monitoring alerts	• Increased technology to manage, detect and respond to threats • Mandated employee awareness through training • Cyber insurance strengthening to cover business interruption, loss of earnings and response • Growing cyber capability through additional resources • Business Continuity Plan (BCP) committee established and in operation • Security operations centre employed to support current environment/monitoring • Full cyber maturity assessment in progress against industry framework • Modernising legacy environment, as this is a key component of reducing inherent risk	*No change in risk* • Marshalls' cyber maturity assessment has continued to improve – although cyber risk has continued to increase • We are witnessing more incidents, particularly in construction and increasingly in relation to ransomware • The cyber control environment in Marley is not as mature as that of Marshalls and is an area of focus *Priorities* • Continue to evaluate and prioritise actions to improve the Group-wide cyber security posture • Continue to align to the principles and guidelines laid out in NIST guidelines • Continue to strengthen incident response and monitoring

3. Security of raw material supply/raw material shortages

Nature of risk and potential impact	Key risk indicators	Mitigating factors	Change
• Construction materials often originate from naturally occurring minerals which are finite and in fixed locations • Geopolitical tensions raise the stress in supply chains through availability or inflationary pressures which impact material availability • There continue to be market capacity stresses at category level • Solar panels are imported and future tariffs or changes in export subsidies could impact supply • Single points of reliance within the supply chain *Potential impact* • Cost inflation or interruption of supply could lead to customer dissatisfaction and reduce demand and margins • Risk of interruption of supply chain could lead to customer dissatisfaction	• Cost inflation, impacting materials • Geopolitical activity/tariff implementation impacting global supply and competition • Frequency of enforced material changes/actions to mitigate temporary loss of supply	• Centralised procurement team • The Group benefits from the diversity of its business and end markets • Dual sourcing supplier strategy wherever possible • Maintaining adequate, but not excessive, stocks • Collaboration with all EU-based Tier 1 and Tier 2 suppliers to ensure any supply risks are minimised • Re-engineering product mix designs to engineer out materials that are: 1) difficult to source; 2) strategically compromised; and/or 3) expensive. Consideration of alternative technologies including the reduction of cement content • The digitalisation of the supply chain through the use of best-in-class supply relationship management system • Focus on supplier relationships, fixed pricing agreements, flexible contracts and long-term supply agreements	*No change in risk* • Continued weak demand has led to reduced availability issues, although cost inflation remains a feature in some categories • The risk of temporary shortages is mitigated by proactive supply chain management and the use of alternative suppliers *Priorities* • Increase productivity and manufacturing efficiency • Aggregate blending to reduce reliance on single points of failure • Acceleration of mix redesigns to focus on carbon reduction and improved availability especially around cement and cement substitutes – investment in low-carbon substitute materials • Retain importation options as a backup to domestic supplies

Risk Management and Principal Risks continued

Principal risks and uncertainties continued

4. Legal and ethical

Nature of risk and potential impact	Key risk indicators	Mitigating factors	Change
• Inadvertent failure to comply with significantly increased governance, legislative and regulatory requirements • Exposure heightened by business complexity and increasingly complex law and regulation • Sourcing from overseas suppliers with complex regional issues and high human rights risks, including China and India, that challenge our drive to ethically and efficiently source and to be leaders in ESG standards • Impact of an unexpected reputational event, e.g. an issue in the supply chain or due to a health and safety incident, media or NGO exposé on a sector, region or supplier *Potential impact* • Significant increases in the penalty regimes across all areas of the business could lead to significant fines and/or prosecution in the event of a breach • Such incidents could lead to prosecutions and increased costs and have a negative impact on the Group's reputation and share price • Supply chain/customer disruption if materials/traded items are ethically compromised or orders rejected on ethical grounds	• Increased regulatory and compliance requirement • Penalty regimes generally becoming more punitive for many regulatory breaches, e.g. data protection, modern slavery, etc. • Reputational harm and associated share price impact of major incidents or compliance failures	• Centralised legal and other specialist functions, the use of specialist advisers and ongoing monitoring and mandatory compliance training programmes • Supplier onboarding process and ethical risk assessment of all sourcing countries • Regular reviews of policies and procedures • Regular compulsory training (e.g. data protection, modern slavery, bribery and corporate criminal offence) • Regular reviews of policies and procedures • The Group employs compliance procedures, policies, ISO standards and independent audit processes which seek to ensure that local, national and international regulatory and compliance procedures are fully complied with • Programme of independently verified audits in high-risk jurisdictions	*No change in risk* • In the near term, a new governance code, listing rules, and reporting requirements need to be addressed. Strategic commitment to leadership in ESG governance and standards increases stakeholders' expectations, challenging our commitment to achieving this, with ethical sourcing a key part of this *Priorities* • Continue to renew all compliance processes and control effectiveness with the support of the Executive Team, drive greater cross-functional/team collaboration and awareness to increase early-stage engagement with the legal and human rights team • Continue training and engagement to strengthen escalation procedures for raising ethical concerns

Risk Management and Principal Risks continued

Principal risks and uncertainties continued

5. Competitor activity and new technology

Nature of risk and potential impact

- Weaker market volumes and over-capacity can result in increased competition and downward pricing pressure
- Competitor investment in capacity in certain categories may increase competitive intensity
- The price premium that Marshalls commands within its product categories is justified through perceived quality, service, innovation, design capability and trusted brand reputation. An inability to maintain and demonstrate this differentiation may result in loss of market share
- Entry of new competitors in higher growth markets
- Concentration of sales with large national merchant partners and contractors
- Technological innovation that changes the way public realm, infrastructure or residential landscape solutions are specified and delivered
- Changes to market channels or logistics models introduced by new entrants
- Digital and technological advances that result in new apps or software that differentiates the service or product proposition

Potential impact

- Increased competition could reduce volumes and margins on manufactured and traded goods
- Insufficient customer insight could result in lower revenues at lower prices. Failure to deliver service in line with customer expectations (both market and wider industry norms) could negatively impact customer perception and revenue performance
- Reputational damage and consequential financial impact if the Group's competitive differentiation were to weaken over time

Key risk indicators

- Entry of new low-cost competitors and new technologies
- Changes in demand patterns for traditional products and the emergence of new product or digital solutions
- Loss of market share
- Brand health
- Customer experience scores
- Margins under pressure

Mitigating factors

- Regular monitoring of customer performance, proactive management of customer deals and regular interaction to maintain customer intimacy
- External market intelligence, CPA, ABI Barbour, etc., to anticipate market developments and support forward planning
- The Group focuses on quality, service, reliability and ethical standards alongside its independently verified ESG credentials, which differentiate Marshalls products from competitor products. Monitoring of brand health, customer experience and market share data with agile response to trends
- Strong specification and design engagement with architects, engineers and contractors, embedding Marshalls products early in the project lifecycle and supporting long-term demand for the Group's solutions
- Long-standing relationships with architects, designers, engineers and contractors support early project engagement and reinforce Marshalls' role as a trusted partner on complex or design-led projects
- The Group has a continuing focus on new product development and innovation in response to evolving customer and market needs
- The continued development of the Group's digital strategy
- Continuous improvement initiatives across manufacturing, logistics and service to ensure Marshalls remains competitive on cost, reliability and customer experience
- Refresh of Group strategy to maintain focus on key priorities and growth opportunities
- Continued investment in innovation and intellectual property to support differentiated product solutions and maintain Marshalls' leadership in key market segments

Change

Reduced risk

- The Group has regained market share over the last twelve months through disciplined commercial execution and improved operational performance

Priorities

- Continued focus on minimising cost per unit through network optimisation
- Reduce complexity within the business and focus on simplifying our processes and being easier to deal with
- Continued development of the Group's brands
- Increase pace of digital change and technological solutions

Risk Management and Principal Risks continued

Principal risks and uncertainties continued

6. Delivery of strategic programmes

Nature of risk and potential impact	Key risk indicators	Mitigating factors	Change
• Failure to optimise profitable growth or incurring losses from strategic programmes failing to deliver to agreed scope, time, cost and quality measures or failing to realise projected benefits • Ineffective management of major development projects, from initial scoping to final delivery and benefits management, due to constraints that may impact the Group's ability to absorb change • The speed of change leads to increasing pressure on the business and challenges our ability to manage and stress test all aspects of our business model • Failure to realise expected benefits from strategic business programmes • Ineffective prioritisation results in the Group trying to deliver too much change with insufficient resource *Potential impact* • The extent and complexity of numerous planned business initiatives cause delays and inefficiency • The Group fails to optimise profitable growth from executing its strategic plans • Reputational damage, cost over-runs, service under-delivery and staff retention risks	• Delays to the delivery of strategic programmes • Inefficiencies in resource utilisation • Cost and time over-runs on projects	• Project management framework and governance in place, managed through the Strategy Programme Management Office function • Robust and standardised project appraisal processes • Programmes are continually reviewed with strong governance of all major strategic business projects, with third-party specialist assurance utilised as required. This includes Executive oversight and project-specific steering committees • Ability to dynamically respond to emerging business strategies and challenges to ensure that resource and governance are directed where required: for example, the Landscaping Products improvement plan	*No change in risk* • Managing strategic change programmes alongside business challenges creates risk of trying to deliver too much change • Group leadership team reviews progress of strategic programmes versus the plan monthly, ensuring alignment of priorities and resource allocation *Priorities* • Strong prioritisation of resources to support key change projects

Risk Management and Principal Risks continued

Principal risks and uncertainties continued

7. Health and safety

Nature of risk and potential impact	Key risk indicators	Mitigating factors	Change
• Unexpected health and safety incident, possibly caused by human error or the actions of a subcontractor • High-risk activities that if uncontrolled may lead to a serious injury • Welfare and mental health of employees *Potential impact* • Risk of harm to all stakeholders, including on-site employees and subcontractors • Major workforce accident. Death, or significant injury, leading to corporate manslaughter charge/prohibition notice on plant • New penalty regime is significantly more onerous. Increased risk of significant economic penalty, prosecution and reputational damage	• Significant increases in the penalty regime • Increase in HSE contravention notices	• Centralised specialist functions and clear policies in place • Group-wide health and safety strategy • Regular communication and support for employees. Large number of mental health first aiders covering the whole network • A digital management system for enhanced data collection and analysis • Ongoing monitoring, training and health and safety audits • IOSH Managing Safely training for managers • Improved accident investigations leading to better understanding of root causes and relevant treatment • Crisis management/BCP process • Preventative maintenance for work equipment and machinery • Integrated health and safety structure • Fair and just approach implemented to understand human failures	*No change in risk* • Risk level reduced based on the implementation of HRA controls to date, and the plan to continue to improve controls *Priorities* • Continuing employee welfare improvement programmes • Introduction of good catch programme and formal tracking of behavioural safety conversations

8. People risks

Nature of risk and potential impact	Key risk indicators	Mitigating factors	Change
• Manager capability – ability to cope with ambiguity and fast pace of change • Diversifying our workforce and future proofing for skills and capabilities • Attraction and retention *Potential impact* • Inability to recruit and retain people with required skills, calibre and potential • Risk of reduced skills and inadequate training potentially leading to reduced productivity and efficiency • Inability to drive the right culture to drive performance and outcomes with the right/desired behaviours • Implications for employee health and wellbeing and overall workforce morale and capability • Potential risk to the Group's brands	• Absence and turnover trends • Reducing employee engagement scores • Employee relations climate	• Prioritise supporting the business as it accelerates the 'Transform & Grow' strategy • Strong communication channels and employee feedback through the Employee Voice Group • Regular feedback questionnaires supported by third-party provider "Your Voice" • Independent "Safecall" helpline for employees to report serious concerns • Ongoing focus and commitment to training, apprenticeships and staff development • Manager capability and development programmes	*No change in risk* • Reduced investment in people development could lead to higher attrition • Risk of losing talented people *Priorities* • Deliver manager development programmes as well as driving skills development • Develop strategies and plans for high-potential leaders who we know can do bigger or more diverse roles • Continued focus on succession planning and for planning for talent moves to build capability • Continue with focus on communications and engagement activities