GENUIT GROUP

Together, we create sustainable living

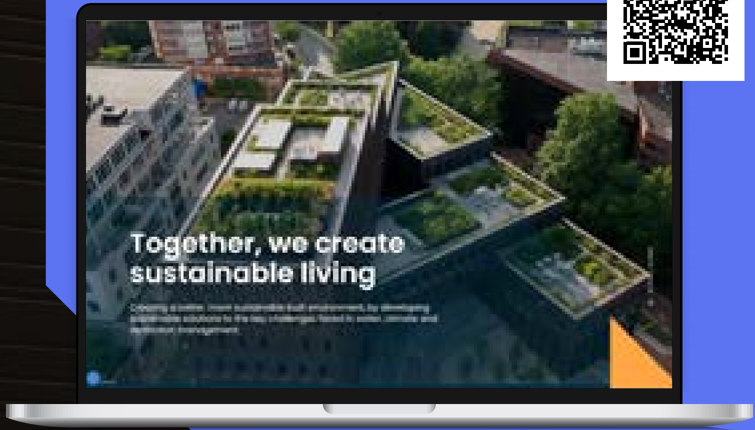
Annual Report & Accounts 2024

Contents

At Genuit Group, we help create a better, more sustainable built environment, by developing and producing sustainable solutions for the key challenges faced in water, climate and ventilation management within the construction industry.

Together, we create sustainable living.

Click or scan to see Genuit's purpose brought life:



Forward-looking statements
This Annual Report contains various forward-looking statements that reflect management's current view with respect to future events and financial and operational performance. All statements reflect knowledge and information available as at the date of preparation of this Annual Report and there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Therefore, nothing in this Annual Report should be construed as a profit forecast.

Highlights

Financial highlights

Revenue £m

£561.3m

2024	561.3
2023	586.5
2022	622.2

Underlying operating profit £m

£92.2m

2024	92.2
2023	94.1
2022	98.2

Profit before tax £m

£46.3m

2024	46.3
2023	48.4
2022	45.4

Underlying operating margin %

16.4%

2024	16.4
2023	16.0
2022	15.8

Dividend per share (p)

12.5p

2024	12.5
2023	12.4
2022	12.3

Underlying operating cash conversion %

99.3%

2024	99.3
2023	87.7
2022	57.4

Net debt £m

£129.1m

2024	129.1
2023	149.3
2022	166.2

Cash generated from operations £m

£115.5m

2024	115.5
2023	109.7
2022	93.9

Financial KPIs
Page 23

Non-financial highlights

Carbon intensity

$0.124tCO_2e/t$

2024	0.124
2023	0.140
2022	0.136

Scopes 1, 2 & 3: category 1 carbon

-6.5%

2024	-6.5
2023	-33.0
2022	9.6

Electricity sourced from renewable sources

96.3%

2024	96.3
2023	90.7
2022	91.0

The 5% Club

18.5%

2024	18.5
2023	8.2
2022	3.5

Use of recycled polymers

52.0%

2024	52.0
2023	49.2
2022	48.7

Vitality Index

18.0%

2024	18.0
2023	21.5
2022	24.7

Non-financial KPIs
Page 22

Genuit at a glance

Our purpose

Together, we create sustainable living

... is delivered through our Sustainable Solutions for Growth strategy ...

Growth

Learn more on page 11

We focus on higher-growth, sustainability-linked market segments. In addition to the tailwinds which drive these segments, we will outperform our market through innovation and commercial excellence. We will grow both organically, and through a disciplined approach to M&A.

Sustainability

Learn more on page 30

We provide solutions which address the need for the built environment to adapt to climate change. We are committed to being the lowest carbon supplier of choice for our customers. Reducing our own carbon impact is consistent with offering a range of solutions which mitigate the impact the built environment has on climate change.

Genuit Business System

Genuit Business System (GBS) is our way of creating value across the Group through lean transformation and operational excellence. This allows us to realise synergies across our existing portfolio as well as creating a methodology for synergy realisation following future M&A.

Learn more on pages 16, 18 & 20

People and Culture

The capability, expertise and development of our employees is key to achieving our goals. Ensuring commonality of culture and trademark behaviours helps us to create a spirit of collaboration, allowing us to combine local entrepreneurialism with the benefits of scale.

Learn more on page 56

... and guided by our Trademark Behaviours

We work together

- by understanding and respecting our unique differences
- through collaborating and supporting, to achieve more
- by recognising the efforts and contributions of others

We take ownership

- always acting with health, safety and wellbeing in mind
- by striving for excellence in what we do
- through our commitment to doing the right thing

We find a better way

- through using our voice and actively listening
- by positively challenging the way we do things
- by seeking the right solution

Creating a clear pathway to deliver value

Climate Management Solutions

Addressing the need for clean, healthy air and low-carbon heating and cooling

Revenue	Underlying operating margin
£161.6m	14.9%

Learn more about Climate Management Solutions on page 16

Water Management Solutions

Enabling climate adaptation and resilience through integrated surface and drainage solutions

Revenue	Underlying operating margin
£160.9m	8.5%

Learn more about Water Management Solutions on page 18

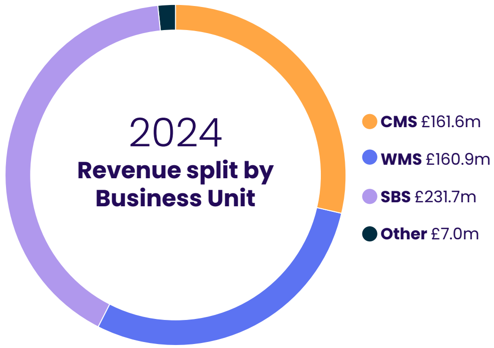
Sustainable Building Solutions

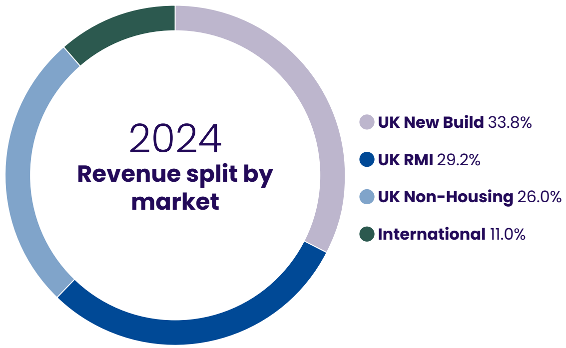
Providing a range of solutions to reduce the carbon content of the built environment and assist construction labour efficiency

Revenue	Underlying operating margin
£231.7m	23.5%

Learn more about Sustainable Building Solutions on page 20

Revenue breakdown





Investment case

Delivering compound earnings growth through sustainability-driven growth markets, margin expansion and effective capital allocation.

1. Operating in built environment sectors with inherent sustainability-linked growth drivers

- Operating in a sector with high levels of sustainability-driven growth
- Helping customers to mitigate climate change and adapt to its effects
- Changing regulation (e.g. UK 2025 Future Homes Standard) driving demand

2-4%

through-cycle outperformance target of the UK construction market

2. Differentiated, innovative, low-carbon building products and solutions

- Meeting customers' evolving needs and helping them to deliver their sustainability targets
- Moving up the value chain by building end-to-end solutions with better cost of ownership
- Being the leader in the use of recyclate among our European peers

66% reduction

in scopes 1 & 2 emissions intensity by 2025

Net-zero by 2050

3. Leading positions across diverse markets, with strong brand recognition

- A trusted partner for customers, providing a range of products and integrated solutions
- Number one or two in key market segments, with scope to take further share

c.20% share of a

£3bn

UK served addressable market

4. Significant margin expansion potential

- Clear pathway to improve operating margin, through:
  - Business simplification
  - Genuit Business System (GBS) driving operational efficiency
  - Operating leverage as volumes normalise
- Driving improvement in return on capital

>20%

operating margin target

5. Opportunity to expand solution offering through strategic acquisitions

- Complementing organic growth with value-creative acquisitions, including overseas
- Successful M&A track record, reinforced by adoption and implementation of GBS approach

>15%

ROCE target

6. Highly cash-generative business model, with effective capital allocation

- Successful track record of cash generation
- Progressive dividend policy, based on dividend cover of 2.0x or greater over the business cycle

Over 90%

cash conversion target

Chair's Statement

Kevin Boyd
Chair

Generating value for stakeholders

As we navigate through an era of environmental challenges, our commitment to creating sustainable living has never been more important. Sustainability remains at the heart of our Group strategy, ensuring our products and services help the built environment to mitigate and adapt to the impacts of climate change.

Purchase of renewable electricity

96.3%

Employees in Earn & Learn programmes

18.5%

Introduction

Sustainability continues to be at the centre of our Group strategy, helping us to achieve our purpose of creating sustainable living through our portfolio of products and services. As a Group, we are directly impacted by geopolitical change and policy affecting the construction industry, including initiatives for housebuilding and changes in environmental policy and legislation. Our Group is uniquely positioned to help others address the key climate-related drivers within the built environment. We have a range of leading brands, products and solutions, built upon the extensive technical expertise of our colleagues, with leading market positions in segments that benefit from growth tailwinds.

The decisions taken during the year were influenced by societal, environmental, commercial and political factors, while considering the impact of key decisions on our material stakeholders. We mitigate the risks associated with these factors as outlined in our Principal Risks and Uncertainties section on page 75. We continued to develop our product portfolio, centred around providing the built environment with products and services that manage and mitigate the consequences of climate change by reducing embedded and operational carbon. The sustainable solutions we offer enable us to navigate the complex external environment effectively, positioning ourselves for future success.

Our employees play a key role in creating innovative solutions for our customers, and during the year, we prioritised the learning and development of our colleagues across the Group. I am proud that we achieved Gold Member status with The 5% Club a year ahead of our 2025 target, with the number of employees in Earn & Learn programmes as at 31 December 2024 at 18.5%, up from 8.2% in 2023.

Our strategy positions us to capitalise on market trends

Solutions that aid resilience to climate change

How Genuit is positioned:
Climate change means our summers are becoming warmer, and extreme rainfall and flooding is becoming more severe and more frequent. Our range of water management and green urbanisation solutions seek to address this in a holistic manner, providing attenuation options that shield the existing stormwater infrastructure, whilst improving urban landscapes.

Solutions that help us adapt to climate change

How Genuit is positioned:
Our range of ventilation and heating products are increasingly being supplied with cooling modules that cool our homes with fresh, healthy air. Unlike recirculating air conditioning, our technology reduces the temperature of incoming fresh air as needed, to make indoor temperatures more comfortable.

The construction sector faces a skills shortage

How Genuit is positioned:
Over 250,000 people have left UK construction since the pandemic; both here and overseas there is a need to sustain construction in more efficient ways. Added-value solutions such as Polypipe Advantage complete more of the project in a quality-controlled efficient factory environment, improving build speeds on site and reducing reliance on scarce skills.

Customers want to mitigate the impact of climate change

How Genuit is positioned:
Genuit was the first amongst its peers to have validated science-based targets, and the carbon content of our products continues to be driven down by initiatives such as our industry-leading use of recycled polymers, our 96.3% sourcing of renewable energy and the provision of Environmental Product Declarations (EPDs), which allow customers to make informed carbon-based choices.

Performance and results

At Genuit, we are embedding the principles and tools of lean management across our businesses to create value and minimise waste, improve margins and reduce working capital. Our Genuit Business System is a key enabler for accessing synergies. We continue to use it to standardise processes, share best practice amongst our businesses and unlock synergies from our existing portfolio.

We also continue to focus on inorganic as well as organic growth, and are pleased to welcome new colleagues to the Group through the acquisitions of Sky Garden and the Omnie & Timoleon businesses in August.

During the year, the Group performed well, supported by the diversity of the Group's market segment exposure. The Group continued to focus on business simplification and operational efficiencies, and this proactive approach to cost management and continued commercial progress resulted in full-year underlying operating profit being in line with our expectations. Group revenue was 4.3% lower than prior year at £561.3m (2023: £586.5m). Underlying operating profit was £92.2m (2023: £94.1m) representing a margin of 16.4% (2023: 16.0%). Underlying basic earnings per share for the year was 24.6 pence (2023: 25.2 pence). This robust performance, given market headwinds, is down to the hard work and determination of all of our colleagues around the Group, who have risen to, and overcome, the challenges we have faced during the year. You can read more about our 2024 financial performance in our Chief Financial Officer's report on page 24 and find further detail on our strategic progress in our Chief Executive Officer's report on page 9.

A healthy business culture

Our performance during the year is testament to the dedication and resilience of our employees, supported by our established Trademark Behaviours, requiring employees to work together, take ownership, and find a better way. These behaviours continue to be embedded across the Group in all areas of our businesses and are visible and measurable. We encourage employees to acknowledge each other's successes regularly and to highlight notable examples of our Trademark Behaviours in action. These behaviours help guide our decision-making and our engagement with stakeholders, and support us in working together to achieve our purpose.

> "Our performance is testament to the dedication and resilience of our employees."

Growth by acquisition

During the year, we completed acquisitions within our Water Management Solutions (WMS) and Climate Management Solutions (CMS) Business Units, as we welcomed Sky Garden and Omnie & Timoleon.

Sky Garden joined WMS and extended the Group's blue-green roof offering, complementary to the Keytec and Permavoid businesses. Omnie & Timoleon specialise in underfloor heating (UFH) board technologies along with UFH system design and services, which provide synergies with the existing Nu-Heat business in CMS, and with Polypipe's offering in the Group's Sustainable Building Solutions Business Unit.

Read more in our CMS and WMS Business Unit reviews on pages 16 to 21

The Board monitors culture closely and engages frequently with employees to understand how deeply it is embedded. More details on some of the mechanisms used are included in our People and Culture section on pages 56 to 63 and the Governance Report on page 98. The Group believes that the workplace we provide should be safe, and the teams within it should be inclusive and reflect the local communities within which we operate. We encourage open and meaningful conversations about all aspects of diversity and inclusion, encouraging our colleagues to bring their whole selves to work. Our diversity strategy is focused on four pillars: Leadership, Education, Policy & process, and Communication, and we have worked hard in the year to continue to raise awareness of our ambition, as reflected in the Group employee engagement survey score of 7/10.

Health and safety

Health and safety remains our priority and was discussed at each Board meeting held during the year, setting the tone from the top in fostering a safe, positive and productive working environment and a culture in line with our Trademark Behaviours. During the year, we continued to invest in initiatives and practices that improve the safety, health and the physical and mental wellbeing of our employees.

Maintaining and improving standards requires constant vigilance and part of this is identifying areas where we can do better. The Genuit Blue HSE Audit programme was launched in the first quarter of 2024, with 12 audits completed, and the remaining two completed in Q1 2025. We look forward to continuing to build on our achievements during 2024, striving to set new standards in workplace wellbeing and safety. Further detail about some of the activities in the year can be found in our Health, Safety and Environment Report on pages 54 to 55.

Sustainability

Sustainability is a key driver of our strategy, and we continue to hold ourselves accountable and work towards achieving the stretching targets we set ourselves. Overall, sustainability performance was strong during the year, with progress made against most of our non-financial sustainability KPIs, as outlined on page 22 of the Strategic Report. We published our first Sustainability Report during the year and submitted our first disclosure to the Carbon Disclosure Project (CDP), climate change questionnaire, scoring B overall. These additional disclosures provide opportunities for engagement with key stakeholders on our progress in this area.

In early 2024, we had our long-term net-zero targets approved by the Science Based Targets initiative (SBTi), which sets the Group a target of reducing scopes 1, 2 & 3 emissions by 90% by 2050. We made strong progress on decarbonisation in terms of our reduction in total carbon emissions across scopes 1, 2 & 3, and we saw further reductions in our scopes 1 & 2 carbon emissions intensity, in addition to increasing our purchase of renewable electricity from 90.7% in 2023 to 96.3% in 2024.

We continue to lead the sector in our use of recycled polymers. Headwinds such as product standards and the market position in respect of recycled materials present short-term challenges. Since setting our recyclate targets, there has been progress in other ways of reducing carbon content, and we are proud that we have sector leading recycled content usage, achieving our best performance to date of c.52% during the year. We remain committed to the principles of the circular economy and prioritising reductions in embedded carbon alongside the use of recycled materials. Sharing high-quality, verified data is key to achieving reductions in embedded carbon by providing customers with information to enable them to make informed and climate-smart decisions. Therefore, during the year, we significantly increased the availability of Environmental Product Declarations (EPDs) across the Group, and this will continue to be an area of focus for us in 2025.

Governance

Good corporate governance practices are the foundation to ensuring the long-term success of the Group, ensuring sustainable business practices, accountability, fairness and transparency. More detail on our governance practices can be found in our Governance and Committee Reports from pages 87 to 122. Whilst the Board's composition was unchanged during the year, we are pleased to welcome Lee Mellor, Managing Director of the CMS Business Unit, and Edel Conway, Chief People Officer to the Group as new members of our Executive Management Team and Risk Committee, and we look forward to working with Lee and Edel as we continue to position the Group for future success and growth.

The Genuit Business System in action

During the year, we held a kaizen event within the sustainability team to pilot and further develop our GBS Sustainability tool, bringing together our strategic initiatives of sustainability and GBS. The aim of the kaizen was to promote and establish a common vision and proactive participation across all of our Business Units, aligned with our sustainability strategy.

The pilot project was a great success and helped improve understanding of sustainability issues and how they relate to Genuit. It also resulted in greater visibility of sustainability targets and data quality across sites, whilst showcasing the effectiveness of cross-Group and external stakeholder collaboration.

The Sustainability tool forms part of our 'GBS Lean Tool Kit', making sustainability-related problem solving tangible and actionable at site level, as well as being underpinned by our Trademark Behaviours. The tool fosters cross-functional collaboration, enabling participants to share diverse perspectives for building sustainable solutions. It will help us to embed our sustainability objectives consistently and drive our purpose of creating sustainable living.

Dividend

We are pleased to be able to provide a reliable return to our shareholders, in accordance with our progressive dividend policy.

A 2024 final dividend payment of 8.4 pence per share is, therefore, recommended, subject to shareholder approval at the Annual General Meeting. In addition to the 2024 interim dividend payment of 4.1 pence per share, the total dividend for the year is 12.5 pence per share, or approximately £31.1m.

Future outlook

We will continue to foster a culture across our businesses that results in the right decisions and actions to promote the success of the Group, in the long term and for the benefit of our material stakeholders. We will continue to hold ourselves accountable against our sustainability targets and raise the bar for sustainability by promoting the creation of smarter and more sustainable policies and practices across our industry. Working together, we will make the built environment more sustainable for generations to come.

I would like to take this opportunity to thank all my Board colleagues, the Executive Management Team and our employees across the Group for their dedication, loyalty and hard work, which has underpinned our performance in 2024, and which will support us as we continue to make progress against our Sustainable Solutions for Growth strategy in 2025.

Kevin Boyd
Chair

11 March 2025

Chief Executive Officer's Review

Resilient performance despite challenging backdrop

Further margin improvement and strong cash generation

Joe Vorih
CEO

Click or scan to hear more from Joe Vorih on Genuit's performance in 2024

Revenue	£561.3m	Down 4.3%	Market headwinds
Underlying profit margin	16.4%	Up 40bps	Improved operational gearing
Underlying operating profit	£92.2m	Down 2.0%	Volume reduction offset by cost reduction
Underlying cash conversion	99.3%	Up 11.6pps	Focus on working capital
Net debt	£102.9m	Reduced 19.6%	Leverage reduced from 1.1x (December 2023) to 0.9x
Dividend per share	12.5p	Up 0.1p	Delivering shareholder returns

Chief Executive Officer's Review continued

I am pleased with the progress we are making as a Group, despite another challenging year for our sector. Continued focus on our Sustainable Solutions for Growth strategy during 2024 has delivered a resilient performance, and I would like to thank our Genuit Leadership Team and all of our c.3,200 colleagues for their continued hard work and dedication.

Our annual underlying profit margin improved from 16.0% to 16.4% despite a market-driven decline in revenues of 4.3%. This performance is testament to our ongoing Group-wide deployment of the Genuit Business System (GBS), generating lean productivity and efficiency savings, alongside measures taken to gain market share.

Following business simplification in 2023, the Group is more streamlined, agile and better placed to manage market challenges, whilst also well-placed to deliver profitable growth as volumes recover. The Genuit Business System will enable us to continue driving margin expansion, with strong operational gearing and at least 20% available capacity to increase production.

Underlying operating cash conversion was also strong at 99.3%, exceeding our 90% mid-term target, with net debt to underlying pro-forma EBITDA falling to 0.9 times, enabling us to continue investing in long-term growth.

In line with the Group's progressive dividend policy, we are pleased to be able to propose an increase in our full-year dividend to 12.5p.

Our Customers: Ongoing market softness

2024 experienced reduced volumes across most segments, and the timing of the eventual market recovery remains uncertain. Construction industry challenges continued through 2024, with ongoing labour shortages, a construction workforce some 250,000 below pre-Covid levels, and an ongoing high rate of contractor insolvencies (particularly impacting our commercially focused businesses). Housing starts in the UK decreased from 171,622 to 135,110, and housing transactions of 1,093,410 remained at historically low levels, and contributed to an RMI market 4.0% below prior year.

Despite this reduction in volume, there were signs of market stabilisation in the second half, and competitive consolidation has led to share-gain opportunities for the Group.

The Group is encouraged by the UK Government's commitment to significantly increase the levels of new housebuilding to address the structural shortage of homes, alongside improvements in the facilitation of infrastructure projects that contribute to economic growth and to the decarbonisation of the built environment. We believe that pressing ahead with this regulatory framework is essential to reconcile the government's climate commitments with its desire to address the structural housing shortage, as well as supporting construction as a growth engine for the economy.

We are confident in our innovative labour-saving products and value-add solutions, such as Polypipe Advantage, will help to enable the higher levels of construction activity, needed, despite labour shortages.

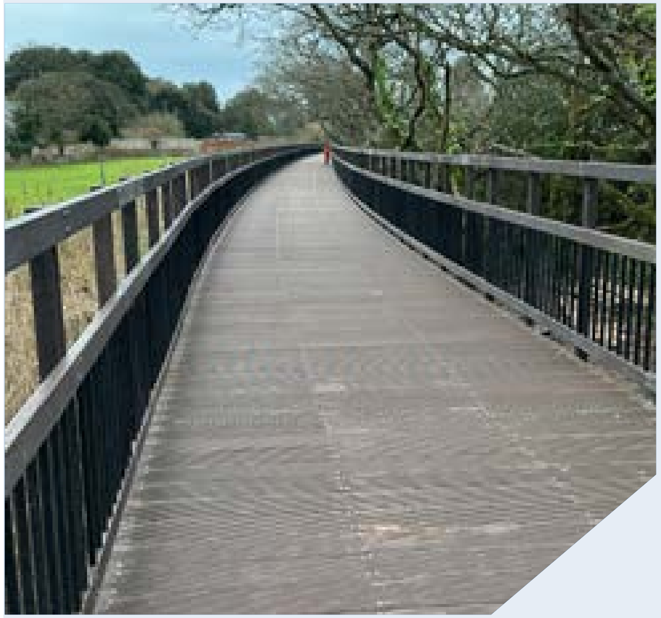
Well publicised floods in the UK, Europe and UAE caused by prolonged, more frequent and intense rainfall, require the upgrade of ageing infrastructure as well as a new more holistic approach to water management. Our green urbanisation strategy addresses both stormwater resilience along with improving urban landscapes and increasing biodiversity.

The built environment accounts for over 40% of the UK's greenhouse gas (GHG) emissions, and the carbon output of heating and cooling systems are the largest contributors. Legislative drivers including the Future Homes Standard continue to provide opportunities for growth for several of our product ranges such as MVHR, and underfloor heating. Evolving regulations are increasing the requirements for insulation, and with that the need for better ventilation and clean, healthy, indoor air. At the same time, in our existing buildings, there is a pressing need for better ventilation to solve damp and mould problems in social housing, schools, and hospitals.

Genuit is focused on sustainability-driven growth; helping the built environment respond to climate adaptation and mitigation challenges. The economic and social imperative to increase levels of construction and housebuilding in the UK continues to be strong and our portfolio of low carbon, labour-saving, and energy efficient solutions play an important role in supporting sustainable growth.

Learn more in our Business Unit reviews from page 16

> "While the short-term outlook is unsettled, there has never been a better time to be focused on creating sustainable living."



Our strategy: Sustainable Solutions for Growth

Our Sustainable Solutions for Growth strategy is built around four key pillars:

Growth

Focus on higher-growth, sustainability driven markets, via organic growth and disciplined M&A opportunities

Sustainability

Providing the lowest carbon choice for our customers to maximise exposure to structural growth drivers

Genuit Business System

Creating value through lean transformation and operational excellence

People and Culture

Enabling growth through the capability, expertise and development of our employees

Through continued focus on these commitments in 2024, we have secured new revenue opportunities, expanded our solution offering through acquisitions, reduced our overall carbon impact, made strong progress in deploying the Genuit Business System, and we have continued to invest in our people, including the continuation of our Genuit Leadership Programme. All of which has helped to strengthen our overall position going into 2025.

Learn more about our strategy framework on page 15

Growth

We remain focused on outperforming the broader construction market by providing products and solutions to built environment markets with sustainability-led growth drivers. These markets benefit from a range of structural tailwinds, including the need to adapt to and mitigate climate change, regulatory changes, ongoing labour shortages and shifting customer preferences.

Despite the continued softness in the UK construction sector in 2024 and the decline in volumes, we have secured new revenue opportunities across all three Business Units, including through the launch of new product lines bolstered by strategic acquisitions.

We also remain focused on products that address current commercial construction challenges. For example, we have secured several projects with Modern Methods of Construction (MMC) manufacturers of pods and volumetric modules, which are attractive low labour solutions at a time where skilled labour is scarce.

In August 2024, we welcomed new colleagues from two acquisitions, Sky Garden and Omnie & Timoleon, both of which align with our M&A strategy.

Sky Garden was acquired for a cash consideration of £2.6m and is a leader in green roof technologies, providing design, supply, installation and maintenance services for green and bio-solar roofs, podium decks and green walls. It complements Permavoid's geo-cellular roofing solutions business and creates synergies with Keytec's water management installation business.

Omnie & Timoleon was acquired for a cash consideration of £2.7m. It is a leader in underfloor heating (UFH) board technologies and provides full UFH system design and supply services. It extends the Group's UFH offering within CMS and is complementary to the existing Nu-Heat and Polypipe underfloor heating solutions. Underfloor heating is expected to grow significantly as its share of new-build homes increases under the transition to the Future Homes Standard.

We are actively pursuing additional strategic acquisitions that add to our organic growth potential and enhance shareholder returns.

Sustainability

Expectations for technological advancement in the built environment to solve the urgent challenges facing our infrastructure, buildings, communities and planet have never been greater.

Sustainability is at the heart of our business, and Genuit remains focused on sustainability-driven growth; enabling the built environment to respond to climate adaptation and mitigation challenges, whilst staying committed to reducing our overall impact on the environment, driving carbon from our business and the supply chain.

During 2024, we published our first Genuit Group Sustainability Report which enhanced our sustainability disclosures and showcased our progress in improving our performance across a wide range of sustainability topics.

We continue to lead the industry as the largest user of recycled polymers, with over 52.0% of our total tonnage in the year and we have held the Green Mark since 2019 with 70% green revenues.

In 2024, the Science Based Targets initiative (SBTi) verified our long-term carbon reduction targets, which amongst other commitments, will see us reduce our scopes 1, 2 & 3 GHG emissions by 90% by 2050 compared to 2021.

We have accelerated our adoption of Environmental Product Declarations (EPDs) with the support of our GBS processes and have bold targets for 2025 to increase our EPD coverage across our businesses, to enable our customers to make carbon-based choices.

> Genuit is in an excellent position to navigate the near-term market headwinds, and will be well-placed to benefit when the market normalises."

Our science-based targets

Our targets	Progress
Reduce absolute scopes 1 & 2 GHG emissions 30% by 2027	31.9% (24.0%)
Increase annual sourcing of renewable electricity from 94% in 2021 to 100% by 2027 through 2030	96.3% (90.7%)
83% of suppliers (by emissions) of purchased goods and services will have science-based targets by 2027	28.0% (32.0%)

We made strong progress on decarbonisation in terms of our reduction in total carbon emissions across scopes 1, 2 & scope 3: category 1 Purchased goods and services. Year-on-year we achieved a 10% reduction in scopes 1 & 2 carbon emissions. We also saw a significant reduction in our carbon intensity between 2023 and 2024, with a reduction of 54% since the base year of 2019. A major driving force behind these improvements has been our continued drive towards 100% renewable electricity and between 2023 and 2024 we increased purchases of renewable electricity by 5%, reaching 96% in 2024.

We also saw a 6% reduction in emissions from the raw materials we buy; scope 3: category 1. When combined with the reductions in scopes 1 & 2 emissions and our use of renewable electricity we are delivering on our ambition to be the lowest carbon supplier of choice.

Learn more about our climate targets on page 37

Genuit Business System

The Genuit Business System (GBS) is enabling the Group to streamline processes, share best practices and achieve benefits of scale whilst unlocking the full potential of our business for our people. GBS is at the core of our journey to achieving our medium-term >20% operating margin target through creating a culture of continuous operational improvement and excellence – this is at the heart of our value creation strategy.

The deployment of GBS has gained further momentum in 2024. We have continued embedding GBS principles through kaizen events, alongside educating and empowering our leaders to drive GBS, through four leader orientation sessions held during the year. We have seen productivity improvements, financial savings and space savings from this lean transformation work so far. A great example has been at Polypipe Building Services, where the team used the GBS tool 'SMED' (Single Minute Exchange of Dies) on one of its injection moulding machines and reduced changeover time by more than 80%, giving an additional 10,000 hours of machine availability by reducing changeover time from 4 hours to 46 minutes.

We completed over 20 kaizen events across all our businesses in 2024 and now c.15% of Genuit employees have participated in lean kaizen events or training, representing good progress but with significant benefits still to realise. The positive momentum and the energy from our teams is pleasing to see and we are confident this will continue to help, empower and inspire our people to make positive change.

People and Culture

Involving our people in the roll-out of GBS has complemented our overall approach to creating an environment where people have a voice and feel included.

In 2024, we ran our first Group-wide employee survey 'Your Voice', an important new channel for employee listening where we can all take direct action to learn from our people at all levels. We had a solid level of participation and will move to an annual survey cycle alongside more frequent pulse engagement surveys to enable us to continually listen, learn and act.

An 18-month culture programme culminated this year with the well-received launch and roll-out of our Trademark Behaviours. This has been a driver for increased collaboration across businesses, and enabled our people to recognise how they, and each other, contribute to our growth and deliver on our purpose to create sustainable living.

We have continued strong investment into building careers in 2024; over half of our Genuit Leadership Team (our top leaders across the Group) have now participated in the Genuit Leadership Programme and across our workforce, we have seen over 100 internal promotions in 2024, 30% of which were female.

I am proud of our achievement of Gold Member status of The 5% Club, one year ahead of plan and with c.18% of our colleagues in recognised Earn & Learn programmes across several levels and disciplines. Our Early Careers Programme continues to evolve with the launch of a Graduate Programme in Q3 2024, and further intake planned for 2025. We also started work with The 10,000 Interns Foundation to drive diversity through our Early Careers activity.

We are continually working to create an environment where all employees can be their authentic selves, and where they can respectfully ask questions and learn from one another. As a Strategic Partner of the Construction Inclusion Coalition (CIC), we are working to drive change and champion Diversity & Inclusion (D&I) not only in our business, but across the broader industry. Whilst we have more to do, we saw progress reflected through our overall scores for inclusivity in the Your Voice survey, and an increase in engagement in our dedicated D&I group 'Our Genuit' on Workplace.

Summary

This year we have made solid progress towards our medium-term targets while advancing our Sustainable Solutions for Growth strategy. We continued to create a more lean, agile and streamlined business, and demonstrated continual margins improvement.

With some signs of market stabilisation in the second half of 2024, the Group is well positioned for market recovery. With a focus on mitigating the National Insurance and National Minimum Wage increase through balanced price and cost management, the Group continues to navigate the near-term headwinds whilst making further strategic progress.

We are moving in the right direction, and the Group remains confident in the medium-term growth prospects for the business, given its exposure to structural growth drivers.

The Group delivered a resilient performance in 2024, continuing to improve underlying operating margin despite ongoing subdued market conditions.

The team at Genuit have remained dedicated and supportive of the strategic goals and together we all create sustainable living. The drive and the passion of all my colleagues has been evident in 2024 and I thank them for all their hard work.

Joe Vorih
Chief Executive Officer

11 March 2025

Business model

Our purpose
Together, we create sustainable living

Our resources

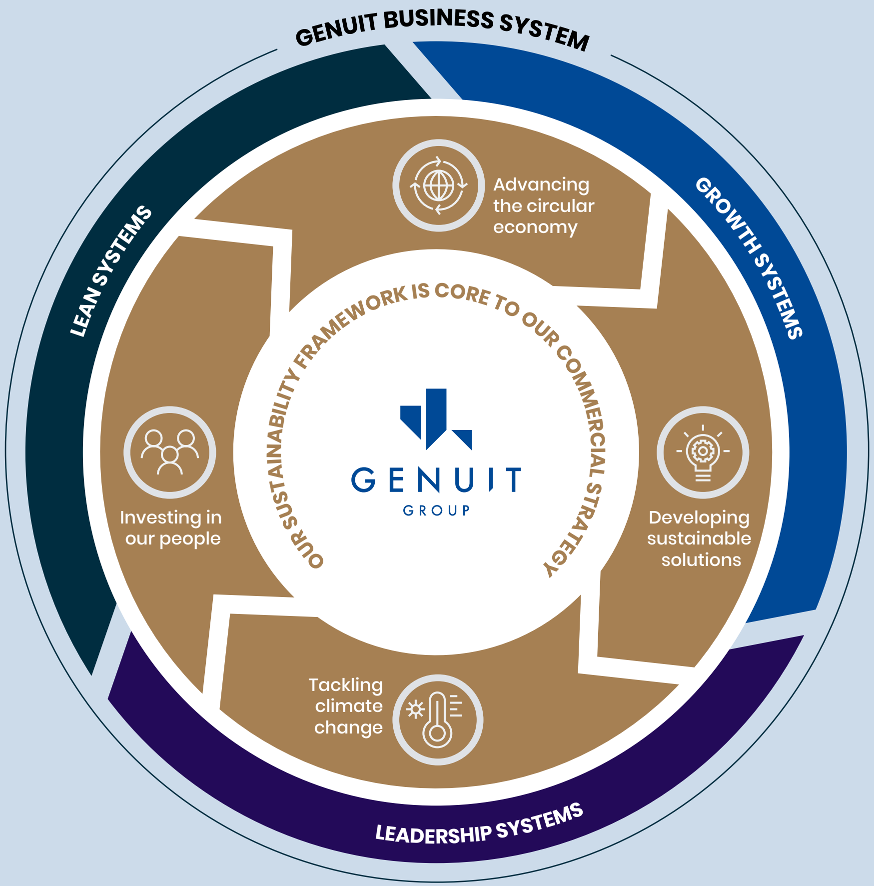
People
Experts who are knowledgeable about our customers' applications and are empowered to act.

Expertise
Innovation, continuous improvement and unique intellectual property defends our market positions.

Strong leadership
Clear direction and focused resource allocation enables our colleagues to deliver our strategic vision.

Capital investment
Disciplined capital allocation to fund sustainable profitable growth, which is consistent with our strategic objectives.

How we create value



Climate Management Solutions
Addressing the need for clean, healthy air and low-carbon heating and cooling

Water Management Solutions
Enabling climate adaptation and resilience through integrated surface and drainage solutions

Sustainable Building Solutions
Providing a range of solutions to reduce the carbon content of the built environment and assist construction labour efficiency

To help our customers
Genuit Group helps professionals create sustainable, engineered water and climate management solutions for the built environment.

Customers
- One-off installers
- Contract installers
- Civil engineers and contractors
- M&E consultants

Who then deliver to the end user
- Housebuilders
- Civils and Commercial sector developers
- Asset owners and self-builders
- Civil engineers and contractors
- M&E consultants

Creating stakeholder value

Customers
With quality and innovative products offering engineered solutions that enable a sustainable built environment.
Providing support, value, range, bespoke solutions and market-leading brands.

Shareholders
Share price appreciation and progressive dividend. Responsible and ethical investment.

Employees
Training and skills development, commitment to inclusion and diversity, direct engagement and empowerment, providing an opportunity to make a difference.

Suppliers
Long-standing relationships, fair negotiation, certainty on payment and reputation.

Local communities and the environment
Working to enhance the built environment whilst engaging with local communities and charities.

Strategy framework

Sustainable Solutions for Growth strategy

Our Sustainable Solutions for Growth strategy provides a clear pathway for the Group to create value and deliver against its purpose. Our strategy is built upon four themes which are heavily interdependent and ensure that everything we do is aligned around our common purpose of creating sustainable living.

Our purpose is that **'Together, we create sustainable living'**. This means we empower our customers to create a sustainable built environment, providing the solutions they need to future-proof places that support thriving communities and growing economies. If we succeed, together, we can transform the relationship between the built environment, society and the planet.

Growth

Our strategy is firmly based upon climate-related growth drivers. This involves focusing on application areas such as flood resilience, low-carbon heating, and cooling our homes sustainably, as well as working towards ensuring we are the lowest carbon supplier of choice for our customers. The two acquisitions completed in 2024 enable us to extend our solution offering in low-carbon heating, urban greening and flood resilience.

The built environment contributes c.40% of greenhouse gas (GHG) emissions. Government and businesses are committed to reducing this impact, creating regulatory and societal structural drivers for low carbon and climate-resilient solutions. This is anticipated to create tailwinds for the Group, supporting above-market growth for the medium term.

Learn more on page 11

Sustainability

Across the world, our built environment has never been more important. With increased urbanisation and growing populations, society faces the pressing task of ensuring our towns and cities can grow and become fit for the future, without exacerbating the impacts of climate change or placing too much strain on our nature and water systems. With this, Genuit has a crucial role to play.

Our use of renewable energy, our leadership in using recycled materials and our engagement in decarbonising our own supply chain all contribute to a sustainable value proposition for our customers, employees and other stakeholders. Not only are we focused on providing solutions to help mitigate and adapt to the effects of climate change, we remain committed to being the lowest carbon supplier of choice to our customers.

Learn more on page 30

Genuit Business System

The Genuit Business System (GBS) is how we operate. It enables us to work in a more efficient and productive way so that we can fulfil our purpose, execute our strategy and deliver value for customers and stakeholders. Put simply, it is a systematic approach to running the business, built on lean principles.

Embedding the lean transformation of the business and creating a culture of continuous operational improvement and excellence is at the heart of how we create value. GBS will enable the Group to standardise its processes, share best practices and achieve benefits of scale, and is at the core of our journey to achieving our medium-term >20% operating margin target.

Learn more on pages 16, 18 and 20

People and Culture

We believe that our purpose and strategy are best achieved through an engaged workforce sharing a common culture, committed to collaboration. We are focusing on attracting the best talent, unlocking the full potential of our people, driving the right behaviours and ultimately creating an engaged and retained workforce.

We are committed to enhancing the overall employee experience through investment, driving our diversity and inclusion strategy, and introducing new ways to listen to, and learn from, our people.

This investment will provide significant business benefit through the retention of key talent, access to critical skills and experience, lower colleague attrition rates, and drive collaboration and continuous improvement across our businesses.

Learn more on page 56

Business Unit review

Climate Management Solutions

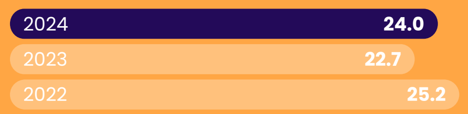
The Climate Management Solutions (CMS) Business Unit is focused on addressing the need for clean, healthy air and low-carbon heating and cooling. The built environment accounts for approximately 40% of the UK greenhouse gas (GHG) emissions, and the operational carbon of heating and cooling systems are the largest contributors. Evolving regulations are increasing the requirements for insulation and with that, the need for better ventilation and cleaner air. In addition, lower carbon and more efficient heating systems are needed. Our mission is to offer solutions which meet these needs across residential and commercial settings.

Revenue £m

£161.6m

Underlying operating profit £m

£24.0m



Key activities in 2024

A key highlight of 2024 was the acquisition of Omnie & Timoleon, reinforcing the Genuit Group as a market leader in underfloor heating (UFH). We see great opportunities in both residential new build and RMI markets as part of the transition to more efficient heating systems for homes which operate with a lower carbon footprint. With a portfolio of brands and offerings, we are looking to support our customers in the transition to underfloor heating, providing training to installers, design services and expert advice and the ability to provide a full solution.

We have seen rising demand for ventilation products in the residential sector, in particular driven by the need to improve social housing. Sales of Mechanical Ventilation Heat Recovery (MVHR) have also been strong and we anticipate increasing demand in new housebuilding over the coming periods. We have also seen a rise in sales of MVHR systems with incremental cooling, which help address the problem of over-heating in the summer.

Winning with the Genuit Business System (GBS)

We have continued to embed the GBS toolkit across CMS and have seen improvements to productivity and the efficiency of operations, improving the daily work of our people and offering increased value to our customers through better product availability and service. Adey has continued to improve operational efficiency in 2024 using GBS and has worked on embedding visual management, workplace organisation and a 'go and see' approach. Creating daily habits across the organisation enables teams to work together and make continuous improvements.

At our Nuaire ventilation business, with an expected increase in demand for our XBC commercial ventilation product, we held a kaizen on increasing production capacity whilst maintaining quality and customer lead times. By implementing standard work, workplace organisation and daily visual management, it has benefitted the team through easier and more efficient working processes. The result is a 30% improvement in efficiency output, a 75% reduction in sub-assembly defects, and a reduced lead time of 10 days for our highest-volume products.

A focus on sustainability

Whilst many of our solutions in CMS enable lower operational carbon of the places in which we live, work and play, we are also working on reducing the embedded carbon of our offerings.

At Nuaire we have reviewed our raw material supply chain and have made a switch to lower embedded carbon materials which in 2024, led to a saving of almost 2,000 tonnes of scope 3 embedded carbon.

At Adey, new sustainably-sourced brown boxes use 30% less cardboard than the previous design. They are also printed with earth inks and on Forest Stewardship Council (FSC) card, which is much better for the environment. The new boxes will reduce the amount of cardboard by 72 tonnes per year.

Shining a spotlight on our people

This year has seen us focus on rolling out the Trademark Behaviours across CMS to enable greater collaboration and innovation.

With the acquisition of Omnie & Timoleon, our team in Nu-Heat worked closely with Omnie to combine our UK offices and start finding better ways to work together for their customers, as part of the integration plan. At Nuaire, we sponsored Pride Caerffili and we also celebrated the achievements of our teams across the businesses, having been both finalists and winners of a number of awards. Highlights include Nuaire being selected as a finalist in the BESA Industry Awards for Equality, Diversity and Inclusion, and being highly commended at the HVR Awards for Domestic Ventilation Product of the Year for Hybrid Cooling. Nu-Heat also won Underfloor Heating Innovation of the Year at the Build It Awards; testament to the value of working together and finding a better way for our customers.

Outlook for 2025

- **Legislative drivers, including the Future Homes Standard, continue to provide opportunities for growth across the CMS solution offerings.**
- **Pent-up demand in the residential existing homes market offers the potential for a recovery in housing sales and subsequent RMI growth.**
- **The trend towards better ventilation to solve damp and mould problems in social housing and to deliver cleaner, healthier air in schools, hospitals and commercial buildings is set to continue.**
- **We are encouraged by the UK Government's focus on growth and, specifically, their aim to build 1.5 million homes and reform the planning framework.**
- **CMS is well placed for growth, with sufficient capacity to meet potential demand.**

Brands

nuaire

Domus Ventilation

OMNIE

Nu-Heat Feel the difference

surestop

ADEY

Click or scan to view our latest Nuaire GBS case study

"I'm excited to have joined Genuit Group and look forward to the opportunity to work with the CMS team on delivering solutions that help create sustainable living."

Lee Mellor, Managing Director, CMS Business Unit

Omnie

We have gained manufacturing capabilities in structural board underfloor heating, providing cost-saving efficiencies and more product offerings to residential and commercial customers.

Launch of MagnaClean AtomSC

Gaining 'Voice of Customer' feedback from the Dodd Group, Adey developed a compact magnetic filter so that installers could fit a small filter immediately under, or in a tight space alongside, the boiler.

Nuaire XBC

Heat recovery units are supply and extract systems delivering filtered fresh air into a building whilst extracting stale, stagnant air from the interior. Each unit has a heat recovery element, transferring the heat that would otherwise be lost into the incoming air flow. The XBC units feature an innovative arrangement, allowing the position of extract/intake ducts to be flipped to either the left or right side during installation stage. This means that unit air-path handling is flexible, giving more options at the design stage and making installation simpler.

Business Unit review

Water Management Solutions

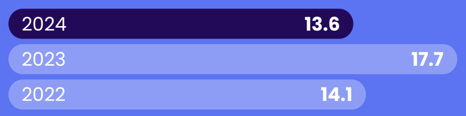
The Water Management Solutions (WMS) Business Unit is focused on upgrading the stormwater and wastewater infrastructure to adapt to the increasingly challenging impacts of climate change. As the climate warms, the air is capable of holding more water and this creates more frequent bouts of extreme rainfall. Often, ageing infrastructure is not designed for this volume of water. In parallel with this problem, the so-called concretisation of our urban areas is accelerating surface water runoff rates. Our green urbanisation strategy addresses stormwater resilience, along with urban greening and biodiversity net gain.

Revenue £m

£160.9m

Underlying operating profit £m

£13.6m



Key activities in 2024

A highlight of 2024 for the WMS green urbanisation strategy was the acquisition of Sky Garden, a leader in green roof technologies providing design, supply, installation and maintenance services for green roofs, podium decks and green walls. This acquisition bolsters our offering in blue-green roofs and creates the potential for vertically integrated solutions with our Permavoid business, which designs water capture, retention and irrigation solutions.

In the UAE, we saw strong demand for both Polystorm and Permavoid stormwater tanks, assisting in flood mitigation across the region.

In the UK, we continued to support clients and contractors to deliver enhanced urban-greening, as well as stormwater resilience. Our Polypipe and Permavoid solutions helped deliver stormwater management and urban-greening across a series of paths, cycleways and an elevated two-acre park located above Stockport Interchange's new bus station.

Whilst market conditions have remained subdued in 2024, eventual market recovery and growth is anticipated as a result of numerous factors. There is an increasing need for stormwater attenuation and urban-greening solutions and the planned recovery of the UK housebuilding and construction sectors, which is a stated goal of the UK Government. Forthcoming spending under the Asset Management Programme 8 (AMP8) regulatory cycle will also focus investment on stormwater capacity, and the need to avoid sewerage discharge into the UK water environment.

Winning with the Genuit Business System (GBS)

In 2024, we have continued to make investments to position WMS for future growth. As well as capital investment, we have created operational efficiency improvements through the deployment of the GBS.

As an example, at our Horncastle site, we have re-organised heavy goods vehicle (HGV) parking to drive efficiency and health and safety through centralised loading. The one-way system and segregation of HGVs and fork-lift trucks from pedestrians has led to an increase in loading capacity, resulting in improvements in serving our customers.

During the year, we exited two manufacturing sites consolidating operations into strategic sites, with no loss of capacity. These underpin previously reported annualised savings, providing further operational efficiencies.

A focus on sustainability

Within Polypipe Civils & Green Urbanisation, we have completed 11 projects to further increase the proportion of recyclate polymers being used, beyond the 76.5% achieved in 2023. We are also working to support our customers' environmental obligations and have c.65% coverage by revenue of products with Environmental Product Declarations (EPDs).

We have gained PAS2080 carbon management certification, supporting the infrastructure sector in its carbon reduction programme, and have recently completed a pilot to move 45 fork-lift trucks from diesel to electric.

Shining a spotlight on our people

During 2024, WMS colleagues invested time in supporting their local communities, demonstrating how our Trademark Behaviours extend beyond the business and across our stakeholders. We worked together with local schools on fundraising litter picks which funded educational school trips, during Great British Spring Clean week we volunteered our time to collecting litter in local areas, towns, woodland and beaches, and we continued to mark the annual Maddie Rose Day with multiple fundraising activities. We also organised the first WMS Business Unit conference, bringing the businesses together to collaborate, share best practice and identify synergy opportunities.

Outlook for 2025

- The continued impact of climate change on both stormwater resilience and urban-greening is likely to increase interest in solutions to build resilience in urban areas in the UK and internationally.
- The water utility sector is preparing for the AMP8 spending cycle and we are engaged at a strategic level to help deliver solutions for stormwater management that offer the potential for significant growth in 2026 and beyond.
- WMS has a strong pipeline of GBS projects to improve the efficiency and productivity of its businesses.
- The Irish construction and housebuilding market remains one of the most buoyant in Europe. Through our operations in Ulster, WMS has strong ambitions to grow market share across a range of products.
- WMS is well placed for recovery in civil infrastructure and development projects, as well as growth in green urbanisation, with sufficient capacity to meet potential demand.

Brands

Polypipe

permavoid

Polydeck

KEYTEC

SkyGarden

Click or scan to view our latest Polypipe Civils & Green Urbanisation GBS case study

Sky Garden Bio-solar system

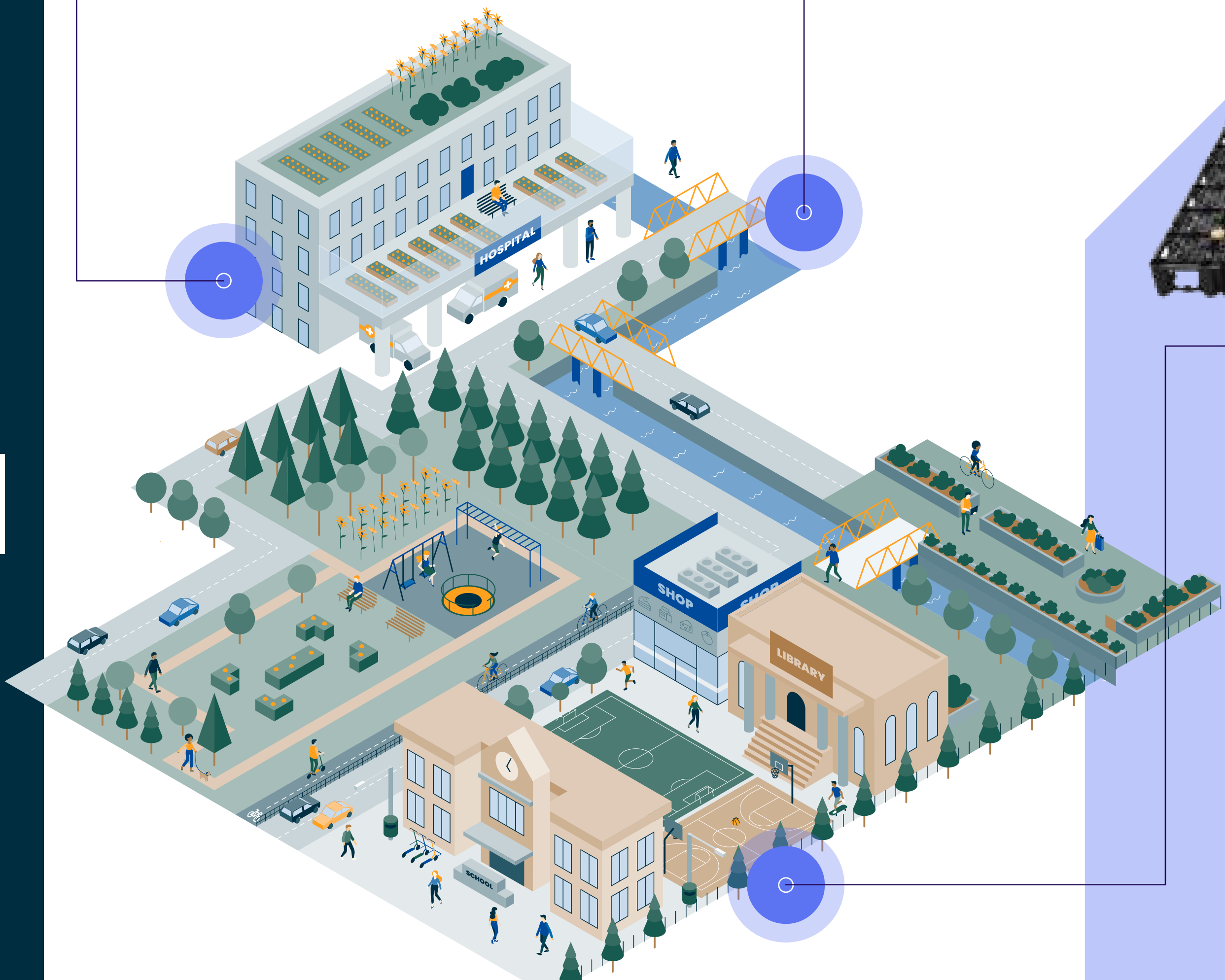
Bio-solar systems combine green roof and solar photovoltaics (PV) panels. Customers who install these systems benefit not only from enhanced biodiversity and water management, but also the greenery of the roof, which cools the ambient air, boosting the efficiency of the solar panels.

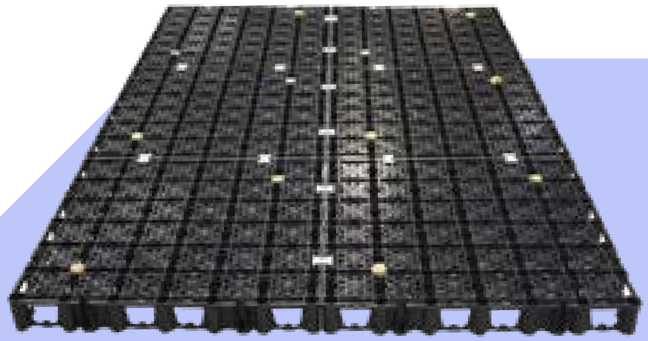
Launch of Keytec Installation Services

During 2024, we merged the Keytec and Alderburgh businesses and re-launched them as Keytec Installation Services. The team install stormwater attenuation tanks across the UK, and have now added blue-green roofs and Polydeck bridges and walkways to their capabilities.

"This acquisition marks an exciting new chapter for Sky Garden, bringing enhanced capabilities and synergy opportunities to expand our products and services to the urban greening sector."

Philip Weatherley-Hastings, Managing Director, Sky Garden





Permavoid

Sports pitches occupy a significant surface area in cities across the world and not only provide social amenities, but also help cool our cities. This year we added Heracles Almelo Asito to the list of sports pitches featuring Permavoid. This Dutch football club transitioned to natural turf. The Permavoid layer under the entire playing field ensures optimal drainage serving as a water buffer with the capacity to store more than 600,000 litres of water, increasing its stormwater resilience. Through the use of capillary cones, the system provides grass with the water it needs in a natural way.

Business Unit review

Sustainable Building Solutions

The Sustainable Building Solutions (SBS) Business Unit provides its customers with a range of market-leading products in plumbing and water supply, drainage and other building accessories. These solutions are designed with efficient installation in mind, serving leading builders' merchants, residential housebuilders and commercial contractors. This Business Unit continues to play a key part in our proposition to be the lowest carbon supplier of choice and has made further progress in reducing carbon in its products through both the use of recyclate and reducing mass.

Revenue £m

£231.7m

2024	231.7
2023	242.8
2022	282.5

Underlying operating profit £m

£54.4m

2024	54.4
2023	53.1
2022	59.3

Key activities in 2024

In 2024, there continued to be subdued market conditions related to new build residential developments. Despite a slowdown in volumes, the Business Unit was successful at winning new customers, increasing share of wallet with existing customers, driving operational efficiencies through deployment of the Genuit Business System and managing costs, resulting in a year-on-year improvement in margin.

Another continuing trend is the significant skills shortages faced by the construction industry. This has led to an increase in demand for solutions like Polypipe Advantage, where prefabricated drainage stacks are designed and manufactured bespoke to the project, enabling faster and more efficient installation. Off-site fabrication is seen as a growth opportunity in the coming years.

Winning with the Genuit Business System (GBS)

This year, SBS has made good progress in deploying GBS to deliver operational efficiencies and unlock growth potential.

The roll-out of GBS has continued in our operations, where we held multiple kaizen workshops to drive productivity and efficiency initiatives. As an example, at our Aylesford site, we held a kaizen to review our injection moulding machines, where a team of 15 people across the business worked together to reduce our tool changeover time from 4 hours to 46 minutes, leading to a significant capacity increase. We also held a kaizen on our prefabricated drainage stacks manufacturing process, enabling us to increase our capacity with an improved workflow.

In addition, the roll-out of Genvue, our Salesforce Customer Relationship Management (CRM) system, has led to an improvement in sales efficiencies using data analytics to accelerate decision making. The implementation of Sales Funnel Management and Voice of Customer, from the GBS toolkit, enabled the team to identify and win in new markets and with new customers.

A focus on sustainability

We continue to drive down the carbon impact of both our products and operations, in our efforts of being the lowest carbon supplier of choice. During the year, we invested in injection moulding machines that are 25% more efficient, manufactured our Terrain PVC range with up to 65% recycled content, and replaced the packaging on our PolyPlumb Enhanced range to one that has 50% recycled content.

This year we conducted a trial between Polypipe Building Products and national merchant, Wolseley UK, to collect, sort and recycle plastic waste, potentially preventing that plastic from going to landfill. This project gained recognition at the Builders' Merchant News awards by winning Sustainable/Environmental Initiative of the Year.

Shining a spotlight on our people

This year, we placed focus on our Trademark Behaviours across SBS, to enable greater collaboration and innovation. We worked together across sites to share learnings on operational efficiencies for recycled PVC, accelerating our progress in increasing the use of recycled content across our products. Employees also took on the National Three Peaks Challenge, raising money for Yorkshire Air Ambulance.

We are finding better ways to solve customer problems by increased customer visits and roundtables, and we continue to play our role in upskilling the industry by conducting training at local schools and colleges, as well as investing in our own apprenticeships and graduate schemes.

Outlook for 2025

- Labour shortages continue to be a significant challenge for the construction industry, and we anticipate continued demand for our solutions to help mitigate this issue.
- We are encouraged by the UK Government's focus on growth and, specifically, their aim to build 1.5 million homes and reform the planning framework.
- We are engaging with housebuilders in preparation for the implementation of the Future Homes Standard. Polypipe underfloor heating solutions are a key enabler for this and also a component of a broader solution offering from the Genuit Group as a whole.
- SBS is well-placed for recovery in new housebuilding, RMI and commercial markets, with sufficient capacity to meet potential demand.

Brands

Polypipe

TERRAIN

MECFLOW

Manthorpe

EFFAST

Added Value Solutions

We have continued to gain momentum by working with modern methods of construction providers, looking at where we can add value through our service and solution offerings.

Expanded MecFlow range

We have expanded our solutions in commercial water supply providing riser to tap solutions developed to meet the tough standards demanded by commercial construction projects.

"The roll-out of Genvue and the GBS strategic framework has given the team clarity, rigour and accountability, enabling us to win new customers in new markets."

Tony Brayford,
Commercial Director, SBS

Bat Ridge Roost

Launched in 2024, the Bat Ridge Roost provides a habitable roost space for bat species found in the UK. The roosting product is pre-assembled for ease of installation, offering a secure, self-contained and thermally stable environment for bats where so many of these important spaces have been lost. This is just one of the ways we are showing our commitment to biodiversity, wildlife conservation and sustainability.

Key Performance Indicators

We continually review the Group's performance indicators that are critical to the measurement and delivery of our strategic objectives and sustainable shareholder returns.

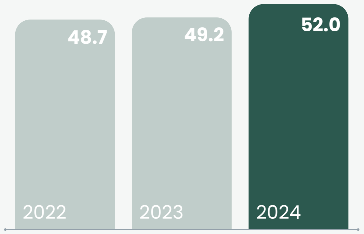
We have defined our Key Performance Indicators (KPIs) to measure alignment between our operating activity and strategic goals.

- Growth
- Sustainability
- Genuit Business System
- People and Culture

Non-Financial KPIs

Use of recycled polymers
%

52.0%



The proportion of the Group's overall polymer consumption fulfilled by recycled materials.

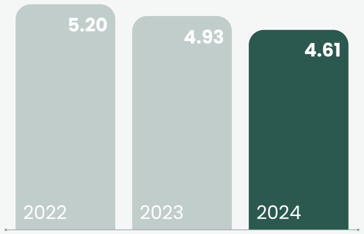
Importance to Genuit
The Group has a commitment to achieving the highest standards of environmental performance, preventing pollution and minimising the impact of its operations including reducing waste to landfill.

Commentary
Our use of recycled polymers increased to 52.0% of our total tonnage consumption.

Link to strategic objectives

Accident frequency
per 100,000 hours worked

4.61



The number of reported accidents as a proportion of the number of production hours across the whole Group.

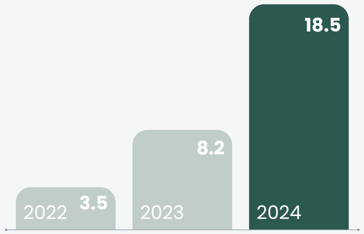
Importance to Genuit
Beyond mere compliance, this is an indicator of the health and safety performance at our various sites and the degree to which the workers are protected from work-related hazards at their workplace. Our aspiration is to achieve zero accidents every year.

Commentary
Incident rates have been decreasing year-on-year through increased engagement, more timely reporting of incidents and accidents, improving visibility of high-potential serious incidents and high-potential near misses occurring across the Group.

Link to strategic objectives

Developing our workforce
%

18.5%



The proportion of our UK colleagues actively participating in The 5% Club recognised Earn & Learn programmes such as apprenticeships, graduate trainee and student sponsorships.

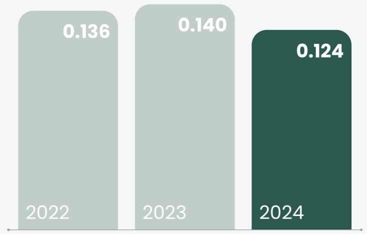
Importance to Genuit
Developing and investing in our colleagues drives revenue growth, operational efficiency and profitability, whilst facilitating employee retention and enhancing workforce morale.

Commentary
We achieved Gold Member status during 2024 with 18.5% of our colleagues in qualifying Earn & Learn schemes.

Link to strategic objectives

Carbon intensity
Intensity ratio

$0.124tCO_2e/t$



The intensity ratio is defined as the total tonnes of scopes 1 & 2 CO_2e produced per total tonnes of production.

Importance to Genuit
The year-on-year improvement in this measure demonstrates our commitment to operating in an environmentally sustainable manner, as the Group continues to grow.

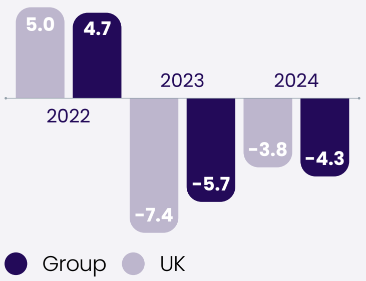
Commentary
Our scopes 1 & 2 carbon intensity has decreased by 11.4% as we continue to be on track towards our goal of a 66% reduction since the 2019 baseline data was established through reductions in transport emissions and increasing our renewable energy purchases. To date we have achieved a cumulative intensity reduction of 54.4%.

Link to strategic objectives

Financial KPIs

Revenue growth
%

-4.3%



The annual percentage growth in both Group and UK (by destination) revenue.

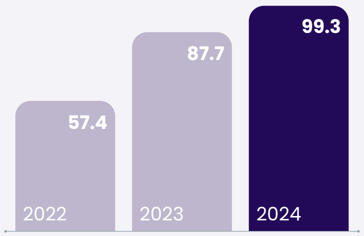
Importance to Genuit
Our strategy is to ensure that investment in our people and operations drives revenue growth which outperforms the construction market, thus enhancing our market leadership position.

Commentary
Group revenue decreased 4.3% against 2023 due to overall volume reduction. UK revenue decreased by 3.8%. The market showed some signs of stabilisation in the second half of 2024.

Link to strategic objectives

Underlying operating cash conversion
%

99.3%



Underlying operating cash flow (after payments for capital expenditure excluding non-underlying proceeds of sale and lease liabilities) divided by underlying operating profit

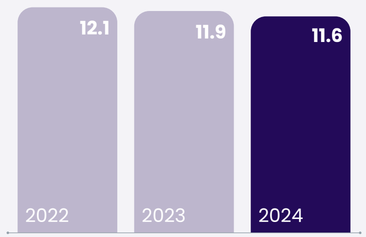
Importance to Genuit
Cash conversion demonstrates our focus on efficiency, as well as enabling us to fund future organic and inorganic growth.

Commentary
Our cash conversion improved by 11.6 percentage points achieved through focus on working capital improvements.

Link to strategic objectives

Return on capital employed
%

11.6%



Return on capital employed is the ratio of underlying operating profit, adjusted for the full year benefit from acquisitions during the year, where relevant, to net assets excluding loans and borrowings, cash and cash equivalents and taxation.

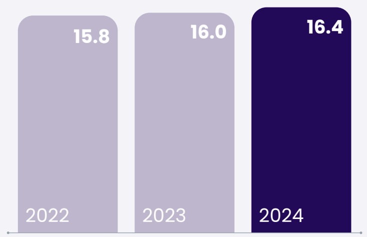
Importance to Genuit
A key indicator of the efficient deployment of capital focusing on the right initiatives and of the Group's overall business performance.

Commentary
Return on capital employed was slightly behind 2023 due to assets being consolidated that were held-for-sale in the prior year.

Link to strategic objectives

Underlying operating margin
%

16.4%



Underlying operating profit as a percentage of revenue.

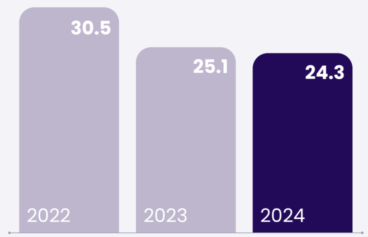
Importance to Genuit
Indicates that we are investing in the right initiatives and operating efficiently, by driving out non-value added costs and delivering productivity gains.

Commentary
Underlying operating margin percent was 16.4% driven by productivity gains through the Genuit Business System and purchasing savings delivered in the year.

Link to strategic objectives

Underlying diluted EPS
pence per share

24.3p



Underlying diluted earnings per share.

Importance to Genuit
Provides the Company's investors, in particular, with a consistent indication of the Group's underlying financial performance.

Commentary
Underlying diluted earnings per share decreased by 3.2% due to a lower reported operating profit and a higher effective tax rate.

Link to strategic objectives

Chief Financial Officer's Report

Tim Pullen
Chief Financial Officer

A resilient performance in 2024

The Group delivered a resilient performance in 2024, continuing to improve underlying operating margin despite ongoing subdued market conditions.

Revenue and Profitability

Group revenue for the year ended 31 December 2024 was £561.3m (2023: £586.5m), which was lower by 4.3% year-on-year, primarily due to an overall volume reduction of 4.1% year-on-year. On a like-for-like basis, excluding the impact of acquisitions, revenue was 5.3% lower than prior year. Market volumes remained subdued due to ongoing weakness in new build, RMI and commercial markets and lower business and consumer confidence surrounding the UK Government Budget in October. UK revenue declined 3.8% and international revenue decreased by 8.0%, representing 11.0% of revenue in the year (2023: 11.5%). Second-half revenue increased 2.5% year-on-year following a 10.6% decline in the first half, reflecting a stabilisation of market conditions.

Underlying operating profit was £92.2m (2023: £94.1m), a decrease of 2.0%, primarily due to the reduction in volumes. However, the Group increased underlying operating margin by 40 basis points to 16.4% (2023: 16.0%), demonstrating progress towards medium-term margin targets despite the prevailing market softness. The primary contributors to the increase in margin were procurement savings generated by improved centralised buying, and productivity improvements generated by Genuit Business System improvement projects.

Profit before tax was £46.3m (2023: £48.4m), a decrease of 4.3%. The Group continued to invest in product development and innovation throughout the year. In 2024, operating profit benefited from £1.5m of HMRC approved Research and Development expenditure credit (2023: £1.5m).

Underlying profit after tax was lower than the prior year at £61.1m (2023: £62.6m). Underlying basic earnings per share was 24.6 pence (2023: 25.2 pence).

Including non-underlying items, profit after tax was £33.5m (2023: £38.5m), and basic earnings per share was 13.5 pence (2023: 15.5 pence).

Revenue and operating margin	2024 £m	2023 £m	Change %
Revenue	**561.3**	586.5	**(4.3)**
Underlying operating profit	**92.2**	94.1	**(2.0)**
Underlying operating margin	**16.4%**	16.0%	**40bps**

Revenue by geographic destination	2024 £m	2023 £m	Change %
UK	**499.3**	519.1	**(3.8)**
Rest of Europe	**32.9**	33.4	**(1.5)**
Rest of World	**29.1**	34.0	**(14.4)**
Group	**561.3**	586.5	**(4.3)**

Business Review

Revenue	2024 £m	2023 £m	Change %	LFL Change %
Climate Management Solutions	**161.6**	165.9	**(2.6)**	(4.1)
Water Management Solutions	**160.9**	170.4	**(5.6)**	(7.5)
Sustainable Building Solutions	**231.7**	242.8	**(4.6)**	(4.6)
	554.2	579.1	**(4.3)**	(5.3)
Other*	**7.1**	7.4	**(4.1)**	(4.1)
Total Group	**561.3**	586.5	**(4.3)**	(5.3)

* Relates to sites which are not reported as part of the Group's Strategic Business Units.

Underlying operating profit	2024 £m	ROS %*	2023 £m	ROS %*	Change bps
Climate Management Solutions	**24.0**	**14.9**	22.7	13.7	**120**
Water Management Solutions	**13.6**	**8.5**	17.7	10.4	**(190)**
Sustainable Building Solutions	**54.4**	**23.5**	53.1	21.9	**160**
	92.0	**16.6**	93.5	16.1	**50**
Other**	**0.2**	**2.8**	0.6	8.1	**(530)**
Total Group	**92.2**	**16.4**	94.1	16.0	**40**

* Return on sales (ROS) is equivalent to underlying operating margin (underlying operating profit/revenue).
** Relates to sites which are not reported as part of the Group's Strategic Business Units.

Climate Management Solutions

The Climate Management Solutions (CMS) Business Unit is focused on addressing the need for clean healthy air and low carbon heating and cooling.

Revenue of £161.6m (2023: £165.9m) in CMS decreased by 2.6% versus 2023 (4.1% on a like-for-like basis). The year finished strongly for Adey and Nuaire residential sectors, however, not offsetting the headwinds within the residential boiler market and commercial ventilation sector. The Business Unit remained flat, (0.8%) like-for-like, in the second half of the year reflecting the stabilisation of market conditions.

CMS reported an underlying operating margin of 14.9% in 2024, 120 basis points higher than 2023, resulting from productivity improvements through the deployment of the Genuit Business System. Integration of the Omnie & Timoleon underfloor heating business (acquired August 2024) is proceeding well with a focus on go-to-market strategy and operational synergies The Business Unit remains well placed to capitalise on regulatory and structural drivers related to renewable heating, energy efficiency and cleaner, healthier air.

Water Management Solutions

The Water Management Solutions (WMS) Business Unit is enabling the upgrade of the stormwater and wastewater infrastructure to adapt to the increasingly challenging impacts of climate change.

Revenue of £160.9m (2023: £170.4m) in WMS decreased by 5.6% versus 2023 (7.5% on a like-for-like basis). Revenue was adversely affected by project delays, including the impact of prolonged wet weather and low business confidence.

WMS reported an underlying operating margin of 8.5% during the year, representing a 190-basis points decline versus prior year, impacted by lower volumes. Management are accelerating a strong pipeline of GBS projects to improve efficiency and profitability in 2025. Integration of the acquired Sky Garden business is proceeding well, with focus a on growth and improving profitability through vertical solution selling and increasing scale.

The WMS medium-term growth strategy is underpinned by focused commercial activity and product solutions, and the Business Unit expects to benefit from changes in water management, biodiversity legislation, more effective rainwater collection and reuse, and attenuation of flooding and storm runoff which is now more prevalent than ever.

Sustainable Building Solutions

The Sustainable Building Solutions (SBS) Business Unit provides its customers with a range of market-leading products in plumbing and water supply, drainage and other building accessories which reduce labour requirements to help address shortages and reduce the carbon footprint of the built environment.

Trading in SBS was resilient in 2024 with revenue of £231.7m (2023: £242.8m), 4.6% lower than prior year in line with subdued market volumes.

Despite volume challenges, underlying operating profit margin improved by 160 basis points, driven primarily by effective cost management, including purchasing savings from aggregated buying and the impact of GBS projects on productivity and efficiency.

The Business Unit is well placed to capitalise on structural trends in the industry over the medium term, including the transitions to labour-efficient solutions, use of off-site pre-fabrication and modular building, reductions in carbon intensity and adherence to legislation such as the Future Homes Standard.

Acquisitions

Sky Garden

On 5 August 2024, the Group acquired 100% of the voting rights and shares in Sky Garden Limited for cash consideration of £2.6m, which included an amount for net cash and working capital commitments on completion. Sky Garden is a leader in green-roof technologies providing design, supply, installation and maintenance services for green and bio-solar roofs, podium decks and green walls.

No material intangible assets were identified. The goodwill arising on the acquisition primarily represented the assembled workforce, technical expertise, synergies with companies offering both supply and install services and market share in markets Genuit currently does not operate in from the acquisition. The goodwill is allocated entirely to the Infrastructure & Landscape CGU.

Sky Garden contributed £3.3m of revenue and £0.1m loss of EBITDA to the reported results of the Group over five months of trading.

Omnie & Timoleon

On 6 August 2024, the Group acquired the trade and assets of Ridgespear Group, including the Omnie & Timoleon brands and its Polish subsidiary Timoleon Sp.z o.o for cash consideration of £2.7m. Omnie & Timoleon are leaders in underfloor heating (UFH) board technologies and providers of full UFH system design and supply services. Integration of the acquired operations into the Group's Nu-Heat UFH business is underway.

No material intangible assets were identified. The goodwill arising on the acquisition primarily represented the assembled workforce, technical expertise and synergies with Group companies offering underfloor heating solutions. The goodwill has been allocated to the Nu-Heat CGU.

Omnie & Timoleon contributed £2.5m of revenue and £0.6m loss of EBITDA to the reported results of the Group over five months of trading.

Non-underlying items

Non-underlying items marginally increased to £33.0m (2023: £32.1m) before tax. These included non-cash amortisation of £14.4m (2023: £14.8m) and non-cash impairment charges of £12.4m (2023: £2.5m) reported in H1 financials, in respect of the Adey business which has encountered prolonged delays to recovery in market conditions. In addition, the Group incurred one off costs of £4.3m in respect of a dispute with a third party back-office software supplier that was recognised in H1 and fully settled in the second half of the year.

Non-underlying items	2024 £m	2023 £m
Amortisation of intangible assets	**14.4**	14.8
Impairment of goodwill	**12.4**	–
Impairment of intangible assets	**–**	2.5
Restructuring costs	**1.8**	15.3
Employment matters	**(1.1)**	2.0
Contingent consideration on acquisitions	**–**	1.8
Workday/CRM configuration (SaaS)	**1.1**	1.2
Acquisition costs	**1.1**	0.4
Software supplier dispute	**4.3**	–
Profit on disposal of property, plant and equipment	**(1.1)**	(4.7)
Product liability claim	**0.1**	(1.2)
Non-underlying items before taxation	**33.0**	32.1
Tax effect on non-underlying items	**(5.4)**	(8.0)
Non-underlying items after taxation	**27.6**	24.1

Exchange Rates

The Group trades predominantly in Sterling but has some revenue and costs in other currencies, mainly the US Dollar and the Euro, and takes appropriate forward cover on these cash flows using forward currency derivative contracts in accordance with its hedging policy.

Finance Costs

Underlying finance costs decreased to £12.9m (2023: £13.6m) primarily due to a lower level of borrowings. Group net debt excluding lease liabilities reduced from £128.0m as at 31 December 2023 to £102.9m as at 31 December 2024, with a corresponding reduction in debt to EBITDA leverage from 1.1x to 0.9x. Interest cover was 8.3x for the year (2023: 8.2x).

Interest was payable on the RCF at SONIA plus an interest rate margin ranging from 0.90% to 2.75%. The interest rate margin at 31 December 2024 was 1.63% (2023: 1.65%). During the year an interest rate hedging strategy was implemented to provide greater certainty over interest costs and reduce the risk of potential volatility.

Pensions

The Group does not have any defined benefit pension schemes and only has defined contribution pension arrangements in place. Pension costs for the year amounted to £6.3m (2023: £5.4m) reflecting the introduction of a salary sacrifice scheme and increased up take enhancing our employee value proposition.

Taxation

Underlying taxation

The underlying tax charge in 2024 was £18.2m (2023: £17.9m) representing an effective tax rate of 23.0% (2023: 22.2%). This was below the composite UK standard tax rate of 25.0% (2023: 23.5%).

Taxation on non-underlying items

The non-underlying taxation credit of £5.4m (2023: £8.0m) represents an effective rate of 16.4% (2023: 24.8%).

Earnings Per Share

The Directors consider that the underlying basic earnings per share (EPS) measure provides a better and more consistent indication of the Group's underlying financial performance and more meaningful comparison with prior and future periods to assess trends in our financial performance.

Underlying basic EPS decreased by 2.4% in 2024.

Earnings per share	**2024 £m**	2023 £m
Pence per share:		
Basic	**13.5**	15.5
Underlying basic	**24.6**	25.2
Diluted	**13.3**	15.4
Underlying diluted	**24.3**	25.1

Dividend

The final dividend of 8.4 pence (2023: 8.3 pence) per share is being recommended for payment on 4 June 2025 to shareholders on the register at the close of business on 2 May 2025, in line with the Group's progressive dividend policy. The ex-dividend date will be 1 May 2025. The full year dividend of 12.5p is marginally higher than the prior year 12.4p per share, reflecting the strength of the balance sheet and the Board's confidence in the Group's medium-term strategy.

The Group aims to pay a progressive dividend, based on dividend cover of 2.0x or greater over the business cycle. The Directors intend that the Group will pay the total annual dividend in two tranches, an interim dividend and a final dividend, announced at the time of publication of the interim and preliminary results.

Balance Sheet

The Group's balance sheet is summarised below.

	2024 £m	2023 £m
Property, plant and equipment	**183.7**	176.4
Right-of-use assets	**27.0**	22.9
Goodwill	**451.5**	454.1
Other intangible assets	**128.7**	142.7
Net working capital	**27.3**	28.3
Taxation	**(45.8)**	(44.7)
Other current and non-current assets and liabilities	**(0.2)**	6.2
Net debt (loans and borrowings, and lease liabilities, net of cash and cash equivalents)	**(129.2)**	(149.3)
Net assets	**643.0**	636.6

The net value of property, plant and equipment has increased by £7.3m following the continued focus on investing in targeted capital expenditure offset by the sale of two additional sites.

Cash flow and net debt

The Group's cash flow statement is summarised below.

	2024 £m	2023 £m
Operating cash flows before movement in net working capital	**106.5**	105.6
Add back non-underlying cash items	**12.7**	14.2
Underlying operating cash flows before movement in net working capital	**119.2**	119.8
Movement in net working capital	**9.0**	4.1
Net capital expenditure excluding non-underlying proceeds of sale	**(26.0)**	(33.8)
Settlement of lease liabilities	**(10.6)**	(7.6)
Underlying cash generated from operations after net capital expenditure excluding non-underlying proceeds of sale	**91.6**	82.5
Income tax paid	**(10.4)**	(12.1)
Interest paid	**(11.4)**	(13.4)
Non-underlying proceeds of sale	**4.9**	6.9
Other non-underlying cash items	**(12.7)**	(14.2)
Settlement of deferred and contingent consideration	**(1.6)**	(1.6)
Acquisition of businesses	**(5.2)**	–
Dividends paid	**(30.8)**	(30.5)
Proceeds from exercise of share options net of purchase of own shares	**0.8**	0.3
Other	**(0.9)**	(0.7)
Movement in net debt – excluding IFRS 16	**24.3**	17.2
Movement in IFRS 16	**(3.3)**	(0.3)
Movement in net debt – including IFRS 16	**21.0**	16.9

Delivery of strong cash generation remains core to the Group's strategy. The Group's post-capex underlying operating cash conversion was 99.3% (2023: 87.7%) calculated as underlying operating cash flow (after payments for capital expenditure excluding non-underlying proceeds of sale and lease liabilities) divided by underlying operating profit. The Group's pre-capex underlying operating cash conversion was 107.6% (2023: 103.4%) calculated as underlying operating cash flow (before payments for capital expenditure excluding non-underlying proceeds of sale and lease liabilities) divided by underlying EBITDA.

A positive working capital movement in the year was achieved through lower levels of inventory and improved creditor position, both achieved through purchasing projects of aggregating spend with buying strategically and improvements generated by GBS. In 2025 the Group will focus on continuing to achieve over 90% operating cash flow conversion.

Net capital expenditure investment (excluding non-underlying proceeds from sale) decreased to £26.0m (2023: £33.8m). The Group has continued to focus on investing in targeted manufacturing facility development, capacity and key, strategic and innovative projects.

Net debt of £129.2m (2023: £149.3m) comprised:

	2024 £m	2023 £m
Bank loans	**(146.5)**	(145.0)
Cash and cash equivalents	**43.6**	17.0
Net debt (excluding unamortised debt issue costs)	**(102.9)**	(128.0)
Unamortised debt issue costs	**1.3**	2.1
IFRS 16	**(27.6)**	(23.4)
Net debt	**(129.2)**	(149.3)
Net debt (excluding unamortised deal issue costs): pro-forma EBITDA	**0.9**	1.1

Financing

The Group has a Sustainability-Linked Loan (SLL) committed through to August 2027 with one further uncommitted annual renewal through to August 2028. The current facility limit is £350.0m with an additional uncommitted 'accordion' facility of up to £50.0m, at 31 December 2024, £121.5m of the RCF was drawn down. Additionally, in 2022 the Group entered a fixed rate £25.0m seven-year private placement loan note until August 2029 with an uncommitted shelf facility of an additional £125.0m.

The Group is subject to two financial covenants. At 31 December 2024, there was significant headroom and facility interest cover and net debt to EBITDA covenants were comfortably achieved:

Covenant	Covenant requirement	Position at 31 December 2024
Interest cover	**>4.0:1**	8.3:1
Leverage	**<3.0:1**	0.9:1

Going Concern

The Group continues to meet its day-to-day working capital and other funding requirements through a combination of long-term funding and cash deposits. The Group's bank financing facilities consist of a £350.0m Sustainability-Linked Loan with an uncommitted 'accordion' facility of up to £50.0m and a seven-year private placement loan note of £25.0m with an uncommitted £125.0m shelf facility. At 31 December 2024, liquidity headroom (cash and undrawn committed banking facilities) was £272.1m (2023: £247.0m).

The Group's focus will continue to be on deleveraging, and its net debt to EBITDA ratio stood at 0.9x pro-forma EBITDA at 31 December 2024 (2023: 1.1x). This headroom means the Group is well-positioned with a strong balance sheet.

As a result, the Directors have satisfied themselves that the Group has adequate financial resources to continue in operational existence for a period of at least the next 21 months to 31 December 2026. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

Forward-Looking Statements

This report contains various forward-looking statements that reflect management's current views with respect to future events and financial and operational performance. These forward-looking statements involve known and unknown risks, uncertainties, assumptions, estimates and other factors, which may be beyond the Group's control, and which may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. All statements (including forward-looking statements) contained herein are made and reflect knowledge and information available as of the date of preparation of this report and the Group disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. Nothing in this report should be construed as a profit forecast.

Tim Pullen
Chief Financial Officer

11 March 2025

Sustainability

Sustainability is at the heart of our business, and our targets provide the framework for driving improvements

Climate change target

We are committed to reducing the greenhouse gas (GHG) emissions from our operations and products by focusing on reducing overall emissions without resorting to carbon offsetting

66%

reduction in CO_2e emissions intensity from a 2019 base year (scopes 1 & 2)

30%

reduction of absolute scopes 1 & 2 emissions from a 2021 base year

Circular economy target

We want to continue to lead the industry in our usage of recycled polymers, as well as focus on reducing our own waste, to become a zero-to-waste operation

62%

of our polymer tonnage is to be from recycled inputs. This represents the current available ceiling, given the standards regimes governing the use of recycled materials

Sustainable solutions target

Given our focus on growth drivers which are linked to the sustainability agenda, we recognise that these challenges will only be met by new products, produced in the most sustainable ways

25%

of our revenue coming from products launched within the preceding five years

Our people target

We recognise the contribution that a diverse group of colleagues makes to the achievement of our goals. We also believe that providing development pathways in the workplace is a key enabler of social mobility

5%

of colleagues to be in accredited Earn & Learn programmes

Our purpose is 'Together, we create sustainable living'. This means that we empower our customers to create a sustainable built environment, providing the solutions they need to future-proof places that support thriving communities and growing economies. If we succeed, together, we can transform the relationship between the built environment, society and the planet.

Whether that means catering for ever more frequent extreme rainfall, or leading the transition to lower carbon heating and cooling, we are focused on addressing climate change and its consequences. We want to be the lowest carbon supplier of choice for our customers, and driving carbon from our business and the supply chain is not only the right thing to do from a societal perspective, but it is also fundamental to us as a business.

Expectations upon the built environment to change, in order to solve the urgent challenges facing our infrastructure, buildings, communities and planet have never been greater. We have a role to play in making the built environment more sustainable. We do this by becoming a sustainable, low carbon business ourselves, as well as delivering sustainable solutions at scale.

Our Sustainability Framework on page 32, sets our short-term agenda on sustainability and showcases the significant progress we have made over the last few years. In addition, Genuit Group have near-term targets that were approved by the SBTi, and during 2024, we obtained further approval for our long-term 2050 targets.

As part of this process, we have committed to reducing our scopes 1 & 2 greenhouse gas (GHG) emissions by 30% by 2027 from a 2021 baseline year. This goes beyond the already significant reductions achieved; between 2019 and 2021, when we made reductions approaching 50%. Our scope 3 GHG emissions are dominated by the goods and services we purchase. For a manufacturing group, this is typically the largest proportion of GHG inventory. In this area, we recognise the key role that our supply chain plays and therefore, we have set a target to engage with our suppliers so that they reduce their carbon impact, which, in turn, supports the Group strategy. By 2027, we will ensure that the suppliers who account for 83% of our purchased goods and services emissions will have science-based carbon reduction targets in place.

Going further, and recognising the need to reduce carbon across the whole supply chain, the Group has also committed to long-term reductions in GHG emissions by 2050 by 90%.

The transition to recycling and other low carbon materials will continue to play a key role for us. Using recycled polymers has a significantly lower carbon impact than using virgin polymers, and we continue to focus on raw material selection in day-to-day operations and product development. The use of recycled materials is key to increasing and enhancing the circular economy benefits that come with using materials that can be recycled, repeatedly, through the manufacturing process.

96.3%

of the electricity we purchased across all Genuit Group manufacturing, warehouse and office-based sites is from renewable sources. Furthermore, all of our larger manufacturing sites use 100% renewable electricity.

Our sustainability framework

	Advancing the circular economy	Developing sustainable solutions	Tackling climate change	Investing in an engaged and diverse workforce
Our 2025 targets	**62%** of our polymer tonnage is to be from recycled inputs. This represents the current available ceiling, given the standards regimes governing the use of recycled materials	**25%** of our revenue coming from products launched within the preceding five years	**66%** Reduction in CO_2e emissions intensity from a 2019 base year (scopes 1 & 2)	**5%** of colleagues to be in accredited Earn & Learn programmes
2023 achievement	49.2%	21.5%	48.6%	8.2%
Our progress	We continue to lead the sector in our use of recycled polymers and achieved 52.0% during the year, our best performance to date. We remain committed to the principles of the circular economy and are prioritising reductions in embedded carbon alongside use of recycled polymers.	The result was impacted by high-value innovations moving out of the five-year qualifying window, that will be replaced but will take time to deliver.	Strong progress during the year, with reductions achieved through site consolidation and improvements in energy efficiency (including transport emissions), and an increase in purchase of renewable electricity from 90.7% to 96.3%. All three Business Units achieved a reduction in scopes 1 & 2 emissions.	We achieved this target two years early, and have continued beyond the 2025 target through 2024, with 18.5% of colleagues now in qualifying Earn & Learn programmes.
2024 achievement	**Recycled materials:** **52.0%**	**Vitality Index:** **18.0%**	**Carbon reduction (intensity): Cumulative reduction of** **54.4%**	**Percentage in Earn & Learn programmes:** **18.5%**

Developing sustainable solutions

Genuit Group's purpose is to create sustainable living by developing sustainable solutions for the built environment. Originally founded in 1980 as a manufacturer of extruded and moulded plastic products, Genuit has grown through acquisitions and innovation to become the leading provider of sustainable and climate adaptation and mitigation solutions.

We are organised around three Business Units: Climate Management Solutions (CMS), Water Management Solutions (WMS) and Sustainable Building Solutions (SBS), each with a distinct offering of sustainable products.

In our businesses

We aim to minimise the impact of our operations on the environment and, by 2027, to have reduced our scopes 1 & 2 carbon emissions by 30%, without offsetting.

In 2020, we achieved ISO 50001 certification for energy management systems in some of our largest operational sites, providing a clear focus on energy management.

The Group has set ambitious near-term science-based greenhouse gas (GHG) reduction targets and made long-term reduction commitments to achieve net-zero, in line with the latest thinking on climate science.

The Group's absolute scopes 1 & 2 GHG emissions were 10.4% lower than in the 2023 reporting period, and, although influenced by lower production volumes, we also saw improvements in our emissions, independent of those production volume reductions. This resulted in the Group achieving an emissions intensity of 0.124 tonnes CO_2e per tonne of product during 2024, a strong performance year-on-year.

In our solutions

Scope 3 GHG emissions are dominated by the goods and services that we purchase. In this area, we recognise the key role that our supply chain plays; therefore, we have set a target to engage with our suppliers so that they reduce their carbon impact.

We are also aware of what we can do ourselves. The transition to recycling and other low carbon material choices will continue to play a key role for us. Using recycled polymers has a significantly lower carbon impact than virgin polymers and the use of recycled materials is key to increasing and enhancing the circular economy benefits that come with using materials that can be recycled, repeatedly, through the manufacturing process.

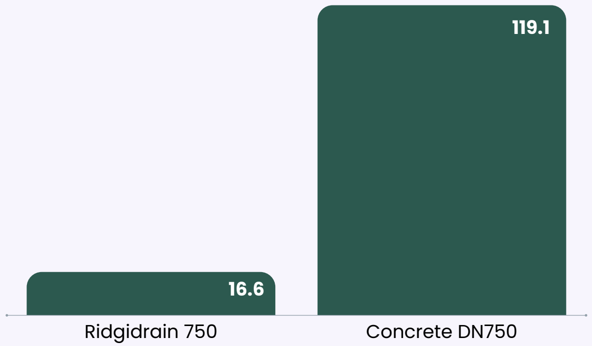
As part of our Sustainable Solutions for Growth strategy, we will provide solutions that are the most sustainable and economically viable solutions at that point in time. By offering polymer alternatives to legacy materials such as concrete or copper, we are able to offer more sustainable products than those legacy alternatives.

However, technology is not at a standstill, and we continue to invest Research and Development (R&D) resources in areas such as bio-polymers and chemical recycling, to investigate ways to raise the bar of sustainability even higher. We are also increasingly involved in lobbying for standards regimes to be less prescriptive on how products are made, without compromising on performance.

Environmental Product Declarations case study

Typical concrete pipes (DN750) have over 7.2x more embodied carbon (kg CO_2e) than Ridgidrain (750mm) per metre of pipe

Polymer-based Polypipe Ridgidrain versus concrete pipe
(kg CO_2e per metre)



This comparison has been calculated using EN 15804+A2 & ISO 14025/ ISO 21930 publicly available Environmental Product Declarations for one metre of pipe

- Ridgidrain 750 embodied carbon per metre (A1-A3) = 16.6kg Co_2e
- Concrete DN750 embodied carbon per metre (A1-A3) = 119.1kg Co_2e

The value chain

Genuit recognises the importance of the value chain in achieving our long-term net-zero targets. By overlaying our Greenhouse Gas inventory on our product life cycles, we can see where to prioritise and focus our improvement activities

Scope 3 upstream
- Working with our suppliers to ensure that the value chain embraces science-based targets
- Using lower carbon raw materials
- Optimising our manufacturing processes and designs to minimise raw material use

Scope 3 downstream
- Working with customers to optimise transport and distribution and provide pre-consumer recycled choices where possible
- Supporting and driving the circular economy

Scope 1
- Driven by our near-term science-based targets
- Reductions in fuels used for heating
- Continual optimisation of our transport and service vehicle fleet

Scope 2
- Improvements in energy efficiency, driven by our deployment of the Genuit Business System (GBS) across our Business Units
- Increasing our use of renewable electricity to 100% by 2030

Advancing the circular economy

We are leaders in the industry in terms of recycled materials and in establishing a robust end-of-life solution for plastics. Our aspiration is to maximise recyclability and explore innovative opportunities to further enhance our sustainability efforts.

The Group acknowledges the imperative need to adopt an approach based upon the circular economy, minimising the consumption of raw materials and maximising the re-use of so-called 'waste materials'. We envisage a future where fewer resources are discarded and, instead, re-purposed or recycled. We aim to increase the production of new products using recycled materials that have already served their initial purpose within the economy and society, reducing reliance on virgin materials.

In moving to a circular economy, there will be a reduction in the use of virgin materials, and, as a consequence, society will benefit from:

– reduction in waste destined for disposal;

– reduction in materials lost into the environment; and

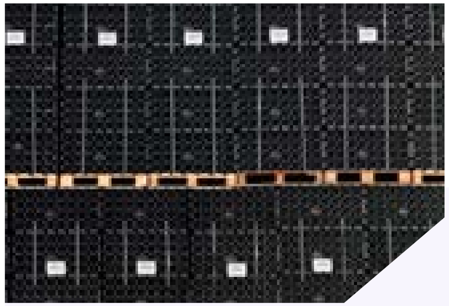
– reduction in carbon impact (CO_2e emissions), as the majority of embedded carbon in products is associated with the first use of virgin materials, such as for plastic, cement, steel and aluminium.

We have embraced a circular economy approach by prioritising the use of recycled polymers at our manufacturing facilities and establishing targets to maximise their utilisation. These recycled polymers generally exhibit lower embedded carbon compared to virgin materials. Consequently, by increasing our reliance on recycled polymers to support a transition to a circular economy, we not only reduce our supply chain's carbon footprint but also achieve a significant reduction in our scope 3 greenhouse gas (GHG) emissions.

As part of our Sustainable Solutions for Growth strategy, we have introduced a workstream focused on increasing the circularity of materials in the sectors in which we operate. This sustainable materials working group is working to shift products being manufactured from virgin polymers and materials to recycled materials wherever possible, without detriment to the products' quality or functionality. We are also looking at emerging opportunities such as bio-polymers in the medium term.

Two of the main strategic objectives within our sustainability strategy are addressing climate change, and closing the loop by our use of recycled materials. The Group ambition is to be the lowest carbon supplier of choice for our customers, meaning that we must continue our focus and reduction activities on operational and supply chain carbon emissions. We also understand the need to promote and drive behaviour that prevents the loss of plastic materials into the environment through the entire life cycle, and, as such, are a signatory to Operation Clean Sweep, an international initiative from the plastics industry to reduce the loss of plastic pellets, flakes or powder into the environment.

Our use of recycled materials has increased year-on-year and accounted for 52.0% of all our polymer requirements met by secondary materials during 2024.



Use of recycled and alternative materials

Genuit Group is an industry leader in utilising recycled materials. Our commitment to circular economy principles has contributed to a substantial reduction in scope 3: category 1 Purchased Goods and Services emissions, which represents a significant portion of our overall carbon impact. We are committed to the use of recycled materials to help achieve our ambition of being the lowest carbon supplier of choice for our customers.

Recycled PVC success in extrusion

Manthorpe Building Products completed a recycling project where they moved 13 different product ranges from virgin PVC to 100% recycled PVC. This resulted in 311 tonnes of recycled PVC being switched away from virgin PVC, saving 284 tonnes of CO_2e in 2024. With the completion of this project, Manthorpe Building Products' recycled material percentage went above 50% for the first time.

Tackling climate change

The Group has set ambitious near-term and long-term greenhouse gas (GHG) reduction targets to achieve net-zero reductions in line with the latest climate science. The Science Based Targets initiative (SBTi) approved the Group's science-based emissions reduction targets.

The Group's climate-related targets include a commitment to reducing emissions in the near and long term.

The establishment of science-based climate change targets is key to providing a robust framework to guide climate action.

Going beyond the SBTi near-term targets, and recognising the need to reduce carbon across the whole supply chain in order to achieve long-term targets, Genuit is also committed to reducing absolute scope 3 GHG emissions for our purchased goods and services, and had already achieved the 2027 target by 2023.

The Group's previously established carbon target of reducing the CO_2e intensity remains a key element of our Sustainability Framework and is aligned with and complementary to our science-based targets (SBTs). Moving forward, we place greater emphasis on absolute carbon numbers, which is consistent with our SBTs and reflects that preference.

As described above, reducing the carbon emissions from our supply chain is an important initiative for the Group, given that 96.1% of our total 2024 carbon emissions fell within scope 3. By 2027, we will ensure that the suppliers who account for 83% of our 'Purchased Goods and Services' emissions, will have science-based carbon reduction targets in place. In 2024, 28% of our emissions were from purchased goods and services supplied by partners who had an SBT. We will continue to engage with our suppliers on science-based targets to support reductions in carbon emissions across the supply chain.

During 2024, the Group has continued to use significant volumes of recycled materials, leading the sector in the use of recycled polymers, and achieved a level of 52.0% during the year, our best performance to date. Headwinds such as product standards and some minor delays on project implementation provide challenges. Despite these headwinds, we remain committed to the principles of the circular economy, and are prioritising reductions in embedded carbon alongside the use of recycled materials. As a result, we see our Environmental Product Declarations (EPDs) carbon values being some of the lowest in our sector when compared to our competitors, either in terms of like-for-like or dissimilar raw materials, driven by our focus on the circularity of materials and the decarbonisation of operations and energy.

By offering polymer alternatives made from either recycled or virgin sources, to legacy materials such as concrete or copper, we are able to offer lower-carbon products than those legacy alternatives. We can see from the EPDs that we have published that there is a significant reduction in our embedded carbon; see page 33 for an example of the difference that is achievable. We continued in our engagement activities with standards regimes to be less prescriptive on how products are made, in terms of legacy materials, without compromising on performance and environmental and health standards.

We aim to use our leadership position as a way of driving change and to ensure that our customers have access to products that will reduce their scope 3 carbon impacts. With this in mind, we are also conscious that designers, engineers and building owners need empirical evidence to allow them to make informed decisions regarding their carbon impact.

During 2024, we submitted our Carbon Disclosure Project (CDP) climate change questionnaire for the first time. Our overall score for the Climate was a B, an excellent result for our first disclosure.

CDP
Discloser
2024

Our climate targets

	Science Based Targets initiative (SBTi) approved target	Target value	Current performance	Target year
Reduction in scopes 1 & 2 GHG emissions intensity (tCO_2e/t) (versus 2019 baseline year)		66%	**54.4%**	**2025**
Reduction in absolute scopes 1 & 2 GHG emissions (tCO_2e) (versus 2021 baseline year)	✓	30%	**31.9%**	**2027**
		90%		**2050**
Reduction in absolute scope 3: category 1 Purchased Goods and Services GHG emissions (tCO_2e) (versus 2021 baseline year)		13%	**31.3%**	**2027**
Suppliers by emissions covering purchased goods and services with science-based targets (%)	✓	83%	**28.1%**	**2027**
Annual sourcing of renewable electricity (%)	✓	100%	**96.3%**	**2030**
Reduce absolute scope 3 GHG emissions (tCO_2e) (versus 2021 baseline year)	✓	90%	**10.5%**	**2050**

Genuit Group GHG inventory for 2024

We made excellent progress across all three GHG emissions scopes, with a reduction of 6% in scope 1, 40% in scope 2, and 6% in scope 3: category 1 Purchased Goods and Services year-on-year. These resulted in a 6.5% reduction in carbon emissions across our key GHG categories of scopes 1, 2 (market-based) & 3: category 1 Purchased Goods and Services.

Our carbon intensity has reduced by 54.4% since the base year of 2019. Table 1 on page 38 presents our full GHG inventory, while the table above shows how we are progressing against our climate targets.

To support our efforts to reduce scope 2 emissions, we increased our purchase of renewable electricity from 90.7% to 96.3%, as well as driving improvements in energy efficiency. Our energy use decreased by 1.6%, as shown in Table 4 on page 39.

Scope 3 emissions continued to reduce as a result of a combination of increasing material efficiency, the use of recycled materials, the use of lower-carbon alternative materials and engagement with suppliers on information-sharing and reducing value-chain emissions.

In producing the 2024 energy and GHG data, we used updated emissions factors (including country specific grid intensity factors) in line with the GHG protocol and reflecting changes to the published emission factors.

Boundary, methodology and exclusions

An 'operational control' approach has been used to define the GHG emissions boundary. This approach captures the emissions associated with the operation of all Group buildings, such as warehouses, offices, and manufacturing sites, and company-owned transport. This information was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines. Emissions have been calculated using the latest conversion factors provided by the UK Government or other appropriate agency. The reporting period is from 1 January to 31 December. There are no material omissions from the mandatory reporting of scopes 1 & 2 emissions.

We have obtained limited assurance over our 2024 scope 1 GHG emissions, scope 2 GHG emissions (locations- market-based) and GHG intensity (scopes 1 & 2) per tonne of production data from Ernst & Young LLP; the GHG Assurance Report can be found on the Company's website.

The reporting of scope 3 emissions is in line with the GHG protocol. Based on this report, it is evident that scope 3 accounts for 96.1% of all emissions and amounts to 353,873 tCO_2e. This proportion is consistent with that of other businesses that rely on raw material suppliers to support manufacturing processes. Scope 3 activity data for Sky Garden, which was acquired in August 2024, has been included in the GHG inventory disclosed for 2024. However, not all scope 3 data is included for Omnie & Timoleon (also acquired in August 2024), but will be fully integrated during 2025, and reported in our scope 3 reporting for 2025.

During 2024, we enhanced our assessment of scope 3: category 11: Use of Sold Products. At Nuaire and Nu-Heat, we continued to assess our energy-consuming products. We used estimates on energy use and the design life of the products to produce the category 11 data, which resulted in an uplift of emissions.

Having consistent and accurate emission factors for the supply chain is crucially important, and we continue to work with our supply chain and supply partners to improve the accuracy of the emissions factors our inventories rely upon.

Tackling climate change continued

Table 1 Greenhouse Gas Inventory

	Base year value 2021 (tCO_2e)	Emissions covered by targets (tCO_2e) (%)	2023 reporting value (tCO_2e)	2024 reporting value (tCO_2e)
Scope 1 (tCO_2e)	19,547	19,547 (100%)	13,893	**13,063**
Scope 2 (market-based) (tCO_2e)	1,487	1,487 (100%)	2,093	**1,264**
Total scopes 1 & 2 (market-based) (tCO_2e) (ABS1)	**21,034**	**21,034 (100%)**	**15,986**	**14,327**
Electricity				
Total electricity use (MWh)	**81,102**	**81,102 (100%)**	**69,986**	**71,547**
Electricity procurement from renewable sources (MWh)	76,236		63,460	**68,926**
% of electricity from renewable sources (O1)	94.0%		90.7%	**96.3%**
Scope 3 (tCO_2e)				
Category 1: Purchased Goods and Services	335,282	335,282 (100%)	245,734	**230,264**
Category 2: Capital Goods	17,803		15,685	**10,780**
Category 3: Fuel- and Energy-Related Activities	10,879		11,673	**5,029**
Category 4: Upstream Transportation and Distribution	9,204		1,024	**8,816**
Category 5: Waste Generated in Operations	1,052		1,060	**555**
Category 6: Business Travel	636		416	**1,157**
Category 7: Employee Commuting	6,932		6,964	**4,085**
Category 8: Upstream Leased Assets	n/a		n/a	**n/a**
Category 9: Downstream Transportation and Distribution	6,002		761	**7,414**
Category 10: Processing of Sold Products	n/a		n/a	**n/a**
Category 11: Use of Sold Products	4,464		3,670	**84,852**
Category 12: End-of-Life Treatment of Sold Products	3,054		3,024	**921**
Category 13: Downstream Leased Assets	n/a		n/a	**n/a**
Category 14: Franchises	n/a		n/a	**n/a**
Category 15: Investments	n/a		n/a	**n/a**
Suppliers of purchased goods and services with science-based targets (% coverage of scope 3: category 1) (O2)	0%		32%	**28%**

Notes: a) Genuit Group performed full inventory assessment of its scopes 1, 2 & 3 emissions during 2024 b) 3% of the GHG inventory is based on estimates including scope 3: category which was based on an employee survey and scope 3 category 1 where a minor amount of activity was estimated c) Scope 3: category 2 – 7, 9, 11, 12 and 13 excludes Omnie & Timoleon activity data d) Following a materiality assessment categories 8, 10, 13, 14 and 15 were not deemed relevant to the nature of the business and marked as n/a e) Data is prepared following the GHG Protocol methodologies with the following notes and alternative methodologies for scope 3 categories as detailed in note f (https://ghgprotocol.org/sites/default/ files/2022-12/AppendixD.pdf) f) Category 1 for the Nuaire business is undertaken using the methodology defined in the standard 'Embodied carbon in building services: a calculation methodology CIBSE TM65: 2021'

Energy use and reporting

We aim to minimise the impact of our operations on the environment, and sustainability is a key feature of our products and their associated impact.

Our injection-moulding and extrusion operations use significant amounts of electricity. We monitor our electricity usage very closely, even at a machine level, and take a proactive approach to improving energy efficiency. Based on the type and nature of our production processes, energy and carbon emissions are some of our largest environmental impacts.

The following tables detail the energy consumption and greenhouse gas (GHG) emissions from the activities of the Group during the period from 1 January 2024 to 31 December 2024. Our total GHG emissions, reportable under Streamlined Energy and Carbon Reporting (SECR) during the period specified above, was 15,818 tonnes CO_2e. This figure has been derived using the UK Government's most recent GHG Conversion Factors for Company Reporting (2024) and other appropriate emission factors. This is in line with standard industry practice and allows fair comparison with other UK businesses. The scope 3 emissions presented in Table 3 include transmission & distribution (T&D) losses and emissions from business travel in private vehicles (grey fleet), in line with previous submissions. A full scope 3 inventory is presented in Table 1.

The Group's SECR reported scopes 1, 2 & partial scope 3 (grey fleet and T&D losses) GHG emissions were 9.2% lower than in the 2023 reporting period. This resulted in the Group achieving an emissions intensity of 0.124 tonnes CO_2e per tonne of product during 2024.

Energy efficiency initiatives

SECR legislation requires us to provide information in our Directors' Report on the energy efficiency initiatives carried out during the financial year. A number of our production sites operate an energy management system certified to the international standard ISO 50001, and we have production sites that are included in the UK Government Climate Change Agreement (CCA) scheme. During 2024, the business complied with the UK's Energy Savings Opportunity Scheme (ESOS) Phase 3 compliance deadline, with site-based energy audits and the identification of energy-saving projects. These, along with CCA audits and the continuous improvement required by ISO 50001, have given the sites and the Group a wide range of energy reduction programmes to take forward in the short-term.

During 2024, we achieved a reduction of 1.6% in energy consumption (see Table 4).

Our focus on reducing scopes 1 & 2 emissions, measured by absolute emissions and emissions intensity, is providing the impetus to reduce our use of energy. The Genuit Business System, GHG and energy efficiency programmes are supporting improvements in both carbon emissions reduction and relative improvements in energy efficiency.

Table 2 Group GHG emissions (tonnes CO_2e) by source and reporting period for SECR reporting

Source	2023	2024	Change	Percentage share
– fuel combustion (stationary)	4,200	**3,836**	-8.7%	24.2%
– fuel combustion (mobile)	9,815	**9,390**	-4.3%	59.4%
– fugitive emissions (F-gas)	39	**57**	46.2%	0.4%
– purchased electricity, including T&D losses*	3,372	**2,536**	-24.8%	16.2%
Total emissions (tCO_2e)	17,426	**15,819**	**-9.2%**	**100%**

* The 2024 emissions figure for purchased electricity given above (and used throughout) reflects our investment in a zero-carbon electricity tariff for the majority of the estate. In the terms of the GHG Protocol, this is called 'market-based' reporting, as opposed to 'location-based' reporting. Location-based reporting does not take into account the electricity supply contracts that a company has and instead uses a national carbon emissions factor for electricity. Following the location-based methodology (which is also required to be also reported under SECR regulations alongside market-based figures), our 2024 emissions from electricity were 15,234 tCO_2e (excluding transmission and distribution (T&D) losses), giving total emissions of 29,788 tCO_2e (inclusive of T&D losses) and an intensity of 0.259 tCO_2e per tonne of production – a 2.9% reduction year-on-year. The remaining electricity emissions figure given above of 1,264 tCO_2e is from electricity not covered by our zero-carbon tariff.

UK legislation requires the public reporting of scopes 1 & 2 emissions, with the reporting of scope 3 emissions for quoted companies being optional. Tables 2 and 3 present limited scope 3 emissions resulting from the losses associated with the use of grid electricity and grey fleet use, in order to maintain year-on-year comparisons. Full reporting of scope 3 emissions is shown in Table 1 on page 38.

Table 3 Group GHG emissions (tonnes CO_2e) by scope and reporting period for SECR reporting

Emissions scope	2023	2024	Change	Percentage share
Scope 1	13,893	**13,063**	-6.0%	82.6%
Scope 2	2,093	**1,264**	-39.6%	8.0%
Scope 3 (limited scope)*	1,440	**1,492**	3.6%	9.4%
Total emissions (tCO_2e) SECR*	17,426	**15,819**	-9.2%	100%
Total emissions (tCO_2e) of scopes 1 & 2	15,986	**14,327**	**-10.4%**	
Output (tonnes of production)	113,873	**115,138**	1.1%	
Intensity (tCO_2e per tonne of production)	0.140	**0.124**	-11.4%	

* Scope 3 emissions resulting from the transmission and distribution losses associated with the use of grid electricity and the grey fleet, which is defined as the use of personal vehicles used for business purposes.

When the SECR-related emissions are split by type, as shown in Table 2, it is fuel combustion in transportation and the combustion of fossil fuels at our sites that make up the largest portion of the portfolio, at 83.6%.

Table 4 below shows the total energy consumption for the Group and the split in energy source/fuel type. We can see a reduction in energy consumption for other fuels, including natural gas for heating and transport fuel, year-on-year. The Group energy consumption, shown in Megawatt Hours (MWh) by type and reporting period, was as follows:

Table 4 Energy consumption (MWh) by type and reporting period

Emissions scope	2023	2024	Change	Percentage share
Other fuel (MWh) (inc. T&D losses)	29,017	**26,671**	-8.1%	19.3%
Transport fuel (MWh)	41,391	**39,976**	-3.4%	28.9%
Electricity (MWh) (delivered)	69,986	**71,547**	2.2%	51.8%
Total consumption (MWh)	140,394	**138,194**	**-1.6%**	**100%**

UK and global consumption

A requirement of SECR reporting for applicable companies is that they provide information on the split of their scopes 1, 2 & 3 emissions, between those that are emitted by UK sites and those emitted by sites in their portfolio outside of the UK.

Table 5 Energy consumption (MWh) by type and reporting period

Territory	Scope	tCO_2e	MWh
UK	1	**12,483**	**59,616**
Global		**580**	**556**
UK	2	**812**	**69,973**
Global		**452**	**1,574**
UK	3	**1,463**	**6,349**
Global		**29**	**126**
Total		**15,819**	**138,194**

* Scope 3 emissions resulting from the transmission and distribution losses associated with the use of grid electricity and the grey fleet, which is defined as the use of personal vehicles used for business purposes.

Pathway to Net-Zero

1. The journey so far
- Carbon intensity decreased by 54.4%
- Recycled content at 52.0%
- Scopes 1 & 2 emissions decreased by 31.9%
- 96.3% of purchased electricity from renewable sources
- Emissions from purchased raw materials decreased by 31.9%
- Suppliers by emissions covering purchased goods and services, 28.1%

2. Leading the pack
- Aligning ambitions with climate science through the setting of science-based targets
- Decarbonising our own site operations
- Reducing emissions from transport with plug-in hybrid electric vehicles (PHEVs) or full electric vehicles (EVs) and bio-fuels
- Reducing embedded carbon from new materials and using recycled polymer content
- 30% reduction in absolute scopes 1 & 2 GHG emissions by 2027

3. Scaling up and driving down emissions
- Driving down scope 1 emissions from production activities
- Fully decarbonising transport emissions
- Adoption of innovative raw materials when available
- Decarbonisation of the value chain through supply chain science-based target commitments
- 100% purchase of renewable electricity

4. Delivering net-zero
- Deeper decarbonisation of Genuit Group operations
- Advanced circular economy activities
- 90% reduction in absolute scopes 1 & 2 GHG emissions by 2050
- 90% reduction in absolute scope 3 GHG emissions by 2050

Pathway to Net-Zero

We are committed to long-term Group-wide emission reductions in line with net-zero and the Science Based Targets initiative (SBTi). We have responded to the SBTi's urgent call for corporate climate action by committing to align with 1.5°C and net-zero through the Business Ambition for 1.5°C campaign. In June 2024, the SBTi approved our long-term commitment of a 90% reduction in scopes 1, 2 & 3 emissions by 2050.

We are pleased to announce that in June 2024, our long-term reduction plans were approved by the SBTi, including a 90% reduction in scopes 1 & 2 and a 90% reduction in scope 3 emissions by 2050. In making these commitments, Genuit has set defined targets required as part of our climate-related transition plan and Pathway to Net-Zero.

Goods purchased for the manufacture of products account for the majority of our GHG inventory (scopes 1, 2 & 3). In the medium and long term, reducing this aspect will be key to achieving net-zero by 2050. The embedded carbon in these purchased raw materials derives from the primary products of the polymers and metals. In line with circular economy thinking and industry-recognised practices, once materials go through their first use and come back into the raw material supply chain, the primary production and embedded carbon is no longer associated with the material, to avoid double-counting. Therefore, recycled materials or materials made from recycled content offer the most obvious low carbon solutions in the short to medium term, hence securing our position as one of the leading consumers of recycled polymers.

In the short and medium terms, the switch from virgin materials to recycled materials is clear. In the longer term, low carbon primary materials are likely to become available as the primary materials supply chain decarbonises in line with a net-zero trajectory. Furthermore, new and innovative materials such as bio-polymers are likely to become more viable, offering a lower embedded carbon content than conventional materials. These innovations will be crucial where applications do not allow for the use of recycled materials. Bio-polymers are materials where the base component is produced from natural sources, for example being chemically synthesised from a biological material.

A key element of achieving our Pathway to Net-Zero is the setting of challenging targets in the short term to provide the impetus for continuous progression and to remain on the required trajectory. As part of this journey, and since 80% of our total GHG inventory is in our purchased goods i.e. the raw materials we buy to manufacture our finished goods, supply chain engagement is crucially important. We have set ambitious scope 3 targets in terms of the absolute reductions of emissions and also in requiring 83% of our suppliers by GHG emissions to adopt science-based targets. We understand our leadership role in giving clear signals to the supply chain and working with our partners to achieve the carbon reductions required to avoid the worst effects of climate change.

Pathway to Net-Zero definitions

What does 'Carbon Neutral' mean?

Although often used interchangeably with 'net-zero', the two are not the same. In general, when companies claim carbon neutrality, they are counterbalancing CO_2e emissions with carbon offsets without necessarily having reduced emissions by an amount consistent with reaching net-zero at the global or sector level (science-based targeted reductions).

Products that directly reduce or mitigate emissions during the life cycle may be described as carbon neutral if rigorous assessment shows this to be the case. Individual products may also be considered carbon neutral if residual emissions are offset by other carbon reduction activities and a third party assessment has verified the claim. These third parties are developing processes to verify and approve carbon-neutral claims. This is a developing area of product declaration and one that the Group is evaluating.

What does 'net-zero' mean?

Net-zero is state of balance between anthropogenic (man-made) emissions of greenhouse gases (GHG) and anthropogenic (man-made) removals. Net-zero GHG emissions must be achieved at the global level to stabilise temperature increases.

The SBTi net-zero standard outlines what companies need to do to enable the global economy to achieve net-zero by 2050.

Companies must take action to halve emissions before 2030. Likewise, long-term deep emissions cuts of at least 90% made before 2050 are crucial for net-zero targets to align with current thinking on climate science.

Our net-zero target boundary includes all scopes 1, 2 & 3 emissions, both upstream and downstream.

What is the 'Science Based Targets Initiative' (SBTi)?

The SBTi is a partnership between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

The SBTi's goal is to enable companies worldwide to achieve what climate science requires of the global economy, to halve emissions by 2030, and achieve net-zero before 2050.

The SBTi develops criteria and provides tools and guidance to enable businesses and financial institutions to set GHG emissions reduction targets in line with what science tells us is needed to keep global heating below 1.5°C.

As previously highlighted, the Group has received approval for its near and long-term targets from the SBTi.

What are 'science-based targets'?

Science-based targets provide a clearly defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping to prevent the worst impacts of climate change and future-proof business growth.

Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement; limiting global warming to 1.5°C above pre-industrial levels.

Task Force on Climate-Related Financial Disclosures

At Genuit, we understand the serious threat that climate change poses to our planet and recognise our responsibility in mitigating and adapting to its impacts through sustainable business practices and climate-resilient products.

We acknowledge the scale of action required and the role that the construction industry and building material suppliers play in increasing the resilience of the wider economy against the threats posed by climate change.

Our business has evolved from its heritage in plastic pipes and fittings to being a leading player in sustainable water and climate management solutions, with sustainability at the heart of what we do and forming the basis of our strategic choices. Our aim is to be the lowest carbon supplier of choice for our customers, and we understand that we need to communicate our progress to our stakeholders in a consistent and comprehensive way. Through collaboration and the adoption of international frameworks, such as the Task Force on Climate-Related Financial Disclosures (TCFD) and the Science Based Targets initiative (SBTi), we aim to give our stakeholders more insight into the processes and evaluations behind our strategic decisions within the context of climate change, providing detail on the year-on-year progress we have made in achieving them. We recognise the benefits of embedding climate risk and opportunity evaluation and action, along with climate-related financial disclosures, into our business risk management and decision-making processes. You can read more about our science-based targets (SBTs) on pages 36 and 37.

During 2024, we built on our 2023 assessments, and continued to enhance our understanding and quantification of risks and opportunities with the deployment of quantitative analysis for both transition and physical risks and opportunities. In both cases, a third party was used to build bespoke scenario models. For transition risks and opportunities, the models enable the Group to analyse various possible short-medium and long-term policy scenarios that may have a financial impact.

We outline further in this report the process that we followed and the risks and opportunities that were identified, as well as the quantitative and qualitative scenario analysis conducted on those selected risks and opportunities.

The table below outlines where specific information relevant to this TCFD disclosure can be found elsewhere in this Annual Report and Accounts. Further signposting is detailed in the sections that follow, where appropriate.

We comply with the FCA's Listing Rule 6.6.6R(8) and make disclosures consistent with the 2017 and amended 2021 TCFD recommendations along with the recommended disclosures across all four of the TCFD pillars and s414CA and s414CB of the Companies Act 2006.

We consider that sufficient information sharing in this Annual Report and Accounts has been made to make the disclosures consistent with the TCFD framework.

TCFD Pillar	TCFD Recommendation	More detail on pages
Governance	a) Board oversight	43
	b) Management's role	
Strategy	a) Climate-related risks and opportunities	45 to 53
	b) Impact on the Company's business, strategy, and financial planning	
	c) Resilience of the Company's strategy	
Risk management	a) Risk identification and assessment process	44 to 46
	b) Risk management process	
	c) Integration into overall risk management	
Metrics and targets	a) Climate-related metrics to assess climate risks and opportunities	22, 32 and 37
	b) Scopes 1 & 2 and, if appropriate, scope 3 GHG metrics and the related risks	53
	c) Climate-related targets and performance against targets	37

Governance

The Board oversees and approves the Group's strategy and cultural framework, which includes sustainability drivers and targets, and has responsibility for the final disclosures included within this report as well as our science-based targets and Pathway to Net-Zero. The Chief Executive Officer is ultimately responsible for the implementation of this strategy and climate-related risk management. Responsibility for identifying and monitoring climate-related risks and opportunities sits with our Risk Committee, which is chaired by our Chief Financial Officer.

We recognise the importance of effective governance for managing climate-related risks and opportunities. The Board has overall responsibility for the Group's internal control framework and risk management systems. This includes reviewing the effectiveness of the Group's risk and control processes and ensuring the identification, assessment, and ongoing monitoring of risk (including environmental matters and climate-related risks). It delegates the monitoring and management of these risks and opportunities to the Risk Committee. Details of the membership, activities, responsibilities, and frequency of meetings can be found in our Risk Committee Report on page 87 and 111.

We are committed to assessing climate-related risks and opportunities throughout our businesses, to support our customers and the wider community with low-carbon benefits (through our low-emissions products and services), or by mitigation against physical risks (such as flooding and extreme heat) through integrated surface and drainage solutions and through building cooling systems. It is a key factor in decision-making and is considered by senior executives when setting ambitions for Group strategy. During 2024, we continued to integrate the monitoring, reporting and understanding of climate-related risks and opportunities into our individual businesses. The climate-related risks detailed within the Business Unit risk registers are reviewed and captured as part of our principal risks, which is reviewed by the Risk Committee. This structure allows the Board, management teams and Committees to have adequate information to make strategic and local decisions, with due consideration for climate-related risks and opportunities. Details of the governance reporting structure for the Group can be found in our Governance Report on page 87, and the risk management framework can be found on page 112.

Climate-related risks and opportunities in the context of the TCFD framework are a standing agenda item at Risk Committee meetings and were considered at the January, July and October meetings during 2024. Mechanisms, such as the use of a specific pro-forma template that is structured as a dedicated climate-related risks and opportunities register, provides the Committee with detailed assessments of these risks and opportunities.

The Board is updated after each meeting on the key discussions and decisions at the Risk Committee meetings, which includes detail on the discussions surrounding climate-related risks and opportunities. This is via a written report, as well as a verbal update from the Risk Committee Chair, to allow Board members to effectively challenge and question decisions and outcomes. The Board also has sight of any detailed analysis reports produced which outline climate risks and opportunities relevant to the Group, as part of this assessment, if relevant or available. These discussions took place with the Board at each Board meeting after each scheduled Risk Committee meeting. Further detail on the Board meetings during the year can be found in the Governance Report on page 97.

The Board monitors climate-related targets through the non-financial KPIs relating to scopes 1, 2 & 3 emissions, as outlined within the Strategy section of this Report on pages 22 and 32. Most notably, this includes our commitments to carbon reduction, and continuing to reduce our use of virgin polymers.

Sustainability has always been at the heart of what we do, and the sustainability targets are embedded in our long-term incentive plan, with carbon reduction targets being a key element of this. This further reflects the importance of sustainability to the Group by incentivising senior leaders to continue to drive the sustainability agenda. More detail on how these incentives are structured can be found in our Directors' Remuneration Report on pages 128 to 130.

Risk management

The Group understands the importance of monitoring climate-related risks and opportunities across its businesses and manages changing environmental regulations and disclosures through impact assessments and reviews of its risk register. Formal review and ongoing management of the risk register is a responsibility of the Risk Committee.

Climate change was included as a principal risk in 2021, and the outcomes of the subsequent TCFD assessments have enabled more accurate conclusions in respect of mitigations, and impact in accordance with the Group's risk management framework. During 2023 and 2024, the Group's use of quantitative scenario modelling for transition and physical risks and opportunities have enabled a deeper understanding of the progression of mitigating actions and key performance indicators resulting in a reduced overall net scoring to Climate as a principal risk. Further details on the structure of the Group's risk management framework and climate risk as a principal risk can be found in our principal risks and uncertainties on pages 77 to 85 of the Strategic Report.

Taking ownership of climate change risk at all levels within the Group is fundamental to the accurate identification and mitigation of climate-related risk. Business Unit Managing Directors present reports to the Risk Committee on a rotational basis; these include any climate-related risks and mitigating actions. Methods and mitigation for managing these risks are communicated by senior management to the businesses. This ensures full integration into risk reporting processes and consistency across the Group.

Led by the Chief Strategy and Sustainability Officer (an Executive Management Team member and a member of the Risk Committee) and supported by the Group's Sustainability Director, during the year, the climate-related risks and opportunities risk register was reviewed and updated in line with the risk management framework and the latest quantitative analysis. Updates were made to reflect changes in the Group's assessment of the risks and opportunities identified, and these were shared with the Risk Committee at each meeting held during the year. There is a mechanism and opportunity for challenge and scrutiny by the Risk Committee of the climate-related risks and opportunities, which ensures adequate approvals are in place for any significant changes. At its meeting in July 2024, the Risk Committee approved the identified transition and physical risks and opportunities undergoing an additional quantitative scenario analysis to obtain a greater understanding of their financial impact.

To assist with the completion of the approved quantitative scenario analysis, we engaged a leading sustainability and environment consultancy to develop bespoke scenario models. For transition and physical risks and opportunities, the models enable the Group to analyse various possible short, medium, and long-term scenarios and how they may impact the business.

The output from these models was integrated into the climate risk register and presented to the Risk Committee for review and approval. The final risks and opportunities deemed most important and significant to the Group were selected for disclosure in this Report. These are detailed and disclosed on pages 47 to 53 and include the latest analysis performed in 2024.

Undertaking this analysis and discussing the methodology and outputs with the Risk Committee has provided further educational opportunities regarding the increasing impact of climate-related risk on the Group's operations, also confirming the opportunities that it presents, which are linked with the Group's strategy. These discussions around the impact of climate change further embedded climate-related risk into the Group risk management framework.

In order to ensure that the Group is informed of future regulatory direction, we engage with industry bodies within the UK and Europe, such as the Construction Products Association (CPA), The European Plastic Pipes and Fittings Association (TEPPFA), the British Plastics Federation (BPF), Future Homes Hub and the British Electrotechnical and Allied Manufacturers' Association (BEAMA), and provide expert input where required. These form key inputs into our assessment of identified transition risks relating to carbon tax, climate reporting obligations and the physical risk of material supply.

It is important to continuously review and update our analysis which provides the basis for risk and opportunity assessment and disclosure. The Risk Committee included the requirement to monitor climate-related risks and opportunities in its Terms of Reference update during 2023, a copy of which can be found on our website. During 2024, our climate-related risks and opportunities were periodically updated and reviewed by the Risk Committee. The Group intends to continue to update its analysis on climate-related risks and opportunities during 2025, enabling the Risk Committee to determine whether the considerations are adequately reflected in the Group's strategy.

The Risk Committee will continue to drive the integration of climate-related risks into the risk management framework across the Group, as well as monitoring the opportunities it presents, ensuring that progress continues to be adequately reported to the Board.

Strategy

Climate change continues to pose significant challenges to the built environment.

Time horizons consider when the risk could likely have an impact. Associated impacts were considered under current operating levels, using the following time horizons, in accordance with our risk management framework:

We are aware that transitioning into a lower-carbon economy may entail changes to policy, legal, technological, or other market changes that may cause varying levels of financial and reputational risk to us as a Group. Nonetheless, sustainability is core to our commercial strategy.

As part of our assessment of climate-related risks and opportunities, we have identified the transition and physical risks that climate change poses that we seek to address and mitigate. However, we acknowledge that with these risks comes various opportunities, given our Sustainability Framework (read more on pages 31 and 32 of the Strategic Report). It should be noted, therefore, that whilst climate change is assessed to be a principal risk, this is based on the potential impact and likelihood over the medium and longer term. In our short-term scenarios, we do not consider the Group to be at significant risk of adverse impact from climate change. In the medium term, this risk increases; however, we are well positioned to help mitigate climate-related risks through supporting our customers in providing low carbon and climate-resilient solutions. In preparing the Group's financial statements, we have considered the impact of climate-related risks on our financial position and performance, and have not identified any significant adverse impact on the financial statements.

As part of the input to the Viability Statement, the Group assesses climate change and its impact over a three-year time horizon. During 2024, a review of climate-related risks and opportunities was conducted to identify those that could impact strategy and financial planning across our operations and Business Units. Due to the nature of our operations, we are well placed to support customers in tackling the impact of climate change, particularly the increase in severity and frequency of extreme weather events. This provides significant opportunities through the development of low-emission and climate-resilient products and services. The climate-related risks and opportunities review considered the current operations across the Group without any future strategic changes, and was based on inherent risk, to give a clearer picture of the actual risks and opportunities. This review was then used to assess the residual risk, following any implementation of appropriate mitigations.

The shortlisted risks and opportunities were evaluated further to consider the likelihood of the risks occurring and the potential severity of the impact on the Group and those deemed significant. Significant risks are defined as those that have potential to make a considerable impact on our operations, strategy or financial performance if they are not suitably controlled. Significant opportunities are those that have the potential to enhance the financial performance of the business. Five risks (two physical, and three transition) and three opportunities were identified as having the greatest combination of probability and impact, and, consequently were, of significance to the business.

Short term

This covers the current year, plus our outlook for budgets and short-term financial planning, and assessments such as viability statements.

Medium term

This period is consistent with our view on SBTs and Genuit's Pathway to Net-Zero.

Long term

This time period extends beyond our current knowledge on legislation and regulatory changes, but considers an extrapolation of trends and themes up to 2050.

Short term	(0-5 years)
Medium term	(5-10 years)
Long term	(10+ years)

Task Force on Climate-Related Financial Disclosures continued

These identified risks and opportunities are a key factor in the financial and operational planning process, both for long-term strategic decision-making and in the short to medium term. Our Pathway to Net-Zero transition plan, as detailed on page 40, is based upon the 1.5°C Business Ambition and achieving a 90% reduction in total GHG emissions by 2050. In the short term, this is supported by our SBTs for 2027, as well as the 2025 targets. In order to achieve these goals, our key focus is on continuing to drive out carbon across scopes 1, 2 & 3, and in doing so, mitigate the risks identified in this Report. During 2024, as part of our Pathway to Net-Zero, we expanded and evolved the projects supporting our SBTs and formed our longer-term actions to achieve net-zero. Given the significance of the carbon impact of virgin polymers, much of our focus is on continuing to increase and maintain our usage of recycled materials. We also continued to roll out our transition to EV/PHEV across our car fleet and the move of our commercial fleet away from fossil fuels. Given the profile of our revenue streams in 2024, with c.89% being derived in the UK, the primary jurisdiction for evaluation of our net-zero commitments is the UK, and we are in line with the UK Government's current targets. Should this profile alter, we will seek to ensure that we are in keeping with the relevant jurisdiction targets as part of our economic evaluation of those opportunities.

Following the identification and assessment of climate risks and opportunities relevant to our businesses through engagement with key stakeholders (see the Risk Management section of this Report on page 44), we carried out quantitative and qualitative climate scenario analysis on a subset of the most significant risks and opportunities. The potential impacts of these risks and opportunities were assessed under a selected set of climate scenarios. This was performed to gain a better understanding of the resilience of our business model and strategy to the potential impacts of these risks and opportunities under hypothetical climate scenarios and outcomes. During this analysis, our climate risks and opportunities were considered against the following reference time horizons within the public scenarios of short-term, 0-5 years (<5 years), medium-term, 5-10 years (2030) and long-term, 10+ years (2050). 2030 and 2050 are the typical milestones included within public scenarios against which hypothetical climate outcomes are described. These referenced time horizons are broadly aligned with the business-specific time horizons that we have identified and assessed our climate risks and opportunities against. Furthermore, these time frames align with our short/medium-term business planning processes and our longer-term strategic overview.

The shortlist of risks and opportunities included in this analysis are set out in the table below. The relative magnitude and materiality of each of these risks and opportunities was assessed using the Group risk management framework and probability impact matrix, within the context of the different climate scenarios. This assessment excludes the impact of any current or future mitigating actions. Overall, transition risks were found to have the highest potential impact in the short to medium term, with carbon taxes and supply chain disruption representing the greatest potential impact under all transition scenarios examined. Transition opportunities were found to have the most potential positive impact in the medium to long term. The opportunity arising from the demand for low emissions products and services is dependent on the transition to a low-carbon economy. The opportunity arising from increased demand for flood mitigation technology is reliant on the impact of physical risk, where flood risk is enhanced. In contrast, physical risk is expected to have the most significant potential impact in the longer term under the worst-case warming scenario examined. Following the risk assessment and subsequent scenario analysis, we believe that our business strategy shows resilience to the impacts of climate change up to the medium term. Nonetheless, in line with our periodic strategic review and risk management processes, we will adjust and introduce mitigating measures as required.

Warming trajectory by 2100	Transition scenarios (IEA)[1]	Physical scenarios (IPCC)[3]
1.5°C	Net Zero Emissions (NZE)	
<2°C	Announced Pledges Scenario (APS)	SSPI[4]–2.6[2] (low challenges to mitigation and adaptation)
2–3°C	Stated Policies Scenario (STEPS)	SSP2–4.5 and SSP3–7.0 for supply chain disruption physical risk (medium-high challenges to mitigation and adaptation)
>3°C		SSP5–8.5 (high challenges to mitigation, low challenges to adaptation)

1 IEA – the International Energy Agency has constructed scenarios to assess different transition pathways based on varying assumptions of how the energy system may evolve.
2 RCP – Representative Concentration Pathways are commonly used by climate scientists to assess physical climate risk. Each pathway represents a different greenhouse gas concentration trajectory, each of which is associated with varying levels of impact. Physical climate impacts are expected to be lowest and greatest under RCP 2.6 and RCP 8.5 respectively.
3 IPCC – The Intergovernmental Panel on Climate Change RCPs are the market-accepted reference scenarios that outline the possible consequences of climate change.
4 SSPs – Shared Socio-economic Pathways illustrate different socio-economic contexts or baselines (i.e. technological, economic and demographic contexts), in the absence of further climate policy, (i.e. technological, economic and demographic contexts).

These climate scenarios were selected because they:

- Align with the TCFD recommendations to assess business resilience under different climate-related scenarios, including a <2°C scenario.
- Consider up to a 2050 time frame, which aligns with the Paris Agreement and other governmental net-zero 2050 targets.
- Broadly align with scenarios commonly used in TCFD reporting, facilitating better comparison between disclosures.
- Include reputable and broadly used data and assumptions.

Climate-related risks and opportunities

Disclosure definition/materiality

🟢 <£1m financial impact
Low risk 🟠 £1m to £10m financial impact
Medium risk 🔴 >£10m financial impact
High risk

Risk	Risk type	TCFD category	Potential impact	Mitigating actions	Scenario analysis and results	Short (< 5 years)	Medium (2030)	Long (2050)		Time horizon/metrics/targets
Climate reporting obligations										
Potential financial impact if we are perceived by stakeholders as failing to meet climate reporting expectations/ requirements or reporting poor performance against climate commitments.	Transition	Policy & Legal/ Reputation	Financial: Additional costs due to increased reporting requirements and stakeholder demands. Loss of investor confidence if we are seen to be climate greenwashing, impacting access to capital.	The Group has access to external resources and has representatives on national and international working groups. As such, we ensure that we have good sight of changes that impact the business.	Transition risk was assessed but scenario analysis was not undertaken					**Time horizon** Short to medium **Metrics** Annual carbon inventory GHG emissions, scopes 1, 2 & 3 **Targets** GHG inventories and public reporting on climate-related topics
Business interruption and damage to assets										
The potential financial impact of damage to and closure of the Group's offices, warehouses and factories caused by extreme weather.	Physical	Acute/ Chronic	Financial: Reduced revenue due to closure of sites; increased repair/ capital costs due to weather damage; increase in insurance premiums; reduced revenue and higher costs. Operations: Sites could close while repairs take place; impacts of changing climate on employee working conditions.	The Group internally assesses the controls in place to deal with site-level business interruption. The Group is audited by our insurers reviewing Group business continuity and interruption.	SSP1-2.6 (<2°C) The frequency and size of heavy precipitation, flood, wind and drought are likely to increase. An increase in the frequency of extreme coastal flooding events due to sea-level rise is very likely.	🟢	🟠	🟠	The risk of business interruption and damage to our assets increases from <2°C to >3°C. Financial impacts are expected to be greatest under the >3°C scenario and may include: – increased costs in the medium to long term, due to damage and disruption from extreme weather events requiring asset restoration; – revenue lost due to business disruption in the medium to long term under all scenarios; and – reduction in asset values due to increased exposure to physical risk.	**Time horizon** Medium to long **Metrics** Annual carbon inventory Proportion of sites deemed as at flood risk during annual review process **Targets** No worsening of flood risk assessment
					SSP2-4.5 (2-3°C) Similar worsening of flood risk assessment to trends observed in Scenario SSP1-2.6, with increased frequency and size of extreme weather events.	🟢	🟠	🟠		
					SSP5-8.5 (>3°C) Compared to Scenario SSP1-2.6, a marked increase in frequency and severity of extreme weather events is projected. Heavy precipitation and drought events are likely to double in frequency versus SSP1-2.6.	🟢	🟠	🔴	During 2024, this risk was reviewed in accordance with the risk management framework, as outlined earlier in this report, and there was no change in its assessment.	

Task Force on Climate-Related Financial Disclosures continued

Disclosure definition/materiality

- <£1m financial impact Low risk
- £1m to £10m financial impact Medium risk
- >£10m financial impact High risk

Risk	Risk type	TCFD category	Potential impact	Mitigating actions	Scenario analysis and results	Short (< 5 years)	Medium (2030)	Long (2050)		Time horizon/metrics/targets
Carbon taxes										
The potential financial impact of current and future potential carbon taxes applied to our own operations and supply chain.	Transition	Policy & Legal	Financial: Increase in operating costs, driven by indirect carbon taxes passed to the Group through its supply chain and direct carbon taxes on manufacturing activity. These 'taxes' could be delivered through existing measures, such as the UK and EU's Emissions Trading Scheme. Operations: Requirement for more comprehensive data assurance and verification of scopes 1, 2 & 3 carbon emissions.	The Group continually monitors changes in tax legislation through internal specialists and with guidance from our advisers. Changes that impact the Group are communicated to the Board and action is taken where appropriate. Our SBTs and journey to net-zero will mitigate our exposure to carbon-related tax.	(1.5°C) Early Action – Early implementation of a carbon pricing mechanism to all economies with a net-zero commitment. 2030: £114/tCO_2 2050: £203/tCO_2.				Based on quantitative financial modelling, the potential impacts of carbon taxes and other carbon policy measures applying a carbon cost to our scopes 1, 2 & 3 were examined and quantified. Overall, the impacts are predicted to be potentially significant under both the NZE and APS scenarios in the medium to long term. Carbon taxes are expected to increase in line with national governments' commitments to decarbonise, especially those committed to net-zero by 2050 or earlier. Given that our value chain predominantly operates in countries with net-zero commitments, this could result in the following potential financial implications: – increased expenditure due to the cost of carbon taxes and indirect costs passed through our supply chain; and – we may have to absorb this cost, leading to reduced profit margins. Alternatively, we may need to increase prices, potentially impacting our competitiveness. During 2024, this risk was reviewed in accordance with the risk management framework, as outlined earlier in this report, and there was no change in its assessment.	**Time horizon** Medium **Metrics** Annual carbon inventory in line with SBTs GHG emissions, scopes 1, 2 & 3 Non-financial KPI, Vitality Index **Targets** 2025 target of 25% of sales from products launched within, the preceding five years 2025 target of 62% of tonnage from recycled polymers 2025 target of 66% reduction of CO_2e emissions intensity (scopes 1 & 2) from 2019 base year 2027 target of 30% reduction in scopes 1 & 2 emissions from 2021 base year 2027 target of 13% reduction in scope 3: category 1: 'Purchased Goods and Services' emissions from 2021 base year 83% of suppliers by emissions covering purchased goods and services will have science-based targets by 2027
					(<2°C) Late Action – Pricing mechanisms are introduced later on and at lower rates. 2030: £109/tCO_2 2050: £162/tCO_2.					
					(>3°C) Business as usual (BAU) – Only existing or announced carbon pricing schemes are applied under lower rates. 2030: £97/tCO_2 2050: £109/tCO_2.					

Disclosure definition/materiality

🟢 <£1m financial impact Low risk 🟠 £1m to £10m financial impact Medium risk 🔴 >£10m financial impact High risk

Risk	Risk type	TCFD category	Potential impact	Mitigating actions	Scenario analysis and results	Short (< 5 years)	Medium (2030)	Long (2050)		Time horizon/metrics/targets
Increased raw material costs										
The potential financial impact of the increased demand for low carbon materials causing reduced supply and increased cost. This could lead to challenges in competitive pricing and reduced profit margins.	Transition	Market	Financial: Reduced revenues due to the limited supply of materials; reductions in profit margins as materials required to aid the transition to net-zero increase in price. Operations: Challenges in continuing operations or a reduction in product offerings if materials become too costly.	Group has established relationships with several raw material suppliers to ensure competition across its supplier base. Our move to increase our use of recyclate also mitigates against raw material volatility.	(1.5°C) Early Action – A carbon price is introduced (see Impact of Carbon Taxes), increasing the cost of carbon-intensive materials. Advanced economies increase their demand for low carbon materials to achieve net-zero.	🟠	🔴	🔴	Under each of these scenarios, the demand for low carbon materials is likely to increase as the introduction of a carbon price shifts consumer preferences towards low-carbon products and services. Overall, the resulting financial impacts could potentially be significant under NZE in the medium to long term: – demand-side inflationary pressure on the price of these materials as supply adjusts to market demand. This may increase our procurement costs, thereby impacting our profit margin; and – in some cases, our ability to procure low-carbon materials may be affected, which could impact the fulfilment of customer contracts and revenues generated. During 2024, quantitative analysis was undertaken and this risk was updated to reflect the scenario outcomes, specifically in the <5 years and STEPS/APS scenarios, where the impact changed from low (green) to medium (orange).	**Time horizon** Short to medium **Metrics** Non-financial KPI, Recycling Margin over direct materials **Targets** 2025 target of 62% of tonnage from recycled polymers Achievement of Group EBIT margin targets
					(<2°C) Late Action – Similar to NZE, the introduction of a carbon tax is delayed with a lower carbon price. Demand for low carbon materials is expected to increase overall, but at a lower rate than NZE.	🟠	🟠	🔴		
					(>3°C) BAU – A carbon tax is introduced for EU-based suppliers for highly emitting manufacturing activities. Demand for low carbon materials is expected to increase at the lowest rate.	🟠	🟠	🔴		

Task Force on Climate-Related Financial Disclosures continued

Disclosure definition/materiality

- 🟢 <£1m financial impact Low risk
- 🟠 £1m to £10m financial impact Medium risk
- 🔴 >£10m financial impact High risk

Risk	Risk type	TCFD category	Potential impact	Mitigating actions	Scenario analysis and results	Short (< 5 years)	Medium (2030)	Long (2050)		Time horizon/metrics/targets
Supply chain disruption										
Potential financial impact of disruption to the supply of raw materials and products, due to increased incidence and the severity of extreme weather events.	Physical	Acute/ Chronic	Financial: Increased price of raw materials, particularly polymers, resulting in reduced profit margins. Supply chain: Disruption in the supply of raw materials could reduce stock availability and cause delays in fulfilling customers' orders.	The Group monitors and reviews its supply chain and does not rely on one single supplier or geographic region for critical materials.	SSP1-2.6 (<2°C) The frequency and size of physical risks is likely to increase, especially for extreme heat events. Surface water flooding risks remain consistent through the 2030-2050 time period.	🟠	🔴	🔴	Based on quantitative financial modelling using industry standard climate models and, based on the location of suppliers manufacturing sites. Increased severity of climate-driven weather events leads to increased supplier disruption. Of the physical risks assessed, surface water flooding was the greatest type of risk in the medium and long term. The analysis revealed a geographical split of risks within the current supply chain, with surface water flooding being a greater risk for UK suppliers compared to extreme heat, whereas extreme heat is a greater risk than surface water flooding for non-UK suppliers. During 2024, this risk was reviewed in accordance with the risk management framework, as outlined earlier in this report, and there was no change in its assessment.	**Time horizon** Medium – long **Metrics** Non-financial KPI, Recycling (use of recyclate reduces exposure to internationally sourced virgin raw materials) **Targets** 2025 target of 62% of tonnage from recycled polymers 2027 target of 13% reduction in scope 3: category 1: 'Purchased Goods and Services' emissions from 2021 base year 83% of suppliers by emissions covering purchased goods and services will have science-based targets by 2027
					SSP3-7.0 (2-3°C) Similar to trends observed in SSP1-2.6, with increased frequency and size of extreme weather events.	🟠	🔴	🔴		
					SSP5-8.5 (>3°C) Compared to SSP1-2.6 (in 2050), a marked increase in the frequency and severity of extreme weather events is projected.	🟠	🔴	🔴		

Disclosure definition/materiality

🟢 >£10m financial impact High opportunity
🟠 £1m to £10m financial impact Medium opportunity
🔴 <£1m financial impact Low opportunity

Opportunity	Opportunity type	TCFD category	Potential impact	Actions to capitalise	Scenario analysis and results	Short (< 5 years)	Medium (2030)	Long (2050)		Time horizon/metrics/targets
Low emission products and services										
The potential revenue generated from further developing low emissions products and services.	Transition	Products & Services	Financial: Overall revenue growth from increased sales of low emission products and services. Access to new sources of finance. Operations: Reduced exposure to increasing carbon taxes, due to the reduced carbon intensity of products. Decrease in scope 3 GHG emissions.	A key pillar in the Group strategy is to provide low-carbon products to the market. Business Units are currently innovating techniques to further reduce the carbon content of our products, as well as operating efficiencies. The Group will continue the plan to produce Environmental Product Declarations for its products to assist customers in making informed decisions. Our drive to increase our Vitality Index is also based upon increasing our revenues from low carbon products.	(1.5°C) Early Action – Early implementation of climate policy (see Carbon Taxes) and consistent signalling to the market by policy-makers is expected to increase market demand for low emissions products and services.	🟠	🟢	🟢	During 2024, quantitative analysis was undertaken on specific products to examine the impact, of market growth, changes to regulation and customer preferences. The analysis revealed positive opportunities for revenue growth under the APS and NZE scenarios. Under a STEP scenario, static regulatory requirements are not creating the environment to drive demand for lower embodied carbon content for building products. However, customer preference for low-carbon products should drive opportunities in the absence of regulator drivers. Based on the 2024 quantitative analysis, this opportunity was updated to reflect the scenario outcomes.	**Time horizon** Medium **Metrics** Revenues from low carbon products Non-financial KPI, Vitality Index Non-financial KPI, Recycling Measuring the carbon content of ranges, as per Environmental Product Declarations **Targets** 2025 target of 25% of sales from products launched within the preceding five years 2025 target of 62% of tonnage from recycled polymers 2027 target of 13% reduction in scope 3: category 1: 'Purchased Goods and Services' emissions from 2021 base year 83% of suppliers by emissions covering purchased goods and services will have science-based targets by 2027
					(<2°C) Late Action – Similar to NZE; however, later implementation of climate policy and less consistent signalling to the market by policy-makers (i.e. via more severe and more ambitious measures, with shorter lead times) is expected. This may result in delayed market demand for low emissions products compared to NZE.	🟠	🟢	🟢		
					(>3°C) BAU – Policy and market pressure are limited, due to a lack of policy ambition compared to NZE and APS. External forces driving the innovation of low emissions products and services are customer preferences.	🟠	🟠	🟢		

Task Force on Climate-Related Financial Disclosures continued

Disclosure definition/materiality

- >£10m financial impact High opportunity
- £1m to £10m financial impact Medium opportunity
- <£1m financial impact Low opportunity

Opportunity	Opportunity type	TCFD category	Potential impact	Actions to capitalise	Scenario analysis and results	Short (< 5 years)	Medium (2030)	Long (2050)		Time horizon/metrics/targets
Increased demand for flood mitigation technology										
The potential revenue generated from further developing the Group's water management solutions.	Transition	Market	Financial: Increased revenue due to the demand for reliable drainage systems and growing SuDS requirements in new major developments. Operations: Positive reputational impact through being a part of a key climate adaptation strategy.	The Group continues to develop water management solutions and pursue opportunities to expand it's portfolio. The Group recognises the demand for a full solution and is working with customers and partners, including in relation to AMP8, to provide comprehensive technology-based solutions.	SSP1-2.6 (<2°C) Heavy precipitation and flood events are likely to increase in frequency and severity, albeit to a lower extent than the other higher emissions scenarios.				The potential size of the opportunity increases from SSP1-2.6 (<2°C) to SSP5-8.5 (>3°C). The financial opportunity may be greatest under scenario SSP5-8.5 in the medium to long term, as the market for flood mitigation technology expands in line with the increased frequency of, severity of and exposure of new areas to flooding events. There is the potential for significant increases in revenue as demand for resilient drainage systems increases under higher emissions scenarios across all time horizons. During 2024, this opportunity was reviewed in accordance with the risk management framework, as outlined earlier in this report, and there was no change in its assessment.	**Time horizon** Short **Metrics** Measured via revenue from qualifying product ranges **Targets** This is not disclosed, due to commercial sensitivity
					SSP2-4.5 (2-3°C) Similar to trends observed in SSP1-2.6, with increased frequency and size of extreme weather events.					
					SSP5-8.5 (>3°C) Compared to SSP1-2.6, a marked increase in the frequency and severity of extreme weather events is projected. Heavy precipitation and drought events are likely to double in frequency verses SSP1-2.6.					

Disclosure definition/materiality

🟢 >£10m financial impact High opportunity
🟠 £1m to £10m financial impact Medium opportunity
🔴 <£1m financial impact Low opportunity

Opportunity	Opportunity type	TCFD category	Potential impact	Actions to capitalise	Scenario analysis and results	Short (< 5 years)	Medium (2030)	Long (2050)		Time horizon/metrics/targets
Upstream supplier engagement										
Increased collaboration with suppliers to optimise the use of lower emissions materials and products could reduce overall emissions and support the Group to achieve net-zero.	Transition	Technology and Market	Financial: Protection from future pass-through decarbonisation costs and increases to carbon pricing. Supply chain: Greater collaboration on decarbonisation and enhancements to circular economy thinking by the greater use of recycled raw materials.	The Group continues to increase the use of recycled raw materials. The Group works with the supply chain to ensure that 83% of suppliers by emissions have a science-based climate target by 2027.	(1.5°C) Early Action – Material reduction in the free allocation of carbon allowances under the EU and UK Emission Trading Schemes driving: 1) increased site exposure to carbon pricing (in the absence of free allocation) and 2) increases in carbon costs per carbon credit.	🔴	🟠	🟢	Supplier exposure to carbon pricing and the level of carbon costs were examined and using a quantitative scenario analysis model. Assumptions were modelled around the future reduction of free allocation, 2035 was assumed to be a common end point. The analysis showed that cost avoidance was possible and beneficial, especially under the NZE and APS scenarios. The analysis revealed the potential cost avoidance by maximising the recycled content of the polymer products and engaging with the supply chain to ensure decarbonisation of virgin material supplies are implemented. During 2024, this opportunity was reviewed in accordance with the risk management framework, as outlined earlier in this report, and there was no change in its assessment.	**Time horizon** Short/Medium/long **Metrics** 2027 SBTi and related carbon in the supply chain targets **Targets** 2025 target of 62% of tonnage from recycled polymers 2025 target of 66% reduction of CO_2e emissions intensity (scopes 1 & 2) from 2019 base year 2027 target of 30% reduction in scopes 1 & 2 emissions from 2021 base year 2027 target of 13% reduction in scope 3: category 1: 'Purchased Goods and Services' emissions from 2021 base year 83% of suppliers by emissions covering purchased goods and services will have science-based targets by 2027
					(<2°C) Late Action – Similar to NZE, with a lower carbon price and later reduction in free allocation.	🔴	🟠	🟢		
					(>3°C) BAU – Similar to APS, with a lower carbon price and later reduction in free allocation.	🔴	🟠	🟠		

Metrics and Targets

Following the implementation of our Sustainability Framework in 2020, the Group identified the relevant metrics and targets to monitor progress towards achieving its sustainable goals. These metrics and targets form part of our strategic operations and inform our decision-making.

These have been mapped against our identified climate-related risks and opportunities, as detailed in the tables on pages 47 to 53. This enables the risks and opportunities to be adequately monitored and mitigated as required. Additional metrics, such as revenue from qualifying product ranges, margin over direct materials and a specific proportion of sites seen as at flood risk have also been included where relevant, to enable effective and targeted monitoring on an annual basis.

A core element of our transition plan is our commitment to being net-zero by 2050, which is based upon the 1.5°C Business Ambition, and near-term science-based targets with the Science Based Target initiative (SBTi) for 2027, as well as continuing our existing and complementary 2025 targets, which have been disclosed publicly and form part of management's incentive programmes. Our 2027 SBTi targets are our first interim targets on our Pathway to Net-Zero and achieving a 90% reduction by 2050.

In addition, we have set targets to reduce, in absolute terms, our scope 3 emissions relating to purchased raw materials and have a target for our supplies of raw materials to adopt science-based climate targets. Progress towards achieving the targets forms part of the ongoing monitoring and metrics identified. For more information on our progress, see page 37.

Further information on our Pathway to Net-Zero transition plan can be found on page 40.

Further information on our newly validated long-term net-zero targets can be found on pages 36 and 37.

Details of scopes 1, 2 & 3 emissions are included in the Sustainability section on page 38 within the Strategic Report. Our non-financial KPIs in respect of recycling and greenhouse gas emissions for the 2024 financial year are detailed on page 22 of the Strategic Report. Progress towards achieving our 2025 and 2027 climate-change targets is included on page 37 of the Strategic Report, and historical data for these targets can be found in the Sustainability Report for 2024.

Health, Safety and Environment

At Genuit, our commitment to the health, safety and wellbeing of our employees is at the centre of everything we do. We firmly believe that a thriving workforce is the foundation of our success, and we prioritise creating an environment where every individual feels supported, valued and safe.

During 2024, we continued to invest in initiatives and practices that promote health, safety, and physical and mental wellbeing. Whilst there has been activity in each of the five core elements of our health, safety and environment (HSE) strategy, there has also been a notable focus on the 'Culture and Behaviour' element.

In our HSE Strategy, we state that safety is not just a policy but is a way of life, and we recognise that a strong safety culture is the foundation of Zero Harm. 2024 has seen significant progress in achieving our HSE Strategy, as we focused on:

- **Leadership H&S Tours**
  Our leadership teams played a crucial role in driving our health and safety initiatives forward and further strengthening our safety culture. In 2024, we trained many of our leaders at all levels on how to conduct a 'Leadership H&S Tour' – a tour that focuses on speaking with employees about safety, finding out what is working and what still needs work, and listening to their ideas and their contributions. These tours have not only fostered open communication but have also provided valuable opportunities for leadership to reinforce our commitment to safety and wellbeing. Over 600 Leadership H&S Tours were conducted by our senior leaders in 2024. With more training planned for 2025, we hope to substantially increase the number of these tours during the coming year.
- **Positive health and safety conversation training**
  Over 100 leaders have been trained in how to 'intervene' when 'something doesn't look right', in a positive, concerned way. The aim is to demonstrate the organisation's commitment to keeping people safe and better understanding why people do the things that they do. The technique focuses on the consequences of their actions, rather than on the act itself. Conversely, the training encourages leaders to give positive feedback when things are done right, particularly if they have had a recent intervention conversation, thereby 'reinforcing' the right (safe) behaviours.
- **Reporting of hazards and near misses**
  Effective reporting of hazards and near misses has seen continued focus across the Group in 2024, resulting in large-scale increases in the number of reports and the number of employees engaging and getting involved. A total of 18,501 hazards and near misses were reported in 2024, compared to 8,214 in 2023. In addition to increased reporting numbers and participation, many sites are seeing an increase in the number of hazards being rectified immediately, usually by the employee spotting it. An example of this is at Nuaire, where they are reaping the benefits of a hazard-reporting process revamp and communications campaign, surpassing their 2024 target of 3,000 reports (up from 797 in 2023) and seeing immediate close-out rates topping 70%.

- **Incident investigation training**
  12 employees undertook an advanced three-day incident investigation course to ensure that the Group's approach to incident investigation uncovers the root cause, to enable the identification of effective preventative action. This approach ensures that we avoid a blame culture and move towards a 'fair and just' culture. Three of the 12 trainees went on to complete a further two-day training session to enable them to deliver this investigation training in-house, ensuring that those involved in any type of incident investigation are armed with this knowledge and these skills.

– **Our Trademark Behaviours (TMBs)**
Our TMBs are designed to help create the right culture for success. Polypipe Civils & Green Urbanisation, based in Horncastle and Loughborough, celebrated HSEQ success in 2024, with awards given to those that demonstrated our TMBs linked with safety, health and the environment. Each site also had an additional award for Safety Ambassador of the Year.

The Genuit Blue HSE Audit programme commenced in the first quarter of 2024, with 12 audits completed; the remaining two to be completed in early 2025. The response and support received were exceptional. Five members of the HSE team from across the Group assisted in delivering these audits, developing their own skills and competency to become Lead Auditors. The audits have confirmed we have a lot to be proud of, and that there are plenty of opportunities for us to improve further. By sharing and learning from one another, we hope to accelerate the realisation of these opportunities.

In line with the HSE strategy, the Group has sharpened its focus on the risks faced by employees who drive as part of their work. This includes our professional HGV and LGV drivers, as well as those that drive cars on company business. During the year, a Fleet Safety Steering Committee was established that focuses on developing and updating various driving policies and handbooks, identifying driver profiling and training, ensuring that accidents are adequately and swiftly reported and investigated, and undertaking 'Fleet Audits'. The overall aim of the Group's efforts is to reduce the risk faced by those driving and to ultimately reduce road traffic accidents.

During the year, we placed an additional focus on health and wellbeing, another of the five core elements of our HSE strategy, to ensure that we take a Group-wide approach in terms of Occupational Health (OH). As reported last year, we undertook a review of the OH structure in the later part of 2023, which led the Group to pursue a more 'regional model'. This regional model now ensures that all employees, regardless of their location, have easier access to OH support for health surveillance, pre-starter medicals and quicker access to physiotherapy, and counselling services. Some sites run regular physiotherapy and counselling clinics on site, while other sites have access to these services on an 'as needed' basis. Many sites have mental health first-aiders already in place, and those sites that do not have them will be looking to change this during 2025. The purpose of a mental health first aider (MHFA) is to provide support and guidance to people experiencing mental health issues, and to reduce the stigma around mental health. MHFAs can help spot the signs and symptoms of common mental health issues, provide confidential support and reassurance, and guide the person to seek professional support, as appropriate.

Whilst the primary Key Performance Indicators (KPIs) tend to be lagging indicators, as shown below, 2024 saw the introduction of several additional KPIs, such as Leadership Tours, Hazard and Near Miss Close Out Rates, Hazards and Near Miss Reporting per Employee, and Training Hours per Employee. These additional KPIs have given us insight into the amount of work and input of each site to manage health, safety and wellbeing. Utilising the new KPIs will enable us to place additional focus on sites or teams that require further support to improve safety performance, offering additional support and resources to address any gaps in safety practices.

As we look ahead, we are determined to build on the achievements of 2024, striving to set new standards in workplace wellbeing and safety to help deliver Zero Harm. Together, we will continue to create a culture that empowers our employees to thrive in a supportive and secure environment.

Key Performance Indicators

Frequency per 100,000 hours worked

	2022	2023	**2024**
Minor Accidents	4.35	4.04	**3.79**
Lost Time Accidents	0.73	0.71	**0.68**
HSE Reportable Accidents*	0.26	0.42	**0.30**
Fatalities	0	0	**0**

* HSE reportable accidents are based on specified injuries and the current seven-day absence from work requirement in the UK. Although there is no direct equivalent in mainland Europe or the Middle East, the same definition is applied.

People and Culture

At Genuit, we believe that an inclusive and diverse workforce is a competitive advantage. By investing in, and creating, an open and encouraging culture across the Group that celebrates our differences, we bring out the best in our people.

Total number of colleagues

3,200

We are committed to enhancing the overall employee experience through investment, driving our diversity and inclusion strategy and introducing new ways to listen to, and learn from, our people. We aim to create an environment where people have a voice and are engaged, empowered and included.

During 2024, we made significant progress in improving our employee experience through investment in our people and systems, and by creating a shared culture that connects all our businesses.

Employees need to understand and feel recognised for the part they play to achieve their full potential. In 2024, we have focused on communication around our strategy, purpose and Trademark Behaviours.

Listening to, and learning from, our people

We work hard to connect with all employees across the Group. In March 2024, we ran our first Group-wide survey, Your Voice, which has provided an important new channel for employee listening.

69%

Overall participation

Our overall engagement score is aggregated across 4 questions:

1. How likely is it that you would recommend the Genuit Group as a place to work?

2. How likely is it that you would stay working here if offered the same job at another organisation?

3. How likely is it that you would recommend our products or services?

4. Overall, how satisfied are you with working here?

Overall engagement score for the Genuit Group: 7/10

Following the Your Voice feedback, in addition to results and highlighted focus areas for Genuit Group overall, the leadership team within each business took ownership for their businesses' results and action planning. Follow-up focus group sessions were held so leaders could understand feedback beyond the numbers, and create mechanisms to drive improvements. Giving local businesses the time, space and support to interpret results and establish meaningful action plans creates trust for future surveys. We want to ensure we always have representative participation in our employee engagement surveys, taking action in the areas that matter most to our people.

In 2025, we plan to move into a regular survey cycle, running a shorter pulse engagement survey in early Q2 and a full engagement survey later in the year. We will continue to listen, learn, act, and measure impact to keep delivering improvements to our employee experience.

We will also align the results from the Your Voice survey with feedback obtained as part of our Board Workforce Employee Engagement programme. You can read more about our programme and the work of our employee engagement Non-Executive Director on page 96 of the Governance Report.

In May, Meta announced that they will retire our Group-wide communications platform, Workplace, in 2025. We took this opportunity to review our current communications approach, listen to users, and engage with our colleagues in the process of finding a new platform that catered to their needs.

What we did

July and August	**Understanding the landscape** – Held focus groups with HR, communications and marketing colleagues – Collated anecdotal feedback – Conducted a Workplace audit
September and October	**Platform demonstrations and shortlisting**
November	**Stakeholder scoring sessions** – Sessions held to gain colleague feedback on the top three platforms – A total attendance of 92 colleagues across all sessions – this covered all businesses and role types, including deskless workers
December	**Communicated the review outcomes**

The outcome

The review process directly engaged with employees and involved them in our decision-making. As a result, we gained further insights and feedback, and this has enhanced our overall communications strategy. In addition, our chosen platform has improved functionality and is more closely aligned with our objectives. Our new communications platform is due to launch in Summer 2025.

Overall rating: 67% of colleagues rated our chosen platform as their favourite or second favourite

Colleagues rate having one place to go to access all applications, links and policies as being of high importance (8.8/10 average score)

The new platform can support this requirement by providing:

- a dedicated hub for resources and documents
- homepage quick links and menus
- integration with existing systems

The new platform has a dedicated kiosk mode for shared devices, with a positive mobile and tablet experience for workers to access information on the go (colleagues rated it 7.5/10 for its mobile view)

Promoting positivity, wellbeing and engagement

The launch and roll-out of our Trademark Behaviours (TMBs) has been a driving factor in colleagues feeling connected to, and being part of, the wider Group, and enabled them to recognise how they contribute to our growth and deliver on our purpose to create sustainable living.

We work together

We take ownership

We find a better way

As outlined on page 85 of our 2023 Annual Report and Accounts, we established our cultural framework during 2023, engaging with colleagues and providing them with the tools they needed, in readiness to launch our TMBs in early 2024. We formally launched our TMBs to the Group in May 2024.

What we did

February	We trained the next level of managers across the Group (c.60 colleagues)
April	We published the Genuit Culture Playbook, to support leaders in communicating our culture story
May	Businesses formally launched our TMBs across the Group
August	We implemented a dedicated e-learning module for all new starters, delivered via Workday Learning
September	We engaged c.55 colleagues in workshops as Cultural Architects, recognising and involving people who were already role-modelling and championing our TMBs

The outcome

Business engagement and ownership

All businesses were responsible for their own TMB launches, which gave them ownership and saw them really engage with their people through bespoke launch events, whilst ensuring that messaging and materials were consistent across the Group.

Building a culture of recognition

The TMBs launch enabled us to start responding to feedback from our Your Voice survey, as well as embedding them within the Board workforce engagement sessions being held around the Group, hosted by our dedicated employee engagement Non-Executive Director, Louise Brooke-Smith.

Looking ahead

In 2025, we will continue to find different ways to embed the Trademark Behaviours across all our business. As part of the Workday Talent & Performance module, in June, we launched the Workday Feedback tool to 277 colleagues across HR and management and during 2025, this tool will be launched to a further 1,000 colleagues.

Our ambition is for all colleagues to champion our behaviours, help drive the right culture, and ultimately make this a great place to work for everyone.

Overall recognition score*

6.4/10

* Your Voice survey, March 2024

Since the launch of our TMBs, we have seen an increase in peer-to-peer recognition:

- 162 individual instances of recognition given, 1,844 reactions and 286 comments on our virtual Workplace Call-in Wall (May to December 2024)
- Physical Call-in Walls are now installed across offices and manufacturing sites

Workday feedback tool

330

pieces of feedback given linked to our Trademark Behaviours (June to December 2024)

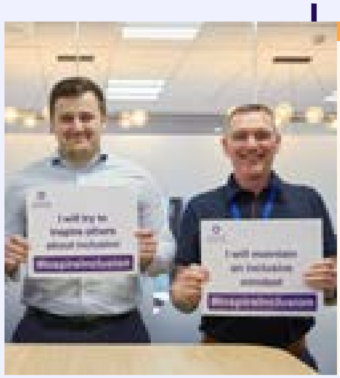
Working towards a more inclusive environment

We encourage open and meaningful conversations about all aspects of diversity and inclusion (D&I). Our D&I strategy is focused on four pillars: **Leadership, Education, Policy & process, and Communication.**

Our D&I strategy in action during 2024

Achieving our D&I strategy

January
Launched updated maternity and paternity policies



March
Inclusion sessions held across our sites for International Women's Day, leading to greater awareness of gender stereotypes and commitments being made to drive inclusion

D&I benchmarks gained through the Your Voice survey

June
Released our podcast for Pride month

Nuaire become official sponsors of Pride Caerffili

August
Genuit Group sponsored UK Pride in Doncaster and attended with colleagues

September
Started working with The 10,000 Interns Foundation to drive diversity through our Early Careers activity

October
Launched the Our Genuit Resource Hub, with a first focus on the resources available for Black History Month

First Coalition in Conversation conference, as part of the Construction Inclusion Coalition (CIC)

November
Held Movember Mo-ments across the Group, and delivered on-site and virtual sessions to raise awareness around men's mental health in partnership with Andy's Man Club

Throughout 2024, we leaned into feedback received from our people to make sure that we create a safe place of work, not only where they can be their authentic selves, but somewhere they are not afraid to respectfully ask questions to learn from one another.

As a result, there has been an increase in engagement in our dedicated D&I group 'Our Genuit' on Workplace. We also saw progress being reflected in our Your Voice survey score for inclusiveness.

Leadership

Our leaders are key to facilitating meaningful conversations across the Group on our D&I strategy. For International Women's Day, inclusion sessions were held across our sites to seek out and correct legacy gender stereotypes in our language and environment. Joe Vorih, Chief Executive Officer, led one of these sessions at Polypipe Building Products in Doncaster. One direct outcome was recognising that Polypipe Building Products had historically only sponsored male sports teams, and Polypipe are now proudly supporting Doncaster Belles women's football team for the 2024/25 season. For Movember, Tim Pullen, Chief Financial Officer, led conversations with employees at Nuaire, helping to break down stigma by talking about the importance of men's health.

Education

This year, c.70 employees in leadership positions completed training sessions on D&I to build awareness and increase the capability of our leaders across the Group. In Q4, we launched a library of resources, curated by colleagues, which are accessible to everyone. These provide additional support and further our reach to continue to raise awareness and understanding, highlight lived experiences and explain cultural differences.

Alongside internal activity, we are also collaborating with our industry peers to drive change, not just for our business, but right across the sector. This year, as a strategic partner of the Construction Inclusion Coalition (CIC), we led two webinars focused on tackling change and the power of D&I data.

Policy & process

In January 2024, we launched new family-friendly policies, with enhancements to maternity and paternity arrangements. We also evolved our recruitment processes, building on the Group-wide Workday process implemented in 2023. This included design and delivery of training for hiring managers and a new recruitment policy, with a focus on diversity in shortlisting, candidate alignment with our Trademark Behaviours, and improving the quality and inclusiveness of the candidate experience.

We are already starting to see the impact of these changes in terms of attraction and hiring, as c.13% of our new hires in 2024 were from a non-white background (our overall current workforce percentage as at 31 December 2024, was c.3.4%).

Communication

In 2024, we aligned all D&I topics under one 'Bring Your Whole Self' campaign across the Group, to link all awareness campaigns and activity back to our overall D&I ambition.

Inclusiveness

8.2/10

At Genuit Group, people of all backgrounds are accepted for who they are.

Communications

7.9/10

Your Voice survey score for colleague awareness of Genuit's Diversity & Inclusion ambition.

Openness

7.7/10

Your Voice survey score for managers communicating honestly and openly with colleagues.

Creating a safe space to ask questions and learn

Click or scan to watch the full podcast via our YouTube channel

What we did

Our D&I Working Group received feedback that people were not always sure about the right thing to say, or how to ask questions respectfully, especially around LGBTQ+ matters. For Pride month, we created an anonymous 'How do I ask?' forum, open to all employees, and we received a variety of questions on pronouns, the LGBTQ+ community and how to be an ally.
These questions were answered through an hour-long educational podcast where Layla Young, HR Director of Sustainable Building Solutions, interviewed Jenny Dewsnap, Chair of Doncaster Pride.

This is now a resource that remains available to all employees, to help raise awareness and to help approach topics respectfully.
In addition to the podcast, we also created short videos covering the most popular questions, raising awareness and educating across a range of topics. This podcast and our videos were shared externally and across our Construction Inclusion Coalition partners, to elevate D&I awareness across the industry.

Our colleagues openly shared their feedback and key takeaways from Pride month via our Workplace community, and we are proud of how impactful our initiatives were to so many of our colleagues across the Group.

Some direct colleague feedback is included below:

Individual questions submitted

42

"My biggest takeaway is to not be afraid to have open conversations as it provides opportunities to continually learn from those around me."

"I love the fact that I am allowed to be myself at work."

"I thoroughly enjoyed the interview. There is a lot of good information there. As a trans woman I would encourage others to watch this."

"My daughter is gay and for the first time I feel less fearful for how society perceives her. As a parent, I had a zillion questions but never asked. You did it for me. I have a massive smile on my face because not only can she take her own self wherever she goes, so can I."

Investing in building careers

In our Your Voice survey, colleagues recognised that there were opportunities available to them for learning and development; however, in some areas, they were seeking clarity on possible career paths and progression. Work has already started on ways to define and communicate clear career pathways for colleagues, and we hope to see the impact of this in our 2025 survey.

We made progress during the year to continue investing in our people and developing our workforce, which includes:

- the launch of Workday Learning;
- achievement of Gold Member status with The 5% Club one year ahead of plan, with c.18% of employees in recognised Earn & Learn programmes across several levels and disciplines;
- aligning our talent development to a levelled leadership model, to offer the right development opportunities;
- 44 of our Genuit Leadership Team taking part in the Genuit Leadership Programme; and
- 105 internal promotions this year, 30% of which were female.

We also established 'Leadership Fundamentals' training modules to support the delivery of processes for Performance Management, Mentoring and Recruitment. This will expand to include Absence and Change in 2025.

During 2025, we will continue investment as part of The 5% Club, expand our e-learning catalogue on Workday Learning, and complete a further two cohorts of the Genuit Leadership Programme.

Genuit Leadership Programme (GLP)

The GLP is focused on strengthening core leadership capabilities, equipping leaders to inspire their teams and deliver on our strategy for growth. The programme is delivered through a leading consultancy, Peoplewise.

Feedback from colleagues has been positive, and it has given a further channel for collaboration across our businesses and functions, which, in turn, is bringing together more diverse backgrounds and perspectives.

By 2026 we are aiming for

1 in 3 — **Early Careers colleagues who have a diverse characteristic**

"I chose Genuit Group's Early Careers Programme for many reasons, including the Group's culture, momentum towards continuous improvement and sustainability, and the varied and interesting areas that the placement rotations offer."

Rosie James, Graduate

"Everyone has been very open to giving each of us an equal opportunity to showcase our skills and knowledge. They've also allowed us to bring out the best in ourselves, in our own way."

Surinder Chana, Graduate

Inspiring the next generation

Our Early Careers Programme is continually evolving and expanding to meet our current and future requirements. Our attraction campaigns gained fresh momentum this year and we commenced a Graduate Programme in Q3 2024, with a further intake planned for 2025. We also started working with The 10,000 Interns Foundation to drive diversity through our Early Careers activity, and in 2025, we will expand our overall offering with summer internships. As at the end of 2024, 33% of our Early Careers colleagues have a diverse characteristic.*

* A diverse characteristic is one or more of the following: non-male gender or gender identity, non-white ethnicity, a declared disability, being from a low-social income home or non-heterosexual.

Delivering an improved and consistent employee experience

Continued roll-out of Workday, our people platform

We launched Workday in October 2023 as the single source of people data across the Group. We want to equip our HR teams with the right tools: to hold consistent and accurate data, drive efficient processes, and empower informed decision-making.

During 2024, we switched on additional functionality, enabling all Genuit Group colleagues to access more from one place. Workday has also assisted in helping to drive our D&I activity, giving us a deeper understanding of our people and how best to support them. We have seen improvements in terms of both potential candidates and existing colleagues sharing their D&I data with us. Some of this data includes:

– an overall reduction in the level of 'Prefer not to say';

– the number of people who shared their ethnicity and sexual orientation is up by 5%; and

– D&I data for overall new hires in 2024: c. 13% non-white, above the percentage in the overall organisation.

During the year, we launched Workday Learning as part of our Workday roll-out strategy, improving the overall user experience and accessibility – with 2,000 employees having completed over 11,000 training modules through the platform since the launch. The tool provides employees with access to a broader range of learning content, as well as providing better visibility and autonomy for people managers in keeping track of any outstanding training deadlines and upcoming courses for their direct reports. This has improved e-learning engagement and increased the range of learning content available, with the tool currently housing 1,140 pieces of e-learning content.

Meeting our employees where they are

With many of our employees being factory-floor workers, we are focused on improving the accessibility of systems like Workday. During 2024, we introduced shared kiosk devices in our larger manufacturing sites, and businesses have also taken the lead on creating dedicated e-learning and wellbeing hubs.

Workday Talent & Performance

In June 2024, we launched our Talent & Performance module for c.270 colleagues. This has given individuals and managers greater ownership of objective-setting and performance reviews. We plan on rolling this module out to a further 1,000 colleagues during 2025.

Launching a new Genuit Group Pension Scheme with Legal & General

We want to fully support our colleagues through their savings journey to retirement, through simplified information, communication and processes. In 2023, we conducted a detailed review of all workplace pension schemes within the Group, working with an independent advisor. We assessed the quality of schemes and the overall support offered to colleagues.

As a result, a new Group scheme was launched with Legal & General from 1 July 2024, enabling us to consolidate 10 different pension schemes into one consistent scheme for all Genuit Group employees.

As part of the launch, 65 face-to-face pension presentations were delivered to over 1,000 employees across 10 sites, in collaboration with our pension advisors, Secondsight, and seven online webinars were delivered to ensure that employees were provided with as much information as possible. In addition, we created a dedicated Pensions Hub on our Workplace platform, which included resources and useful links. We also wrote to employees, providing a personalised comparison of the old and new schemes.

As a result of this engagement, c.1,400 employees took the time to find out more about the changes and learn more about their pension.

Following this additional engagement, benefits have been realised for employees including 59% of pension members now receiving an enhanced employer pension contribution compared to their previous scheme, introduction of salary sacrifice for contributions, and an overall simplified approach to the management of pension schemes. Employees from Sky Garden and Omnie & Timoleon were also onboarded onto the scheme and became eligible from 1 November 2024.

Engaging with our stakeholders

Together, we create sustainable living

Effective engagement with our stakeholders is crucial for building strong, effective and mutually beneficial relationships for the long term. Our purpose, 'Together, we create sustainable living,' recognises the value that diverse perspectives bring, and the importance of collaboration.

By fostering a culture of collaboration, direct engagement, mutual respect and transparency, we effectively work together with our stakeholders to achieve this purpose. This engagement enhances our ability to meet our strategic objectives whilst building a more inclusive, sustainable and resilient business.

Our key stakeholders

Our key stakeholders are integral to the Group's long-term strategy. The Executive Management Team is responsible for ensuring that their needs form part of everyday decision-making on behalf of the Board. Using the feedback received from senior management on these needs, the Board considers and then makes its strategic decisions against the backdrop of what it considers to be in the best interests of the long-term success of the Company.

Engaging with our employees

How we engage:

Engagement is varied and includes focus groups, enabling informal chats with Managing Directors, holding quarterly 'town halls' led by senior leadership teams and conducting dedicated training days. We utilise Workplace by Meta and use notice boards in common areas, as well as conducting periodic employee engagement surveys. During the year, we focused on health and wellbeing, with members of our Occupational Health team attending an Executive Sales Conference within one of our Business Units.

Key topic	Outcome
Group-wide employee engagement survey	Results were shared to enable priorities to be set at Group and local level to directly target areas for improvement, including recognition schemes, further learning and development (L&D) opportunities and updates to policies, both in individual businesses and across the Group
Equitable access to our people platforms, including L&D, communication and our HR Information Systems (Workday)	Engagement roadshow to our businesses to identify challenges within our methods of communication. Implementation of shared devices, using colleague engagement hubs, and additional opportunities for L&D through continuous improvement initiatives
Raising awareness outside manufacturing sites of the importance of physical and mental wellbeing	Raising awareness included providing mini health-checks, guidance on wellbeing, access to counselling, and tips on ways to improve physical health
Bridging the Genuit Business System (GBS) strategic initiative from concept to practice	Through training and improved communication tools, we further embedded GBS across the Group to work towards establishing a world-class lean culture at Genuit

Challenges:

Employee understanding and buy-in of new processes and systems as part of the GBS roll-out. Establishing Group versus local business priorities in response to the results of the engagement survey.

Value:

Improved engagement and retention rates. The upskilling of employees, positioning us for future growth. Improved overall health and wellbeing, thereby reducing sick rates and injury risk. Targeted areas for improvement as a result of the survey. Further embedding of GBS.

Upskilling and empowering employees in the deployment of the Genuit Business System

We continued to engage directly with employees on our journey to embed GBS across all our operations and functions.

During the year, we made considerable progress in its implementation. We hosted four GBS orientation sessions, training approximately 100 people and 88% of the Genuit Leadership Team (GLT), and increased our kaizen activity, providing both results and case studies to better understand GBS. We focused on our leaders and conducted a mock-kaizen at our annual Genuit Leadership Conference to demonstrate the effectiveness and simplicity of a kaizen, and hosted numerous strategy deployment sessions.

We also worked closely with our communications and Information System (IS) teams to establish a dedicated communications plan, including the launch of GBS videos to help relay the story and vision of GBS to employees and other material stakeholders, and launched our GBS intranet site documenting ongoing events and sharing tools and learnings across the Group.

Some examples of the new tools learned and practiced through kaizen events as we continued to upskill our employees during the year across the Group include:

Adey
Value Stream Mapping
Nuaire
Leader Standard Work
Polypipe Building Products
Kaizen Facilitation & Process Development
Polypipe Building Services
SMED & Process Development
Polypipe Civils & Green Urbanisation
Total Preventative Maintenance, Sustainability Impact & Value Stream Mapping
Polydeck
Process Development
Sustainability function
Process Development & Sustainability Impact
IS function
Process Development

"Effective execution and upskilling will develop our employees, materialising into increased shareholder value."

Pete Kalet, Group Head of GBS

Click or scan here for more information about GBS at Genuit Group

Engaging with our stakeholders continued

Engaging with our customers

How we engage:

We engage with industry bodies such as the Future Homes Hub, where our customers are similarly represented, and hold regular customer meetings with end-customers, merchants, social housing groups, national house builders and water companies. We also interact with the technical and innovation teams of our customers. We attend industry dinners and, for some, hold quarterly review meetings. We provide support and collaborate to create the solutions our customers need, through engaging across our entire supply chain. We are improving our synergy selling capabilities across the Group to continue to provide a wide range of climate-related solutions.

Key topic	Outcome
Focus on sustainability, including the impact of climate change, Environmental Product Declarations (EPDs) and improved sustainability ratings	Holding face-to-face meetings and interacting with technical and innovation teams allows us to provide innovative solutions to customers, drive EPD creation to include key products, and provide reliable carbon data
Increasing housebuilding in a challenging demand environment, including costs, labour and supply-chain adaptability	Providing solutions such as Stax, MecFlow Press, the relaunch of MecFlow Fusion and working with new customers in the MMC sector to lift the basket of goods supplied and gain added value, in addition to providing support with cash flow and cost management challenges
Understanding the impact of pending regulatory changes, such as The Future Homes and Buildings Standards, and preparing for compliance	Engaging with customers (such as housing developers) to provide innovative and adaptive solutions, for example, underfloor heating replacing steel radiators, widespread adoption of MVHR in residential developments, or blue-green roofs and innovation products such as swift bricks and bat boxes for biodiversity net gains

Challenges:

Addressing stormwater and sewer overflow challenges and understanding what solutions customers require to solve installation problems, including speed and system integrity. Adapting to regulatory changes and customer cash flow challenges as they manage higher interest rates.

Value:

Engagement empowers us to create better solutions by working jointly with the supply chain, culminating in long-term relationships and growth for Genuit. Increase in barrier-to-entry value-add solutions sales, making us more flexible and well-positioned to address customer needs.

Elements Europe: value-added partnership

Polypipe Building Services (PBS) identified an opportunity to partner with Elements Europe, a leading modular manufacturer. This collaboration streamlined the Elements Europe supply chain whilst opening a new market for PBS and synergy sales across Genuit. Cross-functional teams leveraged GBS tools like A3 problem solvers, Voice of Customer, and Value Selling, with Genvue CRM ensuring effective tracking. Despite challenges in product development and in gaining technical approval, PBS adapted quickly, delivering a tailored solution. Early feedback was highly positive, with Elements Europe praising PBS's understanding and partnership approach. With the initial orders secured, PBS is positioned for long-term growth and further expansion of its solution-selling strategy.

"Polypipe Building Services Advantage brings value-added solutions to save time, increase productivity and enhance the assembly processes in the Elements Europe factory setting."

Andy Cullum, Managing Director, Polypipe Building Services

Driving sustainability and customer value

During the year, Adey embarked on a project to reduce the carbon used in producing, packaging and transporting products. Through extensive research using the Voice of Customer tool, and consultation with key merchant customers, Adey launched its new, and more sustainable packaging. This resulted in several benefits for not only Adey, but also the customer, the supply chain and the environment. This will result in annual savings of 72 tonnes of carbon emissions, reduction of 128 gallons of fuel, 3 tonnes of paper, and a reduction of 5.5 tonnes of plastic. This initiative not only created value for Adey, but strengthened partnerships and secured long-term business growth.

Tonnes of carbon emissions saved

72

Engaging with our shareholders

How we engage:

We conduct investor roadshows following our full year and half year results, hold our Annual General Meeting each year, and conduct ad hoc investor meetings as required. During the year, we visited non-UK investors across the USA, Helsinki, Copenhagen, Frankfurt, Paris and Jersey. Site visits were held at Doncaster, Caerphilly and Gloucester for our analysts to demonstrate the effectiveness of GBS. During the year, we also launched a new website to improve access to up-to-date information and drive engagement further, and our Chair offered our top ten shareholders the opportunity to meet with him to discuss the Company's progress against its strategy.

Key topic	Outcome
Understanding how GBS works, is being deployed, and will create value	Site visits held to see GBS in action, showcasing the pace of improvement across the Group. Updates to our GBS communication materials, including videos and the inclusion of case studies in financial results
Feasibility and opportunity for Genuit with the UK government's commitment to delivering new housing targets, regulatory changes in the water sector and readiness for the Future Homes Standard	Updates on the content, timing and impact of the upcoming Future Homes Standard on the Group, including ways in which we are engaging with customers in preparation. Additional information on Genuit's role in helping to manage the next water budget cycle, aimed at solving the sewer overflow issues, giving confidence to shareholders
The Group's route to its medium-term margin targets and management of performance in the face of a challenging macro outlook	Evidence of growth through the Group's M&A agenda and the successful acquisitions of Sky Garden and Omnie & Timoleon, as well as organic growth and operational efficiencies through the rationalisation and deployment of GBS

Challenges:

Navigating a changing market with regulatory developments and continued high interest rates. Understanding the value of GBS in the future outlook of the Group. Building confidence in the UK market and its growth position over the next five years.

Value:

Increased shareholder confidence in the strategic goals and outlook of the Group, leading to increased levels of investment, both overseas and within the UK. Retention of a strong register of highly supportive investors, and consistent dividend payments.

Site visits and external communications

During the year, we hosted further site visits for our analysts at Adey, Polypipe Building Products (Neale Road site) and Nuaire, led by our Group Head of GBS, Chief Financial Officer, and key members of the local teams, to demonstrate the progress of the implementation of GBS and its effectiveness across our businesses. We also launched additional GBS materials through videos and related communications to share more detail about its benefit to our business. Our new website included a section dedicated to GBS and better showcased details of our strategy to make it easier for our investors follow our progress.

Click or scan here to watch our introduction to the Genuit Business System

Total investor meetings held during the year

267

Preparation in readiness for the Future Homes Standard

In readiness for the Future Homes Standard, we worked alongside Barratt's technical committees to align Polypipe's underfloor heating system with Vaillant's Air Source Heat Pumps (ASHPs). Through a series of workshops, we conducted heat loss calculations, zoning strategies, and flow rate optimisation to ensure peak efficiency. The commercial discussions focused on cost-efficiency, installation timelines, and compliance with the Future Homes Standard.

By working closely with Barratt Homes and our partners, we successfully delivered:

- significantly reduced carbon emissions, aligning with the UK's 2050 Net Zero goals;
- a future-proofed, sustainable heating solution, ensuring compliance with the upcoming Future Homes Standard; and
- zoned heating control for enhanced comfort and energy efficiency.

Sharing details of this customer engagement with our shareholders demonstrates and reassures them of the Group's ability to collaborate, innovate and deliver scalable, future-proof heating solutions, while responding to changing regulations.

Engaging with our suppliers

How we engage:

Supplier relationship and performance management (face-to-face) meetings are one method of engagement, and we hold these frequently with key suppliers and as necessary in relation to intelligence or post-events where intelligence is not available. These are supplemented by virtual meetings as necessary and ad-hoc engagement as required. We collect new supplier credentials through onboarding processes and assure ourselves of their ethical behaviours, sustainability and creditworthiness. We conduct one-to-one meetings with suppliers on sustainability issues, with a clear focus on climate change.

Key topic	Outcome
UK and European PVC suppliers faced challenges largely due to a persistently depressed market, driven by low-cost imports from the USA, prompting the UK Government to conduct an anti-dumping investigation into the USA imports	The Group built in protections against both pricing volatility and any future levies by strategically contracting PVC supplies with agreed fixed-pricing mechanisms and guarantee of supply. We engaged with the Government anti-dumping investigation, providing both supporting documentation on the PVC UK supply landscape and information in respect of the potential effects on both our businesses and the wider construction industry
Geopolitical events causing global shipping constraints and limitations due to sanctions	We conducted specific supplier meetings on the topic, extended lead times, covered H2 demand with forward orders and mitigated supply risk through finding alternative sources in other geographical regions
Impact of low demand, coupled with a growing demand from customers for product and sustainability data	Working with key suppliers to support data requirements to give clarity and priority, plus the further development of long-term agreements to give some surety of demand

Challenges:

Geopolitical events and natural disasters, creating more disruption for suppliers. Lower demand and increased costs, with expectations of credible sustainability data. Depressed market driven by low-cost imports from the USA.

Value:

Realised annualised savings and mitigated risk. Improvements in supplier relationships, better understanding of requirements, removal of waste, and improvements to supplier delivery performance. Working capital improvements through inventory reduction. Uplift in volume of EPDs.

Recycled material supplier optimisation

During the year, the prices of recycled material and its availability, quality and consistency were all variables that fluctuated, providing a challenging environment for sustainability practices. This highlighted the importance of having an established supply chain with trusted suppliers providing us with product quality and consistency. Building on our efforts during 2023, during the year, we continued our supplier site visits, provided more detailed material specification sheets and onboarded new suppliers to help expand our supply chain. To further improve our relationships with our suppliers, we invited them to visit our sites during material testing and trials, enabling them to contextualise our manufacturing conditions and witness our processes for testing and manufacturing.

One example of the outcome of this engagement was successfully finding a recycled material grade for a product that had historically been a challenge. Following the onboarding of a new supplier and completion of the above, this product will now be manufactured with 50% recycled material, having previously been manufactured from 100% virgin material, helping us continue towards achieving our recycling targets.

This engagement has provided benefits for both the Group and our suppliers, as we each now have a greater understanding of the other's processes, and our suppliers continue to collaborate with us to provide advice on how best to process the material we purchase, resulting in higher-quality products.

We have greater communication and trust with our suppliers when it comes to material being delivered and the product trials we conduct."

Adam Pointon, Group Materials Development Manager, Genuit

Engaging with our communities

How we engage:

We engage directly within our local communities through local trusts, creating opportunities for students to develop their business knowledge and learn entrepreneurial skills, including leadership and business modelling. We host environmental tidy days and educational initiatives teaching about heating, engineering and the reduction of carbon emissions. We collaborate with local colleges, support charities and provide sponsorship for local schools, community groups, and sports teams. We also engage through updates on LinkedIn and attend conferences to share information on social inclusion to reinforce and support community understanding of the importance of inclusion.

Key topic	Outcome
Diversity and inclusion within the workplace and construction industry	Became a strategic partner of the Construction Inclusion Coalition (CIC). Delivered webinars, led the first CIC conference and presented its approach to measuring impact, and shared our best practice with the construction sector. Participated in Pride and International Women's Day and created a Genuit employer brand
Improving the standard of education and the pipeline of students moving into employment	Attended a job fair held by a local competitor that was closing its site and were able to offer employment to 12 employees. Regular hosting of work experience programmes for local secondary school children, creating a pipeline of work-ready students with engineering and digital specialisms
Impact of climate change and the ways in which Genuit helps to mitigate	Participated in sessions at climate events and within local groups, such as scouts, to educate on excessive water use and city stress from over-heating, cooling and water

Challenges:

Cost of living challenges within local communities, job losses and reduced education opportunities. Continued focus on the impact of climate change on our environment and the pace of changing regulations and the need to educate communities.

Value:

Reducing the impact of our activities on the environment. Genuit brand awareness and development of reputation. Nurturing the next generation and improving recruitment opportunities. Increase of young talent in graduates and apprentices.

Engagement within the research space

The Chartered Institution of Building Services Engineers (CIBSE) created a Resilient Cities Special Interest Group, chaired by one of our employees. Engaging in this way enables the Group to discuss blue-green solutions with confidence, based on the research roof findings. This also opens doors to other industry activities such as white paper consultations, hosting site visits, draft legislation and inputting into the Biodiversity Net Gain (BNG) Road Map to inform and guide legislators, given that BNG is a mandatory requirement for housing at the planning stage. This engagement assists in developing the Genuit Group brand within our communities, with regulators and across our customer base, sharing the message that the Group does not solely manufacture recycled pipes, but also provides blue-green solutions, ventilation and low-carbon solutions.

Local community initiatives

Polypipe Civils & Green Urbanisation (CGU) teamed up with Woodlands Academy to support the school's fundraising campaign to visit Oegstgeest and the Corpus Science Museum in the Netherlands, as part of their GCSE studies. Woodlands Academy is a specialist secondary school for pupils with social, emotional and mental health needs, which provides a personalised curriculum to prepare students to be successful and confident young adults. The trip is self-funded, but many pupils coming from deprived backgrounds are not in a financial position to pay for the trip, so Polypipe CGU organised fundraising to cover the costs. The team welcomed students and staff to the Horncastle site for a community litter pick, for which their hard work was rewarded with a donation towards their trip.

Education across the industry

Our Middle East Director for Civils, Green Urbanisation & Network Solutions, Lina Abolail, participated in the Economist Intelligence Corporate Network for the Middle East and North Africa Annual Conference in Dubai. Lina was part of a panel discussion at the event titled 'Preparing for Climate Change and Extreme Weather Events', sponsored by Watania Takaful.

The event provided a valuable platform for industry leaders to exchange knowledge and strategies on addressing the challenges posed by extreme weather events. Lina shared our commitment to proactive risk management and sustainable stormwater management solutions in urban environments. These insights highlighted the importance of collaborative efforts in enhancing resilience and contributing to a more resilient future.

Section 172 statement

The Board recognises that effective engagement with stakeholders is critical to achieving long-term sustainable success, and the needs of our different stakeholders are regularly considered by the Board. This section 172 (s172) statement gives further insight into some of the decisions taken by the Board, where key stakeholders have influenced those decisions.

How the Board complied with its s172 duty

Adequate consideration of key stakeholder groups in Board decisions has always been part of Board discussions and the decision-making process at Genuit. The Board promotes the success of the Company for the benefit of its shareholders as a whole, whilst having regard to other stakeholders. The Board uses varying methods of engagement, depending on the stakeholder, to ensure that it is fully informed of their needs. These include but are not limited to: press releases, announcements, roadshows, site visits, surveys, one-to-one contact, newsletters, forums, emails, videos and town hall leadership sessions.

Key decisions in 2024

Our governance processes enable the Board to consider the interests of all stakeholders, having regard to all the relevant factors to select the course of action that best leads to high standards of business conduct and the success of the Genuit Group in the long term.

Effective engagement ensures that the Board is fully aware of any potential issues or likely impact, allowing it to promote those initiatives that are expected to have a positive outcome and minimise those which may have a negative impact. This allows for detailed and thorough discussion at meetings, enabling a considered, informed and balanced approach to decision-making. In performing their duties during 2024, the Directors have had regard to the matters set out in s172 of the Companies Act 2006, as demonstrated within this statement and elsewhere in the Annual Report and Accounts.

Appointment of a joint broker

Context

Following the merger of Deutsche Bank and Numis, the Company's joint brokers, it was proposed during 2024 to appoint a second broker to ensure that the Company continued to receive appropriate advice and coverage.

s172 considerations

1 2 3 4 5

Shareholders

The Board considered the impact any change in appointment may have on shareholders and ensured the appointment aligned with their interests, both in effective credentials in communicating effectively with the markets and offering in-depth market knowledge and insight to shareholder perspectives. The Board also considered the timing of the tender process to ensure that it did not coincide with key dates in its financial calendar.

Outcomes and impact

The Board considered the benefits of appointing a new broker following the merger, to improve diversity of perspective and access to information. They approved the tender process timetable and gave authority to the Executive Directors to proceed with the proposed tender process. The Board were kept up to date on progress, and approved the proposed appointment of J.P. Morgan Cazenove, who were appointed on 1 August 2024.

Approval of acquisitions

Context

In line with the Group's long-term strategy for growth and purpose, the Board approved the acquisitions of Sky Garden and Omnie & Timoleon during 2024, having prioritised and considered the long-term consequences of these acquisitions on its stakeholders.

Read more – pages 16 to 19

s172 considerations

1 2 3 4 5

Employees

A key priority during the decision-making process was to ensure that the employees of both the acquired and current businesses into which they were integrated would be supported, to ensure an efficient and effective onboarding.

Shareholders

The Board considered the potential synergies and financial benefits of the acquisitions in the context of the Group's strategy, as well as the environmental credentials of the target businesses. It also considered the benefit the acquisitions would bring to shareholders in terms of the long-term growth of the enlarged Group and potential returns.

Customers

It was key to the decision-making process that the acquired businesses would provide further synergies and increase the portfolio of products and solutions available to our customers.

Communities

The Board considered the impact of the additional sites and operations in the context of climate change and local communities.

Outcomes and impact

The Board approved each acquisition and Sky Garden and Omnie & Timoleon joined the Group in August 2024.

Approval of five-year plan

Context

During 2024, the Group undertook a detailed bottom-up approach to our five-year planning cycle with each of the Business Units and Group functions, submitting outline plans for 2025 to 2029. This provided a longer planning horizon for the businesses than the annual budget cycle, so that colleagues considered broader topics such as product road maps, operational footprint, and emerging market trends.

s172 considerations

1 2 3 4 5

Shareholders
The Board considered the outcome of the five-year plan on long-term shareholder value and the future prospects of the Group, in addition to satisfying the alignment with the Group's Sustainable Solutions for Growth strategy.

Employees
Employee structure and future outlook was considered, along with the intention to develop and grow talent to continue to support the Group's organic and inorganic growth.

Customers
The views of customers were considered by the Board as part of the five-year bottom-up review to ensure that sufficient consideration had been given to innovation, surety of delivery and supply of quality products.

Suppliers
The ability to obtain raw materials and PVC was a critical part of creating the five-year plan, in addition to considering suppliers in respect of continuity of supply and fair pricing. The Board considered this as part of its review.

Outcomes and impact
The Board approved the Group's five-year plan at its meeting in October 2024.

Approval of four key strategic workstreams

Context

During the year, the Board took part in its annual strategy day which included presentations from key members of the leadership team on certain key strategic workstreams, identified with a view to accelerating growth-in-growth sectors, in addition to considering those in their infancy but with greater potential.

Read more – pages 15 to 21

s172 considerations

1 2 3 4 5

Shareholders
The Board considered the potential for long-term growth in the execution of the strategic workstreams, potential revenues and associated risk.

Customers
The challenges that customers experience as we transition to low-carbon energy, added value services, and the Group being a solutions provider were evaluated by the Board as part of these workstreams.

Employees
The Board considered the opportunities for the growth and development of current employees, in addition to the scope for potential acquisitions and onboarding of new employees as a result.

Communities
Implementation of these workstreams in local communities (such as through additional job roles), in addition to the impact on our sustainability data and carbon reductions, were considered by the Board.

Outcomes and impact
The Board approved the four key strategic workstreams as being aligned with the Group's Sustainable Solutions for Growth strategy.

Non-financial and sustainability information statement

The following table, in addition to our TCFD Report on pages 42 to 53, details the non-financial information required by section 414CB of the Companies Act 2006 and highlights where more information can be found elsewhere within the Annual Report and Accounts.

Non-financial information reporting requirement	Development and actions	Our impact and any related principal risks	Page
Environmental matters – Advancing the circular economy – Tackling climate change – Task Force on Climate-Related Financial Disclosures (TCFD)	Providing solutions to the environmental challenges facing infrastructure, buildings and communities is at the heart of the Group's strategy and growth agenda. The Group has science-based targets (SBTs) with initial targets to achieve by 2027, as well as formulating its detailed transition plan to reduce CO_2e emissions as part of its Pledge to Net Zero and an increase in its use of recycled polymers.	– Our business model	14
		– Non-financial KPIs	22
		– TCFD	42
		– Sustainability and net-zero transition plan	40
		– Principal risk 6 – climate change	81
Employees – Talent development – Developing apprentice and graduate careers – Diversity & Inclusion ambition – Health and safety – Culture and behaviours	As part of its efforts to consolidate and promote a healthy culture, the Group places its focus on motivating and developing its employees so they feel valued and engaged with the strategic direction of the Group, and understand the contribution they can make to its growth. Attracting and retaining a diverse workforce and investing in employees' future opportunities is of paramount importance to the Group, as can be seen from initiatives such as the Graduate Scheme, our Apprentice programme, our Genuit Leadership Programme and our Gold membership of The 5% Club.	– People and culture	56
		– Health, safety and environment	54
		– Stakeholder engagement	64
		– Principal risk 8 – recruitment and retention of key personnel	82
		– Principal risk 11 – health, safety and environmental	84
		– Governance and culture	98
Social matters – Developing sustainable solutions	The Group is committed to carrying out its business responsibly and ensuring that it promotes sustainable operations and minimises adverse environmental and social impacts. Employees are actively encouraged to participate in initiatives within their communities which reduce the impact of climate change and to offer support and education to their local communities.	– Stakeholder engagement	64
		– People and culture	56
Human rights	The Group has a standalone Human Rights Policy and Anti-Slavery Policy. Our Modern Slavery Act transparency statement is available on the Company's website, within which we state our zero-tolerance approach to any modern slavery or human trafficking rights violations. The Group has a supplier onboarding process for new suppliers, which includes requiring suppliers to sign up to our Supplier Code of Conduct and Sustainability Code of Conduct and that they conform to ethical working practices and to confirm they are aligned with our environmental targets. The Group also has a Diversity Policy which is reviewed and approved by the Board on an annual basis.	– Nomination Committee Report	106
		– Stakeholder engagement	64
		– Principal risk 2 – raw materials supply and pricing	78
Anti-corruption and anti-bribery	The Group seeks to prohibit all forms of bribery and corruption within its businesses and complies with the requirements of all applicable anti-bribery and corruption laws. The Group requires all relevant employees to confirm bi-annually that they have complied with the Group's Anti-Bribery and Corruption Policy, and periodic audits of compliance with the policy are carried out by the Internal Audit Function.	– Audit Committee Report	116
		– Principal risk 10 – breach of legislation	83

Principal Risks and Uncertainties

Effective risk management is fundamental to our strategy and performance. Our ability to identify, assess and effectively manage current and emerging risks is critical to how we position the Group to create value in the face of uncertainty whilst delivering positive outcomes for all our stakeholders on a long-term, sustainable basis.

Risk management framework

Risk management is integral to our Group and in achieving our strategy. Our risk management framework makes sure that we manage risks in a simple, consistent and structured way. It helps us achieve our goals, deliver our strategy, support our business model and protect our assets, whilst delivering positive outcomes for all our stakeholders on a long-term, sustainable basis. We align our risk management activities with our strategic framework, business planning and performance management. This helps integrate risk thinking into key decision-making areas.

Risk management governance

The Board has overall responsibility for risk management and for maintaining a robust risk-related internal control environment. It is responsible for determining the nature and extent of the principal risks that the Group is willing to take in achieving its strategic goals. The amount of risk is assessed within the context of our strategic priorities and the external environment in which we operate, and is referred to as our risk appetite. The Board is central to the Group's risk review process, including the scenario planning and detailed stress testing associated with the Group's Viability Statement. To support the Board, the Risk and Audit Committees provide essential oversight and assurance. The Risk Committee specifically reviews the effectiveness of risk management and internal control processes throughout the year. At the strategic level, this top-down evaluation of risks ensures that our risk management is focused on the principal risks facing our business and considers our key risks across the Group in aggregate, as well as seeking to identify emerging risks.

The Risk Committee (comprising the Executive Management Team and chaired by the Chief Financial Officer) is accountable for the effective management and reporting of principal and emerging risks across the Group. It also monitors the operation of our risk-related internal control environment. The Head of Internal Controls is responsible for supporting the Risk Committee in co-ordinating our risk management activities and embedding risk management and risk-related internal controls across the Group's operations, culture and decision-making processes.

At the operational level, the day-to-day management of risk is embedded within our businesses and is integral to the way the Group conducts business. This bottom-up approach ensures that potential risks are identified at an early stage and are escalated appropriately. Ownership of operational risks resides within each business and Group function through designated risk owners, with risks managed at source, and appropriate mitigations (including risk-related internal controls) put in place. The Business Unit and Group function risk owners each maintain a detailed risk register, which are regularly reviewed by the Risk Committee. Significant and emerging risks are formally reported to the Risk Committee at least every six months. Internal audit acts as an objective assurance function by evaluating the effectiveness of our risk management and internal control processes, through independent review and rotational testing.

Through this approach, the Group operates a 'three lines of defence' model of risk management, with operational management forming the first line, the Risk Committee and other assurance roles forming the second line, and finally internal audit the third line of defence.

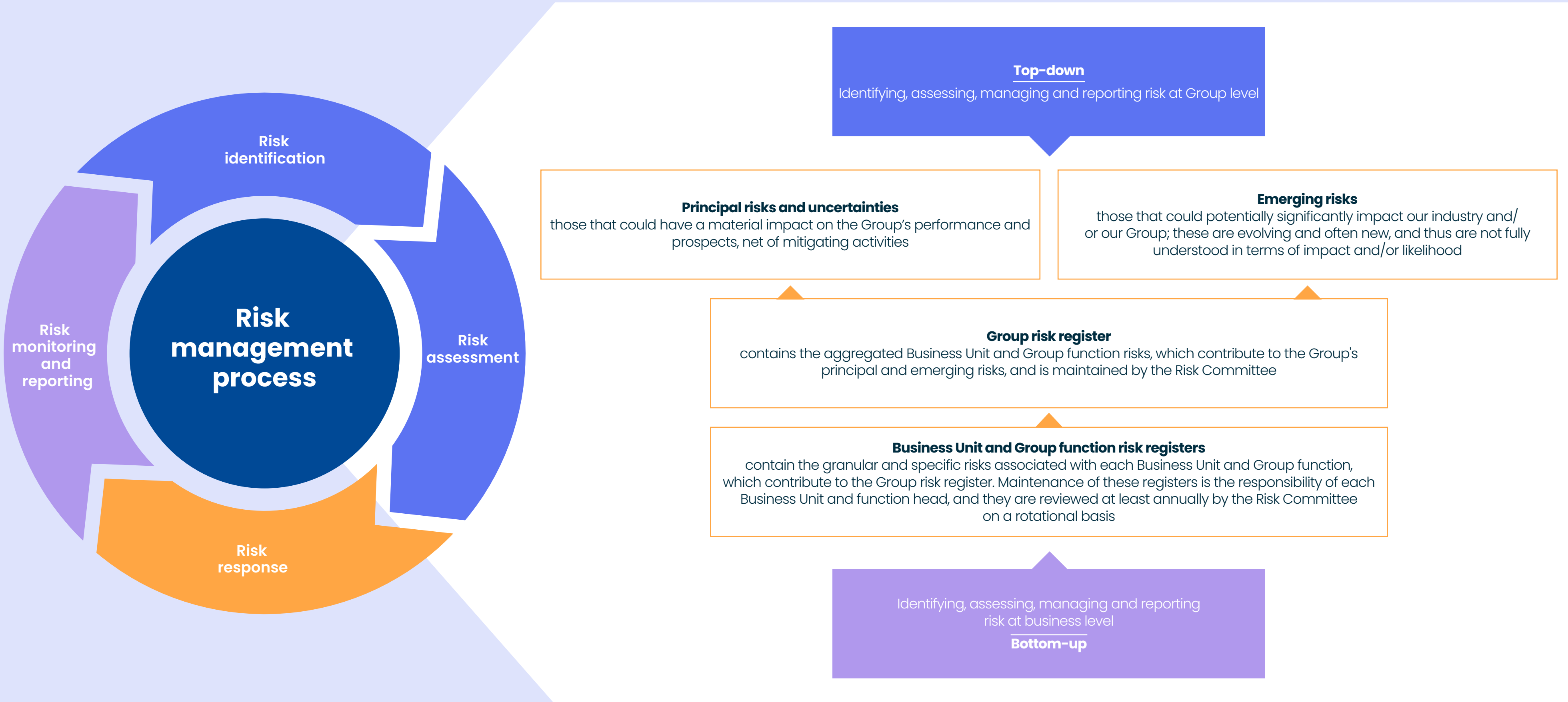
Risk rating and appetite

The Board determines our risk appetite, which is at the core of our risk management approach, guiding our business planning, decision-making and strategy execution. The Group's risk appetite is reviewed annually as part of the strategy review process and approved by the Board, and is embedded within our policies, procedures and risk-related internal controls. We regularly review our risk appetite using a risk dashboard with key risk indicators (KRIs) for each principal risk, and specific tolerances to help us assess whether our risk exposure aligns with our appetite or could threaten the achievement of our strategic goals. These risk indicators are a mixture of leading and lagging indicators, with forecasts provided where available, which inform discussions at the Risk Committee.

Whilst our risk appetite may vary over time and during the course of the cycle, we maintain a balanced approach to achieve long-term, sustainable value. During the year, we have formally reviewed our risk appetite and established clear risk appetite statements, tolerances (low, medium or high) and treatments (reduce, maintain or increase) for each principal risk.

Risk management process

The Board continually assesses and monitors the Group's principal and emerging risks. The Group has developed a risk management framework to identify, assess, manage and report the various risks that it faces. This process is as follows:



As part of the risk assessment process, risks are analysed, allocated owners, scored for both impact and probability to determine the exposure for the Group, prioritised, assessed for what mitigating actions are required, and updated at least every six months. KRIs are monitored to ensure that the Group identifies any changes to these risks and, if relevant, updates mitigating actions on a timely basis.

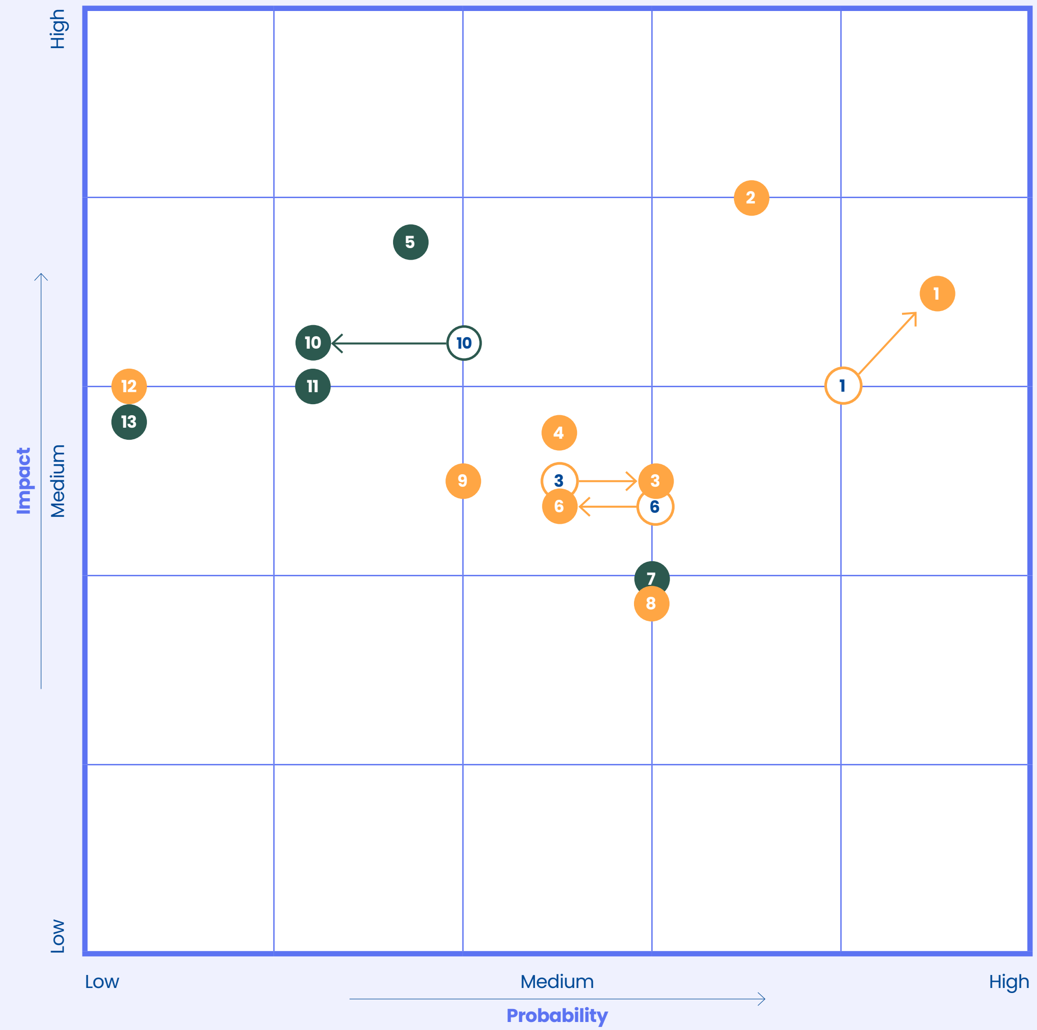
Principal risk assessment

During the year, the Board has undertaken robust assessments of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity, as well as the Group's strategy. The Board does not consider that the fundamental principal risks and uncertainties facing the Group have changed during the year. However, our current assessment shows an increase in the 'Macroeconomic and political conditions' and 'Failure of information systems or cyber breach' risks, reflecting the subdued markets that we serve and the increasing frequency and volume of cyber-attacks, respectively. In addition, there has been a decrease in the 'Climate change' risk reflecting our now deeper understanding of the potential financial impacts and improved preparedness and 'Breach of legislation' risk reflecting enhanced compliance controls, training, awareness and associated monitoring.

The key changes and assessments are summarised in the following Group risk profile and principal risks tables, detailing the key potential impacts on our Group, KRIs, mitigations, developments in 2024 and, where relevant, emerging risks.

Principal risk	Link to strategy	Change in risk assessment in year	Risk treatment category
1 Macroeconomic and political conditions	Growth, Sustainability, Genuit Business System, People and Culture	Increased	Reduce
2 Raw materials supply and pricing	Growth, Sustainability	No change	Reduce
3 Failure of information systems or cyber breach	Growth, Genuit Business System, People and Culture	Increased	Maintain
4 Reliance on key customers	Growth, Sustainability, Genuit Business System, People and Culture	No change	Maintain
5 Business disruption	Growth, Sustainability, Genuit Business System	No change	Maintain
6 Climate change	Growth, Sustainability, Genuit Business System, People and Culture	Decreased	Maintain
7 Intellectual property	Growth, Sustainability, Genuit Business System, People and Culture	No change	Maintain
8 Recruitment and retention of key personnel	Growth, Sustainability, Genuit Business System, People and Culture	No change	Maintain
9 Execution of M&A strategy	Growth, Sustainability, Genuit Business System, People and Culture	No change	Maintain
10 Breach of legislation	Sustainability, Genuit Business System, People and Culture	Decreased	Maintain
11 Health, Safety and Environmental	Growth, Sustainability, Genuit Business System, People and Culture	No change	Maintain
12 Product failures	Growth, Genuit Business System, People and Culture	No change	Maintain
13 Liquidity and funding	Growth, Sustainability	No change	Maintain

Group Risk Profile



Key

Risk appetite	Change in risk assessment	Strategy	
Low	Increased	Growth	Genuit Business System
Medium	No change	Sustainability	People and Culture
High	Decreased		

Principal Risks and Uncertainties continued

1 Macroeconomic and political conditions

Risk

The Group is dependent on the level of activity in its end markets, especially the construction industry, and is, therefore, susceptible to any changes in its cyclical economic conditions, Government policy, Government elections, rates of inflation, interest rates, any political and economic uncertainty and the impacts of global conflicts or trade tensions.

Potential impact

Macroeconomic and political conditions could have an adverse impact on the Group's markets and, ultimately, demand for its products. In addition, Government policy has the potential to be either positive or adverse to markets and demand. Lower levels of activity within our end markets, especially the construction industry, could reduce sales and production volumes, thereby adversely affecting the Group's financial results.

KRIs
– Bank of England interest rate
– Construction Products Association activity levels
– Construction sector insolvencies
– New housing starts
– Projected economic metrics (GDP, inflation and interest rates)
– Viability Statement stress testing for downside scenarios

Mitigations

- Diversity of our businesses and end markets, and the proactive development of our brands, products, and services.
- Target those end markets where profitable growth prospects are greatest.
- Monitor trends and lead indicators, invest in market research and be an active member of the Construction Products Association.
- Actively manage our demand forecasts and costs through regular operational review meetings.
- Undertake scenario planning to support business resilience.
- Focus on innovation, new product development and ESG-driven opportunities to leverage our competitive advantage.
- We assess the potential financial impact of current and potential future carbon taxes using quantitative scenario analysis, which informs decision-making when identifying appropriate mitigations and impacts, as outlined in our Task Force on Climate-Related Financial Disclosures (TCFD) report on page 42.

Developments in 2024

The UK General Election, Autumn Budget and subdued macroeconomic environment increased both the potential impact and probability of this risk, with a corresponding increase in the Group's forecast cost base and delay to anticipated market recovery. To address this, we have focused on cost control and driving productivity through the Genuit Business System. The Group is also investing in organic growth initiatives.

Emerging risk

- Escalating geopolitical tensions.

2 Raw materials supply and pricing

Risk

The Group is exposed to security of supply risks in respect of raw materials, components and haulage, including associated cost volatility, due to (amongst other matters) the consequences of economic uncertainty, conflict, global supply disruptions, increased shipping complexities, fluctuations in the market price of crude oil and other commodity feedstocks, foreign currency exchange rate movements, and changes to suppliers' capacity. The increased friction and potential for a trade war or other geopolitical disputes could destabilise supply chain activity.

Over the longer term, supply chain issues could be caused by physical or transition risks of climate change.

Potential impact

Suppliers may not be able to meet our demand for raw materials etc., and/or the price we pay is adversely impacted. Supply chain disruption could lead to inefficient production and/or distribution, which could adversely affect the Group's financial results. Supply chain constraints could reduce sales and organic growth, increased costs could reduce margins, and limited availability or regulatory changes could result in our failure to achieve recycled material consumption targets. Our product development efforts may be redirected to find alternative materials and/or components.

KRIs
– Commodity prices
– Market supply and demand restrictions
– Volume and value under contract with guaranteed supply and fixed price

Mitigations

- Implement strategic sourcing agreements with key suppliers.
- Utilise different purchasing strategies, as appropriate, including dual supply, guaranteed availability, fixed price, etc.
- Group Legal review of significant contracts to avoid unfavourable and/or inflexible terms.
- Standard purchasing framework agreements to expedite sourcing and reviewing supplier terms.
- Maintain adequate, but not excessive, inventories, which act as a limited buffer in the event of supply chain disruption.
- We assess the potential financial impact of increased demand for low-carbon materials using both qualitative and quantitative scenario analysis, and supply chain disruption using quantitative scenario analysis, which informs decision-making when identifying appropriate mitigations and impacts, as outlined in our TCFD report on page 42.

Developments in 2024

The subdued macroeconomic environment and corresponding weak demand led to fewer supply chain constraints. Accordingly, our mitigations in place remained effective and we continued to upweight the Group's strategic procurement and supplier relationship management capabilities, expanding these at a Business Unit level. In addition, the Group negotiated first-of-type strategic supplier agreements for polymers to prepare for volume recovery.

Emerging risk

- Escalating geopolitical tensions.
- Extreme climate conditions might disrupt supply chains.

3 Failure of information systems or cyber breach

Risk

The Group is increasingly dependent on the continued efficient operation of its information systems and is, therefore, vulnerable to potential failures due to power losses, telecommunication failures, or from a security breach, including the increasing levels and evolving tactics of sophisticated cyber criminals targeting businesses.

Potential impact

Disruption or failure of our information systems could affect the Group's ability to conduct its ongoing operations and/or result in data loss, which could adversely affect the Group's financial results, reputation, and compliance with data protection regulators.

KRIs
– Compromises of partners and service providers
– Cyber security breaches
– Disaster recovery return to operations times and restore points
– Geopolitical landscape changes
– Obsolescence/changes of software
– Penetration testing results

Mitigations

- Industry-standard firewalls to protect the perimeter of the Group's networks. Any off-site access to the Group's servers and applications is through secure Virtual Private Network connections.
- Advanced email and internet traffic filtering intelligence to protect against potential viruses or malware entering the Group's networks. User and server computing devices have anti-virus software installed to protect from potential infection, together with an outsourced managed virus detection and response service.
- Industry-standard anti-virus and malware protection across all end points and servers.
- Outsourced industry-standard managed detection and response service, which includes strict SLAs and is covered by a cyber warranty.
- Identity management covering core internal and external services, including Multi-Factor Authentication (MFA) and advanced behaviourally heuristic protection.
- Data protection on our cloud-based storage and local file servers, giving oversight and audit of folder and file access, and potential threats to data loss.
- Cyber security risk audits and penetration testing performed by internal and external specialists, including the expedient introduction of mitigation controls and other recommended procedure updates.

Developments in 2024

Cyber remains a high-profile risk, with attacks increasing in both frequency and volume, increasing the probability of this risk. Our cyber maturity assessment continues to improve and, during the year, we refreshed and enhanced the level of mandatory cyber security training to further develop our maturity assessment.

Emerging risk

- Artificial intelligence (AI) enables threat actors to sustain more intense attacks.
- Escalating geopolitical tensions impacting the frequency, complexity and malicious intent of cyber-attacks.

4 Reliance on key customers

Risk

Some of the Group's businesses are dependent on key customers in highly competitive markets. We may fail to adequately manage relationships with these key customers.

Potential impact

Any deterioration in our relationship with a key customer could lead to a loss of business thereby adversely affecting the Group's financial results.

KRIs
– Commercial sector contract support metrics
– Developer audit compliance
– Quotation activity
– Revenue by contractor/merchant
– Revenue levels relative to CPA sector analysis

Mitigations

- Innovate and develop our brands, products and services to better meet the needs of our customers.
- Broaden our customer base wherever possible.
- Deliver exceptional customer service, which is constantly monitored, and maintain strong relationships with major customers through direct engagement at all levels.
- Actively manage customer pricing, rebates and credit terms to ensure that they remain both competitive and commercial. These are negotiated and approved by senior management, and governance procedures are in place to ensure that these are reviewed by Group Legal, where required.

Developments in 2024

UK house builders continued to consolidate and there were low-cost entrants into some of the markets we serve. However, we have a range of leading brands with a unique ability to provide solutions from across our businesses, and we continue to actively manage customer relationships, pricing and credit terms to maintain our competitiveness.

Emerging risk

- Ecosystem changes in our industry, including customer ownership and consolidation.
- Failure to harness AI technologies to drive efficiencies and generate value could make us less competitive.
- Long-term changes in customer needs and expectations.

5 Business disruption

Risk

The Group's facilities and operations could be subjected to disruption due to incidents including, but not limited to, fire, failure of equipment, power outages, workforce strikes, pandemics, or unexpected or prolonged periods of severe weather. Over the longer term, business disruption issues could be caused by the physical or transition risks of climate change.

Potential impact

Such incidents could result in the temporary cessation in activity, or disruption, at one of the Group's facilities, impeding the ability to deliver our products to our customers, thereby adversely affecting the Group's financial results.

KRIs
– Climate-related data
– Cyber security breaches and related data
– Site flood risk vulnerability assessments
– Overall equipment effectiveness (OEE) reports

Mitigations

- Maintain established business continuity, crisis response, and disaster recovery plans.
- Perform regular equipment maintenance to minimise the risk of failure.
- Maintain adequate, but not excessive, finished goods inventories that act as a limited buffer in the event of an operational failure.
- Invest in the maintenance and upgrade of IT infrastructure and information systems which, amongst other matters, facilitates remote working.
- Maintain sufficient liquidity to meet liabilities when due under both normal and stressed conditions.
- Maintain appropriate insurance to cover business interruption and material damage to property.
- Periodic independent insurer inspections across all sites to identify and assess potential hazards and business interruption risks.
- We assess the potential financial impact of damage to and closure of the Group's offices, warehouses and factories caused by extreme weather using qualitative scenario analysis, and supply chain disruption using quantitative scenario analysis, which both inform decision-making when identifying appropriate mitigations and impacts, as outlined in our TCFD report on page 42.

Developments in 2024

The factors that could lead to a disruption of our business were largely unchanged. However, we continued to invest in new and inherently more reliable plant and equipment, increased our understanding of the potential impact of cyber incidents through our strategic AI workstream, and developed further climate-related impact data from the quantitative scenario analysis conducted.

Emerging risk

- Escalating geopolitical tensions.
- More frequent extreme weather events due to climate change could impact business operations.

6 Climate change

Risk

The increase in frequency, intensity and impact of weather events such as flooding, drought, extreme heat and coastal erosion. The longer-term implications of climate change give rise to the transition risk to address the challenges expediently.

Potential impact

Adverse weather events could damage, disrupt or lead to temporary closure of the Group's facilities and operations.

Prolonged periods of severe weather could result in a slowdown in site construction activity, thus reducing demand for the Group's products. Growing stakeholder focus on corporate action to meet emissions reduction targets may result in increased reputational risk and reduced customer and/or employee loyalty, investor divestment and impacts to customer activity levels.

All the above potential impacts could adversely affect the Group's financial results and investment proposition.

Mitigations

- Maintain our climate change risk analysis and undertake the associated actions where relevant, further embedding the detailed assessments of climate-related risk throughout the Group.
- Maintain our sustainability framework, which includes a series of measures, action plans, metrics and targets (described in our TCFD report on page 42) to accelerate the Group's progress.
- Embed our sustainability agenda across the workforce. Our Sustainable Solutions for Growth strategy is focused on both mitigation and adaptation opportunities, including reducing our carbon impact.
- In the event of flooding, in the short term, some production could be transferred to other sites. In the longer term, climate change impact is monitored and, where deemed appropriate, flood defence systems could be installed.
- Details of our response to specific climate change risks are described in our TCFD report on pages 47 to 50.

KRIs
– Achievement of SBTi trajectory and targets
– Embodied and operational carbon emissions
– Qualitative and quantitative analysis of climate-related risks
– Scopes 1, 2 & 3 carbon emissions
– Site flood risk vulnerability assessments

Developments in 2024

Our product portfolio mitigates the impact of climate change, and further TCFD quantitative scenario analysis that was conducted enabled us to have a deeper understanding of the potential financial impacts. In addition, we further developed our site preparedness, business continuity plans, etc. We continued to progress supplier engagement to ensure that they were on a carbon reduction pathway and were also managing their own exposure to climate-related risk. In addition, the Group's SBTs were validated, which support our published Pathway to Net-Zero.

Emerging risk

- Changing geopolitical attitudes to climate change and carbon intensity could result in an acceleration of global warming.

7 Intellectual property

Risk

The Group depends on its extensive and unique intellectual property (IP), and differentiated products, to defend its market positions and sustain higher margins.

Potential impact

IP infringements, including copycat or counterfeit products, subsequent loss of business and/or loss of brand value could adversely affect the Group's financial results, reputation, and compliance with IP regulators, and the Group's ability to implement and deliver its Sustainable Solutions for Growth strategy.

Mitigations

- Interaction amongst our Legal & Compliance, product development and R&D colleagues to ensure that our IP strategy is being implemented at all stages of the product life cycle.
- Review of our IP portfolio, including mapping and gap analysis across patents, designs, trademarks and copyright.
- Monitor potential infringement of our IP, assisted by third party IP experts, and robustly challenge or defend as appropriate.

KRIs
– Competitor product monitoring
– Results of key trademarks and patent-watching services
– Third party infringement notifications

Developments in 2024

There were limited changes internally and externally, and we continued to improve our processes to develop a central database of registered/pending trademarks, patents and designs, and rationalised the third party IP experts assisting us to improve central oversight, consolidate correspondence and control costs.

8 Recruitment and retention of key personnel

Risk

The Group is dependent on attracting and retaining people with the right skills, experience, and capability, as well as the continued wellbeing and mental health of our people.

Potential impact

Loss of any key personnel without adequate and timely replacement, and/or skills shortages, could disrupt business operations, increase salary inflation, and adversely impact the Group's ability to profitably implement and deliver its Sustainable Solutions for Growth strategy.

KRIs
– Employee engagement levels
– Employee wellbeing indicators
– Gender and ethnicity pay gaps
– Gender and ethnicity representation at all levels, including job applications
– Length of time taken to recruit, and offer acceptance levels
– Voluntary employee turnover and the reasons cited

Mitigations

- Track staff turnover and key people indicators monthly.
- Embed learning and development programmes across the Group, including Diversity & Inclusion.
- Mental health policy and associated training, as well as employee assistance and wellbeing programmes.
- Group-wide HR information system that enables recruitment, performance management and talent management, and improves employee engagement survey capability.
- Employee communication and corresponding engagement.

Developments in 2024

The labour market remained competitive, with potential employees seeking roles and employers that offer a wider proposition. In that regard, we continued to develop our talent and improve our shared culture. We formally launched the Group's Trademark Behaviours, Graduate Programme and placement/year-in-industry programmes. In addition, we achieved Gold Member status with The 5% Club and successfully completed our first Group-wide employee engagement survey.

Emerging risk

- Changes in working patterns or increased financial uncertainty, could have a negative impact on colleagues' mental health.
- Long-term social and workplace changes.
- Potential for colleague activism.

9 Execution of M&A strategy

Risk

The management of acquisitions activity and their integration play a part in delivering the Group's Sustainable Solutions for Growth strategy. Acquisitions may fill a strategic gap in the Group's portfolio, enable sales or operational synergies and/or provide access to new or diversified markets. There is a risk that suitable acquisitions may not be identified and executed, that any executed acquisitions may not perform as expected in the acquisition case and that benefits and value do not accrue in line with expectations.

Potential impact

Ineffective identification, execution and management of acquisitions could lead to management distraction, a drain on financial resources, and impact on the Group's ability to successfully implement and deliver its Sustainable Solutions for Growth strategy, including the ability to meet medium-term financial targets.

KRIs
– Acquisition price (premium, earnings multiple, etc.)
– Benefits and synergy tracking
– Execution of targeted acquisitions and disposals
– Milestone achievement of integration plan
– Performance compared to the acquisition case, including the root cause of any deviations
– Target management incentivisation, engagement and sentiment

Mitigations

- Formal Board-level approvals, in accordance with the Group's delegation of authority matrix.
- Full due diligence performed before any acquisition is made.
- Contractual assurances sought from the sellers to mitigate against any identified issues or risks.
- Where appropriate, contingent consideration linked to the ongoing performance of the acquisition.
- Monitor the progress of any integration at Board and senior management team level.
- Genuit Business System deployed into any new acquisitions.

Developments in 2024

Our M&A processes remained effective, and we successfully completed the acquisitions of Sky Garden, and the trade and assets of Omnie & Timoleon. The Group is actively integrating these businesses and will deploy the Genuit Business System within them. In addition, the Group actively investigated and cultivated a pipeline of potential targets to develop the acquisition funnel.

10 Breach of legislation

Risk

Failure to comply with elements of a significantly increased and continually evolving governance, legislative and regulatory business environment including, but not limited to, Data Protection Regulation, Competition Law, the Bribery Act, Sanctions Compliance and the Building Safety Act.

Potential impact

Significant increases in the penalty regime across all areas of business could lead to significant fines and financial penalties in the event of a breach, alongside damage to the Group's reputation and potential current and future business.

KRIs
– Breach notifications
– Findings and recommendations from internal audit ethics and compliance reviews
– Legislative requirements/ policy review cycle
– New, or changes to current, legislation or regulatory guidance
– Sanctions policy requests for approval
– Training completion rates

Mitigations

- Monitor changes to laws and regulations that affect the Group, and perform related ongoing monitoring and training.
- Specific policies to maintain and demonstrate compliance with regulations, such as Data Protection, Competition Law, Anti-Bribery and Corruption, Sanctions Compliance and the Building Safety Act. Guidance documents and Codes detailing the expected standards of behaviour and compliance.
- Provide training and guidance documents to all relevant new employees on Competition Law, including those who are changing roles. In addition, provide mandatory training in relation to compliance with Data Protection Regulation and the Bribery Act.
- Obtain regular declarations of compliance in respect of Data Protection Regulation, Competition Law, the Bribery Act, Sanctions Compliance and adherence to ethics and compliance expectations.
- Group Legal approval required for all business in higher-risk countries. A third-party system is used to screen companies and/or individuals located in, or linked to, sanctioned countries.
- Independent third party Safecall whistleblowing helpline, available to employees.
- Data security solution that can automatically discover, classify and label personal data and, where necessary, remediate potential data exposure and misconfigurations instantly.

Developments in 2024

We enhanced controls in relation to reward and benefit compliance, and enhanced training, awareness and associated monitoring through the launch of our updated learning and development platform within the HRIS system thus reducing the probability of a compliance failure.

Emerging risk

- Changes to existing or potential new laws, or trade sanctions, in response to geopolitical tensions.
- Changes to data protection laws and regulations where we trade.
- Increased regulatory burden around corporate governance and reporting.
- The regulatory landscape, technology, and public awareness of AI and the use of data are rapidly evolving, leading to unpredictable outcomes and potential new obligations or reputational impact.

Principal Risks and Uncertainties continued

11 Health, Safety and Environmental

Risk

The Group is subject to the requirements of environmental and occupational safety and health laws and regulations in the countries in which it operates, including obligations to take the correct measures to prevent fatalities or serious injury, and to prevent and/or investigate and clean up environmental contamination on or from properties.

Potential impact

Lack of management focus, poor cultural attitude or failure of the Group to comply with health, safety and environmental regulations and other obligations relating to environmental matters could result in harm to individuals, the environment or property and the Group being liable for fines, suffering reputational damage, requiring modification to operations, increasing manufacturing and delivery costs, and could result in the suspension or termination of necessary operational permits, thereby adversely affecting the Group's operations and financial results.

KRIs
– Audit performances/scores
– Hazard and near-miss reporting
– Recordable injury frequency rates
– RIDDOR reportable incidents

Mitigations

- Formal Health, Safety and Environmental policy, and procedures to monitor compliance.
- Group Health, Safety and Environmental Director (with a team throughout the Group) with clear accountability for health, safety and environment (HSE). HSE performance is regularly tracked, reported and reviewed by all levels of management, including the Board.
- Internal and external HSE audits.
- Investigations to identify root causes and key learnings with a view to continuously improving. Learnings are shared, as necessary, and key messages reinforced throughout the Group.

Developments in 2024

Health and safety remains a priority for us. We implemented a Group-wide internal HSE auditing system (the Genuit Blue HSE Audit programme), which provided more feedback on what works well and what further improvement opportunities exist, in addition to being a mechanism for identifying and sharing good practice. In addition, we provided further training and established a Group-wide Fleet Safety Steering Committee, including external stakeholders, to enhance road safety, reduce insurance claims and control costs.

Emerging risk

- Complying with potential future changes to Health, Safety and Environmental regulations.

12 Product failures

Risk

The Group manufactures products that are potentially vital to the safe operation of its customers' products or processes. These products are often incorporated into the fabric of a building or dwelling or buried in the ground as part of an infrastructure system and, in each case, it would be difficult to access, repair, recall or replace such products.

Potential impact

A product failure could result in a liability claim for personal injury or other damage, leading to substantial financial settlements, damage to the Group's brands, costs and expenses and the diversion of key management's attention from the operation of the Group, which could all adversely affect the Group's financial results.

KRIs
– Failure reporting
– Internal test result reviews
– Voice of the Customer reviews

Mitigations

- Comprehensive quality assurance systems and procedures at each site.
- Certifications, wherever required, over our products to the relevant national and European standards, including Kitemarks, BBA, WRC and WRAS accreditations.
- Product liability insurance to cover third party property damage or personal injury claims arising from potential product failures.

Developments in 2024

There was no change in the Group's focus on producing high-quality products that best serve customers' needs. We refreshed and enhanced our internal and external testing protocols, continued to invest in product improvements, and delivered structured problem-solving training to c.45 technical colleagues.

13 Liquidity and funding

Risk

The risk that the Group will not be able to meet its short-term liquidity and long-term funding financial obligations as they fall due.

Potential impact

Insufficient cash deposits and/or finance facilities could be an inhibitor to the Group's Sustainable Solutions for Growth strategy, leading to the Group not being able to fund its operations or strategic investments or in needing to raise emergency finance that degrades shareholder value.

KRIs
– Debt market sentiment
– Financial covenant headroom
– Leverage and interest cover ratios
– Percentage of debt with interest rate hedging
– Period until refinancing is required
– SONIA rate

Mitigations

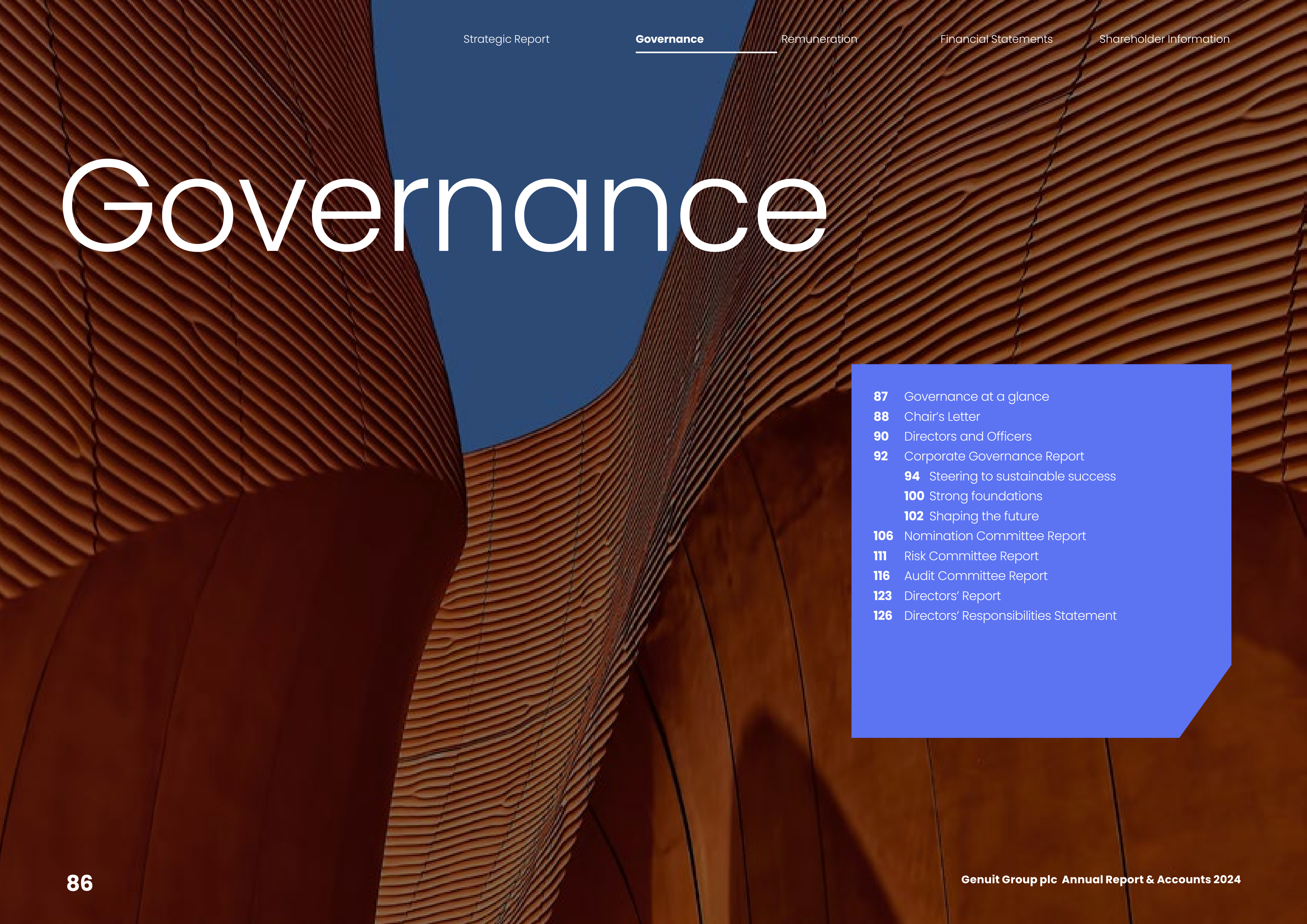
- Managing liquidity to ensure that we always have sufficient liquidity to meet our liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation.
- Committed and uncommitted banking facilities with significant headroom.
- Regular communication with our investors and relationship banks (including visits to the Group's businesses).
- Regular review of banking covenants and capital structure, ensuring that future cash flow is sustainable through detailed budgeting processes and reviews, robust forecasting and budgeting processes.
- Ensure that the credit risk arising from cash deposits with banks is mitigated by investments of surplus funds only being made with banks that have, as a minimum, a single A-credit rating.

Developments in 2024

Macroeconomic factors have impacted debt capital markets. Notwithstanding this, we have maintained a resilient position in managing the liquidity and funding risk. Some of the measures included adopting an interest rate hedging strategy and extending our existing revolving credit facility.

Joe Vorih
Chief Executive Officer

11 March 2025

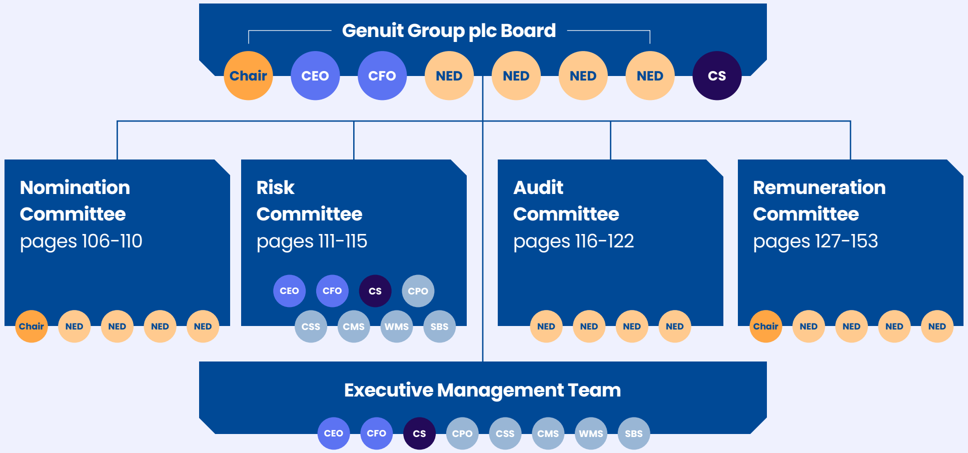


Governance

Governance at a glance

Our Board

The Board has seven Directors, comprising the Chair, two Executive Directors and four independent Non-Executive Directors, and is supported by the Company Secretary.



The Board

The Board provides the leadership of the Company and represents the shareholders, overseeing and enabling the Company's prosperity and long-term success. Part of its responsibilities include setting strategy, culture, control and management.

- **Independent Non-Executive Chair**
  Kevin Boyd
- **Executive Directors**
  Joe Vorih and Tim Pullen
- **Independent Non-Executive Directors (NEDs)**
  Louise Brooke-Smith, Shatish Dasani, Bronagh Kennedy and Lisa Scenna
- **Company Secretary**
  Emma Versluys

The Executive Management Team (EMT)

The EMT is responsible for implementing Company policies, strategies and decisions made by the Board, managing daily operations and steering the Company towards achieving its goals.

- **Chief Executive Officer**
  Joe Vorih
- **Chief Financial Officer**
  Tim Pullen
- **Group Legal Counsel and Company Secretary**
  Emma Versluys
- **Chief Strategy and Sustainability Officer**
  Martin Gisbourne
- **Chief People Officer**
  Edel Conway
- **Managing Director, CMS Business Unit**
  Lee Mellor
- **Managing Director, WMS (interim) & SBS Business Units**
  Steve Currier

Highlights

Board meeting attendance	Employee engagement sessions	Board independence	Ethnicity	Average age
100%	8	71%	1 of 7 members	57.5

Meeting attendance

Name	Position	Board*	Audit Committee	Nomination Committee	Remuneration Committee	Risk Committee
Kevin Boyd	Chair	7/7	–	2/2	5/5	–
Joe Vorih	Chief Executive Officer	7/7	–	2/2	–	4/4
Tim Pullen	Chief Financial Officer	7/7	–	–	–	4/4
Lisa Scenna	Senior Independent Director	7/7	4/4	2/2	5/5	–
Louise Brooke-Smith	Non-Executive Director	7/7	4/4	2/2	5/5	–
Shatish Dasani	Non-Executive Director	7/7	4/4	2/2	5/5	–
Bronagh Kennedy	Non-Executive Director	7/7	4/4	2/2	5/5	–

* In addition to the above formally scheduled meetings, four ad hoc meetings were also conducted outside of the annual cycle to cover specific matters.

Workforce engagement and culture

The Board continued to engage directly with the wider workforce, both formally and informally, in order to enhance its ability to review and monitor culture and behaviours to ensure that they remain aligned with the Group's strategy.

UK Corporate Governance Code 2024

A key area of focus during 2024 for the Board, and specifically for the Audit Committee, was the preparations for the changes within the UK Corporate Governance Code 2024, as well as the Company's readiness for changes that will become effective for the 2025 and 2026 financial years. This included, in particular, detailed work to prepare for the new requirements within Provision 29 around risk management and internal controls. Read more about some of the activities during the year in our Audit Committee Report on page 120.

Chair's introduction to Governance

Kevin Boyd
Chair

"On behalf of the Board, I am pleased to present the Governance Report for the year ended 31 December 2024."

This Governance Report, as well as the reports of the Audit, Nomination, Remuneration and Risk Committees, gives further insight into the Board's activities during the year, which will allow all stakeholders to determine the Company's compliance with the UK Corporate Governance Code 2018 (the Code). This Report, as well as the Directors' Remuneration Report, sets out in greater detail how the principles and provisions of the Code have been applied during the year and how the Board and its Committees have fulfilled their responsibilities to ensure that high levels of governance are in place across the Group. Engaging with our stakeholders is key to our governance structures performing effectively, and consequently, the successful implementation of our strategy. Further detail on how we have done this during 2024 can be found on pages 9 to 85.

Good governance is not simply an area of compliance but is integral to an efficient, effective and prospering Company. Structured and transparent governance systems hold executives to account for their decisions on behalf of the Company, enable effective leadership and lead to sustainable business practices promoting long-term success for shareholders. The Company has a clear and ambitious strategy to fulfil its purpose of creating sustainable living through the execution of its Sustainable Solutions for Growth strategy. Utilising our extensive portfolio of brands and businesses, combined with meaningful stakeholder engagement, we are working hard to deliver on our growth ambitions and to create financial returns in a sustainable way. The Board played a key role in ensuring that the Company was able to continue to operate within the changing macroeconomic environment seen during the year, supporting and challenging management. This Board oversight was key to providing reassurance to shareholders and other material stakeholders as to the resilience of the Group.

During December 2024, I reached out to our top 10 shareholders to offer them the opportunity to meet to discuss any issues or concerns they might have. I met with four during early 2025 and, overall, the feedback on the Group's strategy, performance and management team was positive.

Preparing for the UK Corporate Governance Code 2024

An area of focus during 2024 for the Board, and specifically the Audit Committee, was the preparations for the changes within the UK Corporate Governance Code 2024, and the Company's readiness for changes that will become effective for the 2025 and 2026 financial years. These will ensure any recommendations can be addressed in a timely manner to ensure full compliance ahead of the new Code coming into force. The changes within the 2024 Corporate Governance Code reflect a broader trend towards accountability, sustainability and long-term value creation, and details on some of the steps we have taken during the year are outlined in the Audit Committee Report on page 120.

The Board will continue to ensure that all applicable laws and regulations are complied with, and we remain confident that the Group continues to operate in a controlled and well-managed way.

Board composition, skills and diversity

The composition, skills and diversity of the Board are regularly monitored. The Board continues to support diversity in the widest sense and acknowledges the advantages that come from having diverse viewpoints across the Group's businesses and in the decision-making processes at Board and senior management level. We conducted a deeper review of the Board's composition and skills to understand in greater detail any potential skills gaps, further detail of which is included on page 102 of this Report. We believe that our Board is well balanced and diverse, with the right mix of skills, experience, independence and knowledge to allow it to discharge its duties and responsibilities effectively. We are proud of the changes we continue to make to create a more diverse and inclusive environment, and are particularly proud of some of our activities during the year. As at the reporting date of 31 December 2024, we are compliant with the Listing Rule requirements on diversity. Further detail on our diversity initiatives and compliance is included in our Nomination Committee Report on page 108.

Our people and culture

One of the most valued and enjoyable aspects for our Board is the opportunity to meet and spend time with colleagues from across the Group. These interactions inform our direct understanding of the sentiment of our workforce and their views on the Group's operations, risks, successes and challenges. Our purpose of 'Together, we create sustainable living' showcases our desire for a collaborative and problem-solving mindset, providing solutions to the challenges faced by our customers in improving the built environment.

Our Trademark Behaviours have established a shared culture that creates an environment for employees to excel and be at their best. It enables employees from different businesses across the Group to collaborate and share knowledge to drive growth and deliver on our strategy. During the year, I spent time with our Water Management Solutions and Climate Management Solutions senior management teams, as well as taking part in a monthly Executive Management Team meeting. In addition, as part of the Board's annual strategy session, various employees from within the Genuit Leadership Team gave presentations on the progress of ongoing strategic workstreams and also met with the Board informally after the session. This was a welcome opportunity for the Board to spend time with colleagues and hear more about the valuable work they have been doing to help achieve our strategic goals, and further information on this is detailed later in this Report on page 101.

Effective management is necessary to enable the delivery of long-term success for all stakeholders, and these interactions at both a senior management and general workforce level assist the Board in assessing and monitoring the Group's culture, beyond the scores and feedback from employee engagement surveys and the Non-Executive Director employee engagement sessions. We remain of the view that decision-making by those people who are closest to their respective customers, understand their markets in detail and are experts in their fields is key to continuing to respond to our customers' needs. As a result, the Board understands the importance of promoting a culture whereby our colleagues understand the common Group purpose and strategy, but also feel empowered to act. The Board continues to prioritise setting the culture from the top, aligning our purpose, behaviours and strategy with the culture of the Group, and believes that our desired culture continues to be embedded across the Group and is demonstrated consistently at all levels.

Looking at 2025 and beyond

During 2025, we will continue to work on providing solutions that address the challenges caused by climate change, focusing on our sustainability framework and its growth drivers, trends and opportunities, in accordance with our defined purpose. Our employees are critical to the success of the Genuit Group, and I am proud of their continued dedication and resilience as they navigate challenging market conditions, proving that it is their contribution, loyalty and commitment that has underpinned our performance over the past few years.

As always, we welcome questions or comments from shareholders, either via our website or in person at the Annual General Meeting (AGM) scheduled to be held at Genuit Group's offices in Leeds on 19 May 2025.

Kevin Boyd
Independent Non-Executive Chair

11 March 2025

> Our employees' contribution, loyalty and commitment has underpinned our performance over the past few years."

Section 172 responsibilities

In accordance with the 2018 UK Corporate Governance Code and the Companies Act 2006, the Board, in its decision-making process, considers what is most likely to promote the success of the Company for its shareholders in the long term, as well as considering the interests of the Group's employees and other stakeholders and understanding the importance of taking into account their views. The Board also considers, and takes seriously, the Group's impact on the local communities within which it operates, as well as reviewing actions being taken to mitigate any negative impact our operations have on the environment. Considering this, the Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole. The Board's activities and considerations in meeting this requirement are covered in detail in our section 172 Statement.

Read more on pages 70 to 73

Directors and Officers

Committee key:
Chair of Committee
A Audit Committee
R Remuneration Committee
N Nomination Committee
RI Risk Committee

Board of Directors

Kevin Boyd
Independent Non-Executive Chair

Committees: N R

Appointed: 22 September 2020 (Board), 1 November 2022 (Chair)

Contribution to the Board:
Kevin has extensive listed plc experience in the engineering and manufacturing sectors, bringing a strong combination of financial, strategic and multi-organisational expertise to the Board. Kevin has a BEng from Queen's University Belfast and is a Chartered Engineer, and a Chartered Accountant (Fellow of the ICAEW and the Institution of Engineering and Technology). Kevin is Chair of the Nomination Committee.

Experience: Previously the Chief Financial Officer of global engineering group Spirax-Sarco Engineering plc (now Spirax Group plc) and prior to that Chief Financial Officer of Oxford Instruments plc and Radstone Technology plc, and until October 2023 was Senior Independent Director and Chair of the Audit Committee of Emis Group plc.

External appointments:
Non-Executive Director and Chair of the Audit Committee of Bodycote plc and the Senior Independent Director and Audit Committee Chair of Galliford Try Holdings plc.

Joe Vorih
Chief Executive Officer

Committees: RI

Appointed: 28 February 2022

Contribution to the Board:
Joe brings broad international engineering expertise in the automotive, aerospace and industrial sectors to the Board. He also has experience in integrating businesses and managing businesses through transition and lean transformation in both public and private equity environments. He has a Bachelor of Science and a Master of Science in Mechanical Engineering from the Massachusetts Institute of Technology.

Experience: Previously at Spectris plc, a FTSE 250 company, where he was president of HBK, a standalone division and key platform business within the Group, from January 2019, having joined Spectris in 2016. Prior to that, he worked for Clarcor Corporation, a NYSE-listed business and Danaher Corporation, also a US-listed global business.

External appointments:
Non-Executive Director of Senior plc, and Director of Rocky Neck Partners, LLC.

Tim Pullen
Chief Financial Officer

Committees: RI

Appointed: 1 November 2023

Contribution to the Board:
Tim brings significant expertise in finance, strategic vision and risk management, as well as bringing to the Board a broad range of public market experience through his roles at a variety of fast-paced and dynamic businesses. He is a Chartered Accountant (ICAEW) and is Chair of the Risk Committee.

Experience: Prior to being appointed as CFO, Tim joined Genuit as Interim Chief Financial Officer on 4 September 2023. Previously, he served as the CFO of IQE plc, an AIM-listed manufacturer of advanced semiconductor materials from 2019 to 2023, and as CFO of Arm Limited from 2017 to 2019. He held senior finance positions in O2/Telefonica UK, Serco plc and Logica plc prior to that.

External appointments:
None.

Lisa Scenna
Senior Independent Director

Committees: R N A

Appointed: 24 September 2019 (Board), 7 March 2023 (Senior Independent Director)

Contribution to the Board:
Lisa brings a wealth of experience to the Board, with a background in strategic and financial business change in property management, asset management and funds management across both listed and private entities. She has a Bachelor of Commerce from the University of NSW, and is a member of the Australian Institute of Company Directors and the Institute of Chartered Accountants in Australia. Lisa is Chair of the Remuneration Committee.

Experience: Lisa's most recent executive role was with the Morgan Sindall Group as Managing Director of MS Investments. Prior to this, she held executive roles with Laing O'Rourke, Stockland Group and Westfield Group in Australia.

External appointments:
Non-Executive Director of Harworth Group plc and Gore Street Energy Storage Fund plc, and Non-Executive Director and Chair of the Audit, Risk & Compliance Committee for Dexus Capital Funds Management Limited. Non-Executive Director and Remuneration and People ESG Committee Chair for Ingenia Communities Group, and Non-Executive Director of Cromwell Property Group, both Australian listed companies.

Shatish Dasani
Non-Executive Director

Committees: A N R

Appointed: 1 March 2023

Contribution to the Board:
Shatish is an experienced former FTSE Chief Financial Officer, with a career in financial roles spanning over 30 years. He is currently Audit Committee Chair of three UK publicly listed companies. His historic and current experience within the construction industry, manufacturing, and engineering sectors, as well as experience in the financial sector, provides invaluable knowledge, experience and skills to the Board. Shatish is Chair of the Audit Committee.

Experience: Previously Chief Financial Officer of TT Electronics plc, a global manufacturer of electronic components, and Forterra plc, a manufacturer of building products for the UK construction industry. He was also previously Non-Executive Director of Camelot Group plc and Network Rail.

External appointments:
Senior Independent Director and Chair of the Audit & Risk Committee of Renew Holdings plc, and Non-Executive Director and Audit & Risk Committee Chair of SIG plc and Speedy Hire plc. He is also a Trustee and Board Chair at UNICEF UK, the children's charity.

Louise Brooke-Smith
Non-Executive Director

Committees: N A R

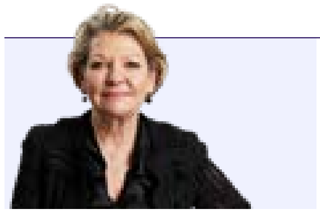
Appointed: 24 September 2019

Contribution to the Board:
Louise brings extensive expertise in the property, construction and infrastructure industries, being an experienced property and planning adviser. She holds a Bachelor of Science from Sheffield Hallam University and honorary doctorates from Wolverhampton, Sheffield Hallam and Birmingham City Universities. Louise is our nominated workforce engagement NED.

Experience: Past Global President of the Royal Institution of Chartered Surveyors and member of the Royal Town Planning Institute, and formerly a partner at Arcadis LLP. She is a Freeman of the City of London and was awarded an OBE in 2019 for services to the built environment and diversity.

External appointments:
Strategic Planning and Development Adviser and Director for Consilio Strategic Consultancy Limited, a Board Trustee of The Land Trust and a Board Member of L&Q Group, and DEI Chair and adviser to the Royal Institution of Chartered Surveyors.

Committees key:
Chair of Committee
A Audit Committee
R Remuneration Committee
N Nomination Committee
RI Risk Committee



Bronagh Kennedy
Non-Executive Director

Committees: N A R

Appointed: 3 July 2023

Contribution to the Board:
Bronagh has a broad range of corporate experience, having previously been a Group General Counsel and Company Secretary. Her knowledge and experience across sectors and within corporate governance, HR, legal and sustainability roles complement the skills, diversity and composition of the Board, providing further insight into regulatory and sustainability frameworks.

Experience: Group General Counsel and Company Secretary of Severn Trent plc from 2011 to 2022 and responsible for compliance and regulatory assurance and the group's corporate sustainability programme. Experience across several sectors, including finance, leisure and hospitality, and was HR Director of Mitchells & Butlers plc. Bronagh was also previously a Non-Executive Director of Wolseley (Ferguson plc carve-out prior to its disposal).

External appointments:
Non-Executive Director and Chair of the Remuneration Committee of Treatt plc.

Executive Management Team Members

Emma Versluys
Group Legal Counsel and Company Secretary

Committees: RI

Appointed: 28 June 2017

Experience:
Emma Versluys is our Group Legal Counsel and Company Secretary and is Secretary to the Board and three of its Committees. Before joining Genuit, Emma was Deputy Company Secretary at Provident Financial plc, and has also held company secretarial roles at Serco plc and Alliance UniChem plc. Emma has a BA in French and Spanish from the University of Southampton, and is an Associate of The Chartered Governance Institute and is also a solicitor. Emma is a member of the Executive Management Team and the Risk Committee.

Edel Conway
Chief People Officer

Committees: RI

Joined: January 2025

Experience:
Edel joined the Group in January 2025 as Chief People Officer and is a member of our Executive Management Team and the Risk Committee. She brings 25 years of experience from across the Consumer Goods and Entertainment sectors. Edel has performed senior business and HR leadership roles for Mattel, Activision and Mondelez and, in her last role, was Chief HR Officer at C&C Group. Edel has extensive experience in business transformation, change management and M&A activity, gained in international organisations. She has specialised in many facets of HR during her career, including HR Operations, Learning & Development, Talent & Organisation Effectiveness and HR Business Partnering. Edel has a degree in Strategic Human Resources from the National College of Ireland and is a qualified Executive Coach.

Martin Gisbourne
Chief Strategy and Sustainability Officer

Committees: RI

Joined: September 2019

Experience:
Martin is our Chief Strategy and Sustainability Officer and is a member of the Executive Management Team and the Risk Committee. Martin joined the Group in September 2019 as Group Strategy and Marketing Director. With a functional background in a variety of commercial and marketing roles with brands such as Bosch and Geberit, Martin has over 20 years' experience of leading businesses in the construction products sector, most recently as part of the Belgian Aliaxis group, where he was responsible for businesses in the UK, Middle East, South Africa and the Nordic markets. He has a BSc in Financial Management from Loughborough University.

Lee Mellor
Business Unit Managing Director, CMS

Committees: RI

Joined: December 2024

Experience:
Lee joined the Group in December 2024 as Managing Director of the Climate Management Solutions Business Unit and is a member of the Executive Management Team and the Risk Committee. Lee's early career was formed with many years of pan-European general management positions across the business-to-business sector for consumer products and e-commerce for Interface Modular Flooring, Keter and Newell Brands. Lee spent 16 years in President/Vice President roles, with an early functional career in Sales and Marketing. Prior to joining the Group, Lee was Vice President (Europe) for SC Johnson's Professional division and also served as chair of the board for Business in the Community Midlands and spent time in sustainability commercialisation. Lee has an eMBA from HEC Paris.

Steve Currier
Business Unit Managing Director, WMS (interim) & SBS

Committees: RI

Joined: November 2022

Experience:
Steve is Managing Director of the Sustainable Building Solutions Business Unit and is also currently fulfilling the role of MD of the Water Management Solutions Business Unit. Steve is a member of the Executive Management Team and the Risk Committee. Steve joined the Group in November 2022 in the SBS MD role. Prior to this he spent 15 years with Eaton Corporation plc, where he held a variety of commercial and general management roles, most recently, Vice President and General Manager for the Life Safety Division, leading businesses in France, Germany, the UK and the US. The early part of his career was spent in the automotive industry working for GKN plc and Arvin Meritor, covering roles in a variety of disciplines including operations, quality control and engineering. Steve has a BEng in Mechanical Engineering from Portsmouth University.

Corporate governance statement

Kevin Boyd
Independent Non-Executive Chair

This Governance statement outlines the processes the Company has followed throughout the year to comply with the UK Corporate Governance Code 2018 (the Code) and demonstrates compliance with each provision.

Maintaining the highest standards of governance is integral to achieving our long-term strategic goals and sustaining legal and ethical integrity across the Group, and the Board is committed to ensuring that these standards are continually met.

The Board is kept informed of changing regulations and recommendations and welcomes the UK Corporate Governance Code 2024, which continues to uphold the flexibility of 'comply or explain' reporting and seeks to deliver improvements that promote trust, transparency and accountability. The Corporate Governance Code 2024 will apply for the Group from FY 2025, and from FY 2026 for Provision 29, and during the year, the Board began preparations to ensure full compliance with these changes, as outlined in this Governance Report and the Audit Committee Report on pages 116 to 122. The Board will continue to review its current governance structures and implement any required changes in advance of the relevant reporting dates, to ensure that it maintains full compliance with its principles and provisions.

The Board believes that good corporate governance is key to the successful execution of strategy, and this foundation provides confidence to stakeholders in the reliability and future performance of the Company. It is essential for the long-term sustainable success of the Company as it reaches across all areas of the business to ensure sustainable business practices, accountability, fairness and transparency. The Board believes that the Code sets the minimum standards, and endeavours to go beyond this minimum to embed the Code Principles into daily operations and continually improve and develop its governance processes.

> Good corporate governance is key to providing confidence to stakeholders in the reliability and future performance of the Company."

Compliance statement

In accordance with the Listing Rules of the Financial Conduct Authority, the Board confirms that throughout the year ended 31 December 2024, and as at the date of this Report, the Company has complied with the principles of the Code. This Corporate Governance Report (the Report), which is also available on the Company's website, explains key features of the Company's governance structure and aims to provide a greater understanding of how the principles of the Code have been applied and the areas of focus during the year. The Code can be found on the FRC's website at www.frc.org.uk.

The Report also includes those items required by the FCA's Disclosure Guidance and Transparency Rules. The Board has ultimate responsibility for the approval of the Annual Report and Accounts. It has considered the content of the Annual Report and Accounts and confirms that, taken as a whole, it is fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's position and performance, business model and strategy. Further detail on the process that was followed to make this assessment can be found on pages 105 and 119.

Governance highlights of 2024

Section 1

Board leadership and company purpose

- Continued focus on creating a sustainable built environment in the pursuit of our purpose, 'Together, we create sustainable living' through the acquisitions of Sky Garden and Omnie & Timoleon
- Further embedding of our Trademark Behaviours across the Group, including within personal development reviews, and the completion of our employee engagement survey
- Launching a new Genuit Group Pension Scheme to consolidate and create consistencies

Read more – pages 94 to 99

Section 2

Division of responsibilities

- Clear delineation of responsibilities between the Board and management
- Direct engagement by the Chair through visits to our Leeds Head Office outside of the Board cycle, to understand the effectiveness of executive leadership through observation of an Executive Management Team meeting
- Updates from key members of the Genuit Leadership Team to the Board on strategic workstreams, to enable independent challenge by Non-Executive Directors

Read more – pages 100 to 101

Section 3

Composition, succession and evaluation

- Continued focus on diversity and the implementation of maternity and paternity policies
- Update the Board Skills Matrix to effectively identify skills gaps and support plans for future succession and Board changes
- Internal Board Evaluation conducted across the Board and its Committees, to understand progress made since 2023 and improvements for 2025

Read more – pages 102 to 105

Section 4

Audit, risk and internal controls

- Improvements to governance structures for Internal Controls in preparation for Provision 29, with the recruitment of a new Group Head of Internal Controls
- Effective reviews of the principal risks and uncertainties and a refresh of our approach to establishing and complying with risk appetite across these principal risks
- Continued to enhance co-sourced internal audit service provision, to embed Internal Audit within the control of our Group Internal Audit Director

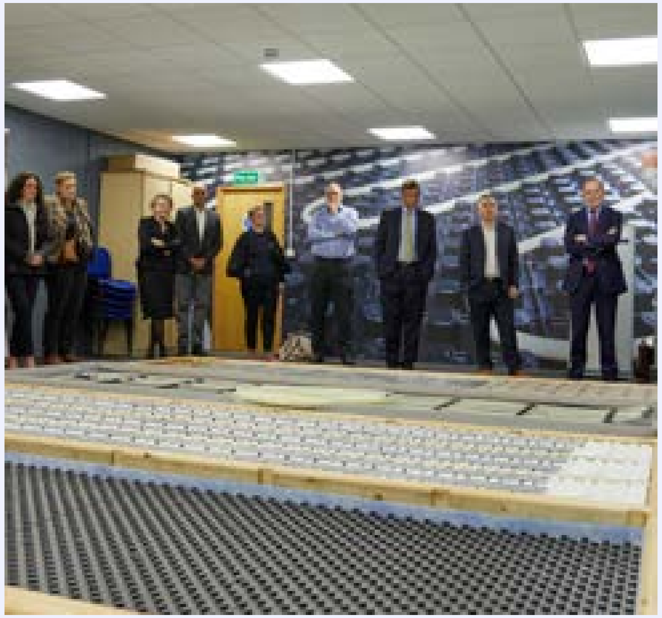
Read more – pages 111 to 121

Section 5

Remuneration

- Application of our updated Remuneration Policy during 2024
- Engagement with employees through the Genuit Group pension initiative. Further additional media shared, outlining the purpose of the Remuneration Committee in the Group's governance framework
- Updated sustainability targets within Long-Term Incentive Plans, to align further with our future plans in the execution of our Sustainable Solutions for Growth strategy

Read more – pages 128 to 153



Steering to sustainable success

Section 1

Board leadership and company purpose

The primary role of the Board is to lead and steer the Group in such a way that it ensures long-term sustainable success, in accordance with its strategic goals and purpose, setting its culture and expected behaviours from the top.

The Board

The Board establishes Company strategy and financial policy in accordance with its purpose, and ensures that a sound system of internal control and adequate risk management is maintained. It is accountable to the Company's shareholders, balancing their interests with those of all material stakeholders.

The Board delegates the responsibility for implementing the Group's business model and for the day-to-day operational management of the Group to the Chief Executive Officer (CEO), supported by the other Executive Management Team (EMT) members, being the Chief Financial Officer (CFO), the Chief Strategy and Sustainability Officer, the Chief People Officer, the Group Legal Counsel and Company Secretary and the Business Unit Managing Directors. The EMT supported by the Genuit Leadership Team. The Board has direct access to the Company Secretary, who is responsible to the Board for ensuring that Board procedures are complied with and that the Board has full and timely access to relevant information.

The 2018 FRC Guidance on Board Effectiveness specifies that the Board should ensure there is a formal Schedule of Matters reserved for the Board, to assist with planning and provide clarity over where the responsibility for decision-making lies. The Board may appoint Committees, as it deems appropriate, to exercise certain of its powers. As recommended by the Code, specific areas of delegation are set out in the Terms of Reference for each Committee. While the Board may make use of Committees to assist with its consideration of appointments, succession, audit, risk and remuneration, in accordance with the Code and FRC Guidance, it retains responsibility for, and endorses, final decisions in all of these areas for the Group. The Schedule of Matters sets out those powers reserved for the Board, in accordance with the Code. These are available to all leaders as part of the Delegation of Authorities, which forms part of the internal controls implemented across the Group. As part of its responsibilities for monitoring the deployment of strategy and ensuring that strategic goals are realised, the Board monitors resources and risks to the successful execution of that strategy through the support of its Committees.

The schedule of matters includes, but is not limited to:

Strategy and management	– Receive and approve long-term objectives and the strategic direction of the Group – Approve the Group's risk management policies and appetite – Have oversight of the Group's operations, ensuring effective and prudent management, and also ensuring that a sound internal control framework and risk management system is maintained – Approve the commencement of any major new business activity, including acquisitions or capital projects – Assess and monitor culture across the Group, ensuring that policy, practices and behaviours are aligned with its purpose, values and strategy – Take action to identify and manage conflicts of interest and ensure that third party influence does not compromise or override independent judgement
Financial reporting	– Approve annual budgets, the dividend policy, annual and half yearly accounts, accounting policies and monetary limits – Approve the issue of shares or of securities, conferring rights of subscription for or conversion into shares in the Company – Ensure that formal and transparent policies and procedures are in place to ensure the independence and effectiveness of internal and external audit functions
Communication with shareholders	– Responsible for ensuring a satisfactory dialogue with shareholders – Review and approve shareholder communications in respect of circulars and other relevant communications concerning matters decided by the Board
Capital structure and borrowings	– Approve the granting of security over any Group asset – Review any liabilities of materiality, such as credit notes, stock write-offs or guarantees – Review the policy for the financing of the Group
Board and corporate governance arrangements	– Review and monitor Group corporate governance arrangements at Board level and senior management level as appropriate – Approve conflicts of interest where permitted by the Company's Articles of Association – Oversee the operation of the Company's share option schemes, as recommended by the Remuneration Committee
Legal and administration	– Approve the overall levels of insurance for the Group, including Directors' and Officers' insurance – Review and approve the commencement or settlement of any major litigation

Our governance framework

Our governance framework establishes the boundaries between the Board and Executive Management Team, and effectively delegates areas of responsibility, which is essential for transparency, accountability and effective decision-making and is vital for maintaining stability and fostering growth. Our framework is as follows:

The Board

Establish the purpose and strategy for the Group, promoting the long-term sustainable success of the Company for the benefit of its members and key stakeholders. The Board discharges some of its responsibilities directly and has delegated authority to its Committees.

Independent 71% Executive 29%

Audit

Overseeing financial reporting, internal control systems, and internal and external audit functions.

Independent 100%

Nomination

Reviewing the structure, size and composition of the Board and its Committees.
Board succession planning.
Determining the skills and characteristics needed in Board candidates to ensure a diverse skill set.

Independent 100%

Remuneration

Setting the Remuneration Policy for Executive Directors.
Operating the Company's share incentive arrangements.
Senior management remuneration.
Oversight of remuneration-related policies.

Independent 100%

Risk

Setting the risk appetite, risk tolerance and risk strategy of the Group.
Reviewing and reporting on risk management, principal risks and uncertainties and emerging risks.
Overseeing and implementing internal risk controls and risk management systems.

Executive 100%

The Executive Management Team develop and execute Group strategy. They report to and manage communication and escalation to the Board, manage operational governance, compliance and risk, and oversee Group operations.

Board and Committees

To ensure that it discharges its duties effectively, the Board has delegated specific responsibilities to its principal Committees: the Audit, Nomination, Remuneration and Risk Committees. Each Committee's responsibilities are clearly defined within their own Terms of Reference. These Terms of Reference are reviewed every year and updated as necessary, to reflect legislative changes and best practice and to ensure that the individual and collective Committees' efficiency and effectiveness is maintained. The Terms of Reference for each Committee are available on the Company's website. The Committees carry out their required duties and make recommendations to the Board for approval. Each Committee Chair provides an update to the Board on the key discussions and decisions made at the preceding Committee meeting. This allows the Board to make reasoned decisions, and, if required, take appropriate action. Each Committee has reported on its contribution to the Board's decision-making during the year, details of which can be found later in each of the Committee Reports.

Biographies of the Chairs of each of the Board Committees, as well as all other Committee members, are set out on pages 90 and 91.

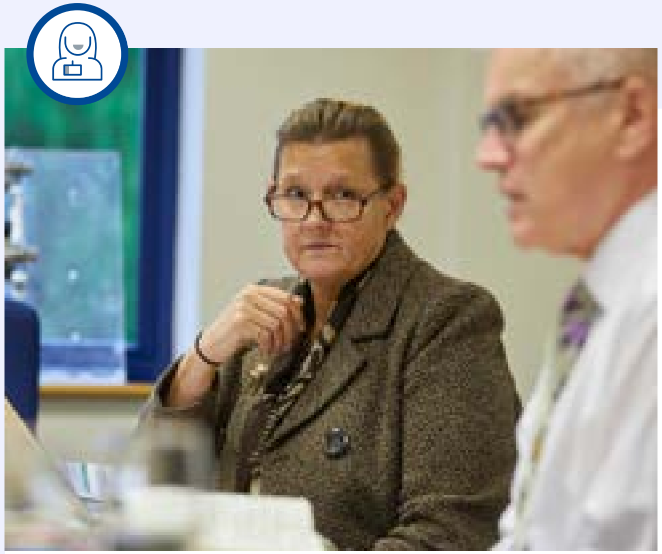
> "Good governance is the foundation to ensuring transparency, ethical decision-making and accountability. This drives the Group to long-term sustainable success and fosters trust amongst stakeholders."

Board stakeholder engagement

The Board's engagement with the Company's key stakeholder groups remains essential to informing and guiding the decisions it makes in the Boardroom.

Details of some key decisions that the Board made during the year are outlined in our formal Section 172 Statement on pages 70 to 73 of the Strategic Report, with further details on how the Group has engaged with stakeholders during the year on pages 64 to 69. This section of the Governance Report sets out further areas of focus for the Board during the year, to showcase how stakeholders are regularly considered in its decision-making.

The Board recognises that, when making decisions, it will sometimes have to consider the competing interests of stakeholders, and that it may not always be possible to deliver an outcome that is welcomed by all stakeholders. In these situations, the Board is guided by the need to consider the long-term sustainability of the business. A timeline is provided over the following pages, detailing the key highlights from the Board activities during the year where stakeholders were considered or discussed as part of its decision-making.



Employees

Direct employee engagement is one of the key methods for ensuring that a unified culture exists across the Group. The appointment of a dedicated employee engagement Non-Executive Director means that there is a consistent mechanism in place for employee views to be shared, discussed and considered by the Board. An additional eight sessions were held during 2024 across different sites as outlined overleaf, as part of the Board's employee engagement programme hosted by Louise Brooke-Smith, our dedicated Non-Executive Director for employee engagement.

Each session covered five key topics: strategy and vision, communication, diversity and inclusion, health and safety and governance, and invited employees to share their views, these were then anonymised and collectively shared with the Board. Feedback was consistent in respect of being satisfied with working environments, and recognition and endorsement was given for the improvements made across the Group, but it was noted that further steps could be taken in respect of consistent communication and encouraging synergies across businesses. The initiative conducted during the year for reviewing the Group's current communications platform, as outlined on page 57 of the Strategic Report, will help mitigate and improve this during 2025.

The Board recognises that direct employee engagement platforms are not effective unless the outcomes are adequately fed back to management and action is taken to address the issues raised. It remains of the view that employees are the Group's greatest asset, and obtaining this feedback will only help to develop and build open communication channels, which, in turn, will positively develop the defined Group culture. We will continue to engage regularly with employees across all sites, and the formal employee engagement plan will be reviewed in conjunction with our Chief People Officer, with continued implementation during 2025.

Shareholders

Direct shareholder engagement is a crucial tool for maintaining good relationships and supporting long-term value creation and sustainability for the business. In engaging directly with shareholders, the Board is able to identify issues of importance or concern and gain insight, whilst shaping Group strategy to aid better decision-making, especially regarding governance, risk management or compliance.

Proactively engaging with shareholders and seeking their input helps to mitigate risks and attract new investment. Numerous investor and analyst meetings were attended by our Chief Executive Officer and Chief Financial Officer, with our top 10 shareholders given the opportunity to meet with the Chair to raise any concerns. The output of these meetings is shared at each Board meeting and forms part of its discussions and decision-making. Details of the number of investor meetings held during the year are outlined in the timeline overleaf.

January

3 meetings

February

Considered the outcome of bonus performance measures and future performance conditions, received details of the employee engagement feedback, and reviewed health and safety reports and feedback from investor meetings. Approved the final budgets and considered any legal and governance updates. Risk appetite, principal risks and uncertainties, emerging risks, and risk management frameworks were also considered, including climate-related risks and opportunities.

7 meetings

March

Approval of the year end results, the viability statement and going concern, the Annual Report and the final dividend subject to shareholder approval at the Annual General Meeting. Review and confirmation by the Audit Committee of effective internal control and the independence of the external auditor. Details from employee engagement feedback, review of health and safety reports and current measures in place across the Group, and feedback from investor meetings. Reviewed the Business Unit reports, strategy, sustainability and people reports.

79 meetings

Session at Manthorpe

April

34 meetings

May

Focus on the Annual General Meeting, investor feedback and scoring and voting recommendations, as well as any additional feedback from any investor meetings. Approval of trading statement. Update on strategic projects, feedback on employee engagement and health and safety and an update from the Risk Committee Chair, as well as an update on any legal and governance matters.

20 meetings

Session with Permavoid

June

Focus on growth and conducting an M&A deep-dive, updates from brokers, and investor feedback. Director training conducted and a regulatory update given. Additional focus on employee engagement, HRIS implementation and a health and safety update, presentation of the employee engagement survey results and a deep dive into Business Unit performance.

27 meetings

Session at Polypipe Civils & Green Urbanisation

July

3 meetings

Session at Nu-Heat

August

Approval of half year results, including the going concern and proposed interim dividend. Review of strategic projects, IT strategic update and capex request approvals for Business Units and acquisition approvals. Risk and risk management frameworks were considered, including climate-related risks and opportunities. HRIS, employee engagement and health and safety updates, as well as investor relations update and strategy for future incentives. Meeting of the Non-Executive Directors without the Executive Directors present.

16 meetings

September

20 meetings

Session with Keytec

October

Annual strategy session, with presentations from senior management (below the executive layer) of ongoing strategic workstreams and initiatives. An update on the implementation of the Genuit Business System and the Group's five-year plan, and approval of the trading statement. Sustainability deep dive conducted, employee engagement feedback shared, policy and legal updates given and feedback shared from investors.

33 meetings

Session at Adey

November

20 meetings

December

Update on the internal evaluation of the Board and Committees. The collation of employee engagement survey responses and the corresponding analysis. Approval of the final five-year plan and related 2025 budgets, and other financial year-end approvals. Feedback on employee engagement sessions, health and safety and acquisition integration progress. Preparation for the 2024 Annual Report, regulatory updates and feedback from investors in advance of the close to the financial year.

5 meetings

Sessions with Alpha Scientific and Polydeck

Key

Meeting type:

- Board meetings
- Investor meetings
- Employee engagement session

Stakeholder type:

- Employees
- Customers
- Shareholders
- Suppliers
- Communities and the environment

Steering to sustainable success continued

Investing in our people and culture

The Board recognises that an inclusive and positive environment improves job satisfaction, increases employee retention, boosts productivity and enhances performance. Our greatest asset for enabling the Group's achievement of its strategic goals is its people, and this is a core element of our strategy as outlined within the Strategic Report on pages 56 to 63. We have spent the last two years developing a culture that is consistent with and supports our purpose. A priority for the Board, now that this culture is established, is to monitor performance.

Our Trademark Behaviours were rolled out during 2023; these effectively complement and support our purpose and strategy. During 2024, we embedded these across our people processes, including recruitment, performance management and leadership development. Our businesses each created unique ways to embed these behaviours further, in the form of local recognition awards, linked reward schemes, shout-out noticeboards and integration into everyday meeting etiquette.

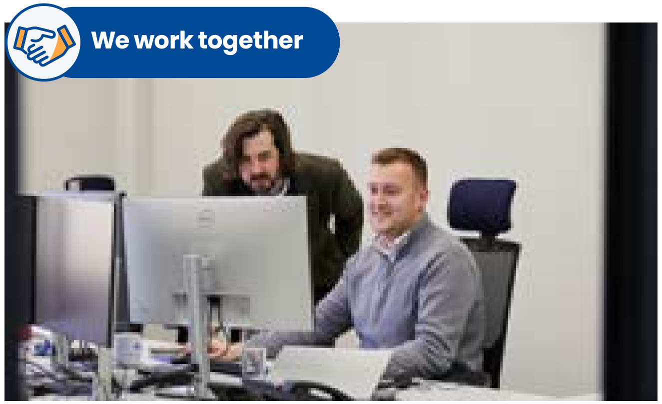
During the year, the Group conducted a Group-wide employee engagement survey, further details of which are included in our People and Culture section on page 57. As part of this survey, targeted questions covering our Trademark Behaviours were included, to enable the Group to obtain a baseline metric for the effectiveness of their integration. This will give the Group a platform to continue to develop and find creative and effective ways to embed these behaviours successfully, so that all employees continue to feel valued and heard, and the behaviours become intrinsic. The Board recognises the effectiveness of this targeted approach and will continue to receive updates and provide insights on a regular basis. Our Trademark Behaviours are visible; they are values in action. They create the standard for all employees to strive towards and they are measurable through actions.

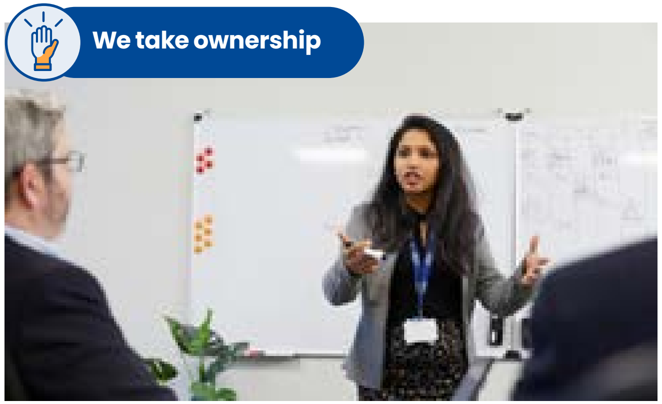
Currently, the Board receives updates in respect of its people and culture, which includes both qualitative and quantitative methods, as follows:

- employee turnover and current headcount;
- Diversity & Inclusion (D&I) data;
- grievances, governance and legal matters;
- policy training updates;
- recent internal communications and engagement activity and surveys;
- talent and development, including talent acquisition and retention;
- absence statistics;
- monitoring of The 5% Club status;
- reasons for leaving;
- leadership development;
- reward, remuneration and incentives; and
- strategic projects.

The Board also obtains feedback directly via its dedicated employee engagement Non-Executive Director through site visits. The Audit Committee receives updates in respect of any whistleblowing reports at each meeting, further information on which is included in our Audit Committee Report on page 122.

Establishing openness and transparency across the Group, as well as fostering and maintaining a culture which is responsive to stakeholder expectations and the external environment, will continue to be a priority for the Board. As we grow, collaborate, create solutions and innovate, we recognise that continuing to drive this common purpose and our aligned Trademark Behaviours will help realise the achievement of our strategic goals.





Control framework for the management and assessment of risks

The Board is responsible for determining the nature and extent of the significant risks that it is willing to take in achieving its strategic objectives. It is also responsible for maintaining sound risk and internal control systems, in accordance with the Code.

The Board delegates the specific management and monitoring of this to the Risk Committee (as outlined in the Risk Committee Report on pages 111 to 115), which reports to the Board on all matters, including the effectiveness of these systems. As noted in its Report, the Risk Committee is structured as an executive Committee to the Board, with the Chair of the Audit Committee attending at least one meeting. The Risk Committee reports on all its activities to the Board, and the Board is required to review and approve any relevant papers and changes to the Group's risk appetite, principal and emerging risks, climate-related risk and opportunities, governance procedures and risk management structure. This approach enables Committee meetings to be constructive and effective at reviewing and discussing the granular detail of risk across Business Units and the Group as a whole, whilst still maintaining compliance with Provision 25 of the Code, given that all output must be reviewed and approved by the Board.

The Board is ultimately responsible for ensuring that:

– there is an established framework and supporting systems for identifying, evaluating and managing the principal risks faced by the Group;

– the systems have been in place for the year under review and up to the date of approval of the Annual Report and Accounts;

– the systems are regularly reviewed; and

– the systems accord with the FRC guidance on risk management, internal controls and related financial and business reporting.

The Company has a risk management framework which adopts a top-down and a bottom-up view of the key risks, and involves both the downward cascade and upward escalation of risks between the Group and the businesses.

The framework comprises a risk register template, a risk profile template and assessment guidelines to be used by both the Group and Business Units when considering risk.

The principal risks and uncertainties, together with the emerging risks for the Group, including their potential impact and mitigating actions and more detail about the risk management framework, are set out on pages 75 to 85.

The Board is aware of the upcoming changes in the UK Corporate Governance Code 2024 in respect of Provision 29, and continues to develop its processes and make improvements to the Group's control environment to ensure it maintains compliance with Provision 29 of the 2024 Code by FY 2026. In respect of the financial year under review, the Board has conducted a review of the effectiveness of the system of internal controls and risk management, following a detailed review undertaken by the Risk Committee, and is satisfied that it complies with Provision 29 of the 2018 Code.

Directors' conflicts of interest

Each Director has a duty under the Companies Act 2006 to avoid a situation where he or she may have a direct or indirect interest that conflicts with the interests of the Company. The Company's processes ensure that there is the opportunity for any conflicts to be disclosed, and robust procedures are in place to authorise and manage such conflicts of interest. All potential conflicts approved by the Board are recorded in a conflicts of interest register which is maintained by the Company Secretary. Directors have a continuing duty to update the Board with any changes to their conflicts of interest and any conflicts are reviewed on a regular basis.

The Board confirms that the procedures for managing any conflicts of interest operated effectively during the year.

> Promoting openness and transparency across the Group, as well as fostering and maintaining a culture which is responsive to stakeholder expectations and the external environment, will continue to be a priority for the Board."

Strong foundations

Section 2 **Division of responsibilities**

There is a clear division of responsibilities between the leadership of the Board and the executive leadership of the Group.

Separation of the roles of Chair and Chief Executive Officer

Principle F of the Code outlines the responsibility of the Chair and their accountability for directing the Company, and demonstrating objective judgement. The Company applies this Principle, and the roles and responsibilities of the Chair and the Chief Executive Officer (CEO) are separate and clearly defined, with a distinct division of responsibilities. This distinguishes the executive management of the Company from Board leadership, which ensures that the Chair and CEO are able to pursue their respective duties without concern that interests in one position might negatively influence the other.

It is the Chair's duty to provide overall leadership and governance of the Board and to ensure that the Company is run in the best interests of its shareholders. Part of this role includes working with the Company Secretary in setting the Board agendas, ensuring that adequate time is available for the discussion of all agenda items and promoting a culture of openness, challenge and debate at Board meetings. Along with other members of the Board, the Chair also has a role in setting the Company's strategic direction, making key decisions about mergers and acquisitions, capital raises and other important matters.

Supported by the Company Secretary, the Chair keeps under review the adequacy of the training received by all Directors, particularly on; stakeholder-related matters, the induction received by new Directors (especially those without previous Board experience), and ensures that the Board is provided with accurate and timely information, as well as determining how best to ensure that the Board's decision-making processes give sufficient consideration to material stakeholders.

The CEO is responsible for executive management of the Group's business, consistent with the strategy and commercial objectives agreed by the Board and its overall performance. The CEO leads the senior management team in effecting the decisions of the Board and its Committees and is accountable to the Board and, ultimately, the shareholders. The CEO is also responsible for the maintenance and protection of the reputation of the Group, ensuring that the affairs of the Group are conducted with the highest standards of integrity, probity and corporate governance. The CEO, along with the CFO, is also responsible for communicating the Company's vision and performance to shareholders and other stakeholders, and for building and managing a strong Executive Management Team.

Whilst the roles of the Chair and CEO are separate, the partnership between both is based on mutual trust and is facilitated by regular contact between them. This strong partnership and regular communication ensure that the Company's strategic direction is aligned with the expectations of the Board and shareholders. It also helps to ensure that there is clear communication and coordination between the Board and executive management, which, in turn, avoids any potential conflicts or misunderstandings that could negatively impact the performance of the Group. It fosters a positive and productive culture within the Company, which contributes to retaining top talent and maintaining good morale amongst employees. This separation of authority enhances the independent oversight of executive management by the Board and helps to ensure that no one individual on the Board has unfettered authority.

The responsibilities of the Chair, CEO, CFO, SID, Board and Committees are clearly defined and agreed by the Board. The division of responsibilities between the leadership of the Board and the executive leadership of the Group are showcased below.

Chair
Kevin Boyd

- Provides overall leadership and governance
- Sets the Board agenda
- Promotes a culture of openness, challenge and constructive debate
- Ensures that Directors understand the views of major shareholders and stakeholders

Senior Independent Director (SID)
Lisa Scenna

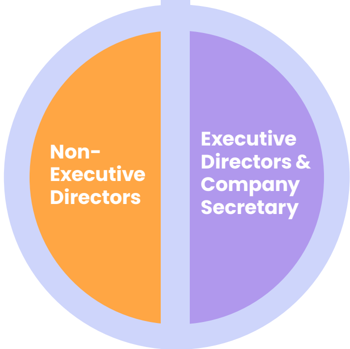
- Acts as a sounding board for the Chair, appraises their performance, leads the other NEDs, and is a direct contact for shareholders if necessary

Non-Executive Directors (NEDs)
Shatish Dasani, Bronagh Kennedy

- Scrutinise and constructively challenge the performance of Executive Directors and contribute to setting strategy, succession plans and remuneration strategy

Employee Engagement NED
Louise Brooke-Smith

- In addition to NED responsibilities, the Employee Engagement NED is also responsible for employee engagement on behalf of the Board, ensuring their views are considered in its decision-making



Chief Executive Officer (CEO)
Joe Vorih

- Executive management of the Group's business
- Develops and implements Group strategy and commercial objectives
- Leads the senior management team in effecting the decisions of the Board
- Communicates with the Board, shareholders, employees and other stakeholders

Chief Financial Officer (CFO)
Tim Pullen

- Implements, manages and controls the Group's financial-related activities
- Develops appropriate financial strategies and manages investor relations
- Ensures appropriate risk management systems are in place
- Works with the CEO to deliver strategy deployment and manage day-to-day operations

Company Secretary
Emma Versluys

- Supports the Board and Committees and provides advice to the Board on all governance and legal-related matters, as well as advising Directors on their duties. Assists with all Board and shareholder meetings and facilitates induction and training programmes for Directors

Chair engagement with employees

In addition to having the opportunity to engage directly with employees through scheduled Board site visits, the Chair took further steps to engage with senior management teams where possible, to enable him to confirm that executive management was operating effectively and in a way that was consistent with the reports to the Board. This allowed a broader, more independent perspective to be shared with the Board on the Group's operations, fostering a better understanding of challenges or opportunities. This engagement improves governance, enhances transparency and contributes to more informed decision-making within the Board.

Role of the Senior Independent Director

Lisa Scenna was appointed as the Senior Independent Director (SID) of the Company on 7 March 2023. She is available to shareholders and other stakeholders if they have concerns that cannot be addressed through normal channels. The role of the SID is to provide an independent perspective on the Board's decisions, act as a sounding board for the Chair and serve as an intermediary for the other Directors when necessary. The SID is also available to chair the Board in the absence of the Chair and has the authority to add items to the agenda of any regular or special meetings of the Board. The role of the SID is considered an important part of the composition of the Board, acting as a check and balance in the Group's governance structure.

Board meetings

During the year, in total, there were seven scheduled Board meetings and four ad hoc meetings held, as well as a number of Committee meetings. Details of attendance at Board and Committee meetings are shown on page 87.

Every effort is made to ensure that all Directors, where possible, attend scheduled Board meetings. However, in the event that a Director is unable to attend a meeting, they are provided with the meeting papers and information relating to the meeting and are able to discuss the matters arising with the Chair and other Directors. Agendas are drafted in line with the Schedule of Matters reserved for the Board, as outlined on page 94, in addition to key items that need to be addressed during the year. Designated senior leaders from across the Group, as well as external advisers, attend some of the meetings on request, for a discussion of specific items in greater depth and to provide training and updates.

It is standard practice, as part of the governance arrangements, for the Board to visit the Group's numerous businesses on a rolling basis each year. This allows Board members to have greater knowledge and visibility of the Group's operations, and enables the Board to engage with employees, complementing the structured employee engagement forums that take place with the dedicated Non-Executive Director.

Board dinners are held ahead of the scheduled meetings, where possible, to provide a more relaxed forum for the Board members to have additional discussions amongst themselves, as well as with the senior management team from that location. This enables the Board to partake in informal discussions outside of the Board meeting itself, and this additional engagement and visibility enables the Board to have a greater understanding of the culture across the Group. The Board visited four different sites during 2024, these being the Nuaire site in Caerphilly, the Polypipe Civils & Green Urbanisation site in Horncastle, the Adey site in Stonehouse and the Group Head Office in Leeds.

During the year, the Chair held meetings with the Non-Executive Directors without the Executive Directors being present, and the Chair's performance was assessed as part of the internal Board evaluation. Further detail on the results of the internal Board evaluation can be found in this Report on page 104.

Board oversight of strategy

The Group's purpose, 'Together, we create sustainable living', continues to be underpinned by our people and culture. Each year, the Board holds an annual strategy day, where it spends a full day with senior management to discuss the current performance of the Group and the strategic plan. The strategy day during 2024 was held in October, and the first session was a brief overview of the Group's approach to the five-year planning cycle, with a focus on the output of this approach and validation that it would contribute to delivering our medium-term goals.

Following this, presentations on four strategic workstreams took place, hosted by members of the Genuit Leadership Team (GLT). Each workstream had a specific project team assigned to it, including GLT members along with additional participants, and presentations were given that provided an overview of each project, including workstream objectives and progress to date. This was a different format from previous strategy days, which had typically focused on Business Units. Each presentation highlighted the desire to work together across the Group to continue to meet expectations and exceed targets. A key focus was on how the Group will deliver on growth and the role of artificial intelligence (AI) from both an opportunity and a risk perspective. It was a great opportunity for the Board to meet other senior leaders from within the Group, in addition to its regular engagement with the Executive Management Team (EMT).

The strategy day was attended by all EMT members and was also attended by Lee Mellor in advance of him joining the Group, with a strategy day dinner organised to allow for informal interaction, engagement and challenge around the topics discussed that day. In addition, there was a presentation given by an external economist to help set the scene for strategy progress in 2025.

The Board had the chance to reflect on the presentations at the meeting the following day, with the Chief Strategy and Sustainability Officer in attendance. In addition to the strategy day, there is a formal half year update on strategy to the Board, as well as the regular progress updates given in the CEO reports at every Board meeting. Further information on the execution of our strategy during 2024 is included in our Strategic Report on pages 15 to 85.

Shaping the future

Section 3

Composition, succession and evaluation

A successful Board is one that has a combination of skills, experience and knowledge, allowing all Directors to actively contribute to discussions and provide challenge where appropriate.

Board composition, qualification and experience

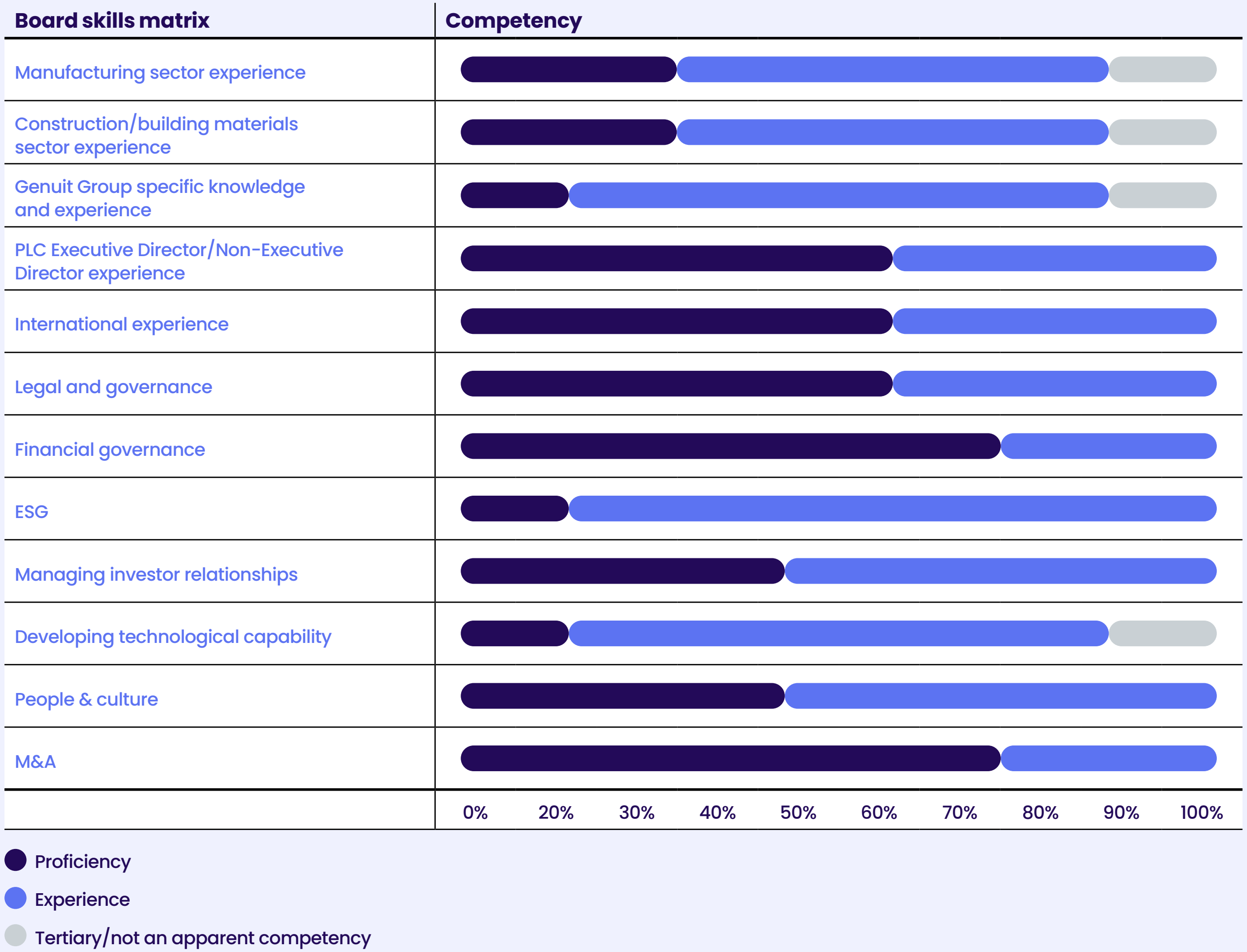
At the year end, the Board comprised the Independent Non-Executive Chair, two Executive Directors and four Non-Executive Directors. The Non-Executive Directors were appointed for the diversity of their backgrounds, as well as for their personal attributes and experience.

During the year, the annual review was conducted regarding the current skills of the Board, and the skills matrix was reformatted to differentiate between proficiency and experience. All the expected skills of Board members will continue to be reviewed on a regular basis and will be considered by the Board and Nomination Committee in recruitment and succession-planning decisions. The skills matrix also places focus on the diversity of the Board and is a useful tool to identify where further training or education is required for individual Directors, as well as for the Board, collectively. Following completion of the matrix, the Board remained satisfied with the recruitment strategy of the Nomination Committee.

The Nomination Committee and the Board have also considered the independence of each of the Non-Executive Directors. As part of the appointment process, Directors are assessed on their skills, experience and independence, which is reviewed on an annual basis in line with the skills matrix, their roles on the Board and Provision 10 of the Code. The Board considered the Chair and all the Non-Executive Directors to be independent throughout the period (or, where applicable, from appointment). In accordance with Code Provision 18, all of the Directors are subject to annual re-election.

Board skills to promote long-term success

The Board uses a skills matrix to identify the balance of skills, knowledge and experience of the Board for its composition review and succession planning. The matrix highlights where the skills and experience of Directors are particularly strong, and where there are opportunities to further enhance the Board's collective knowledge. A high-level summary of the Board skills matrix as at 31 December 2024 is below.



Appointment and tenure

The Non-Executive Directors serve on the basis of letters of appointment, which are available for inspection at the Company's registered office. The letters of appointment set out the expected time commitment of the Non-Executive Directors, who, on appointment, undertake that they have sufficient time to carry out their duties. There is no fixed expiry date. The Executive Directors' service contracts are also available for inspection at the Company's registered office. The notice period for Executive Directors is 12 months.

External appointments

In accordance with Principle H, the Board takes seriously the requirement that all Non-Executive Directors should have sufficient time to meet their Board responsibilities. Whilst it recognises the benefits that greater Boardroom exposure provides for Directors, it also closely monitors the nature and number of external directorships held, to ensure continued compliance with Principle H. All Executive and Non-Executive Directors' external appointments are reviewed at each Board meeting as standard, including details of all those appointments over the previous five years. The Board reviews the nature of each appointment and the expected time commitment for each Director as part of this process and concluded that, as at the end of 2024 and the date of this Report, none of these appointments compromise the effectiveness of any individual Director or their ability to provide constructive challenge, strategic guidance, offer specialist advice and hold management to account. Further details of our Non-Executive Directors' external appointments can be found in their biographies on pages 90 and 91.

Directors' induction and training/professional development

The Chair, with the support of the Company Secretary, is responsible for the induction of new Directors and the ongoing development of all Directors. Where necessary, new Directors are provided with training to address their role and duties as a Director of a quoted public company. The Chair and Company Secretary continue to review the induction process and endeavour to make improvements wherever possible, to ensure that any newly onboarded Directors are successfully integrated into the Group and their role as quickly as possible. Directors may take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

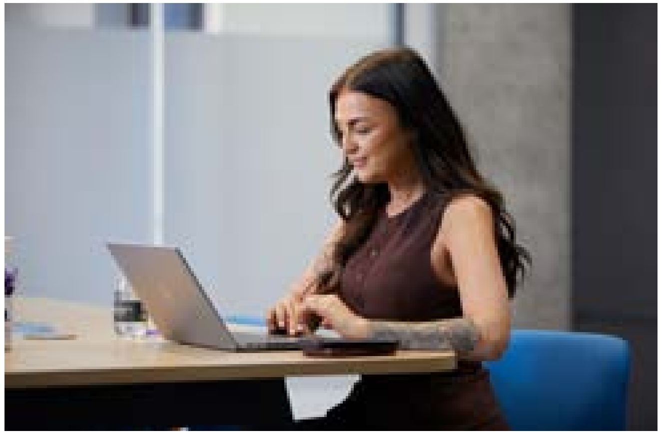
As the internal and external business environment changes, it is important to ensure that Directors' skills and knowledge are refreshed and updated regularly, to allow them to adapt to these changes and make informed and effective decisions. The Board was given presentations during the year by the Company's financial advisers, brokers and lawyers, as well as several presentations by senior management, and participated in Director training in addition to the annual strategy day referred to earlier in this Report.

The Company Secretary maintains responsibility for updating the Board on new legislation and regulation, as well as changes to the current legislative and regulatory regimes to which the Company is subject. This is included in a report to the Board at every Board meeting.

Board and Director recruitment process

The recruitment process is designed to ensure that the search for new Directors is thorough and inclusive, and ensures that recruits possess the necessary experience and skills to support the Company's strategic direction, as well as showcasing an understanding of the Group's culture and purpose. The Chair leads the Nomination Committee to develop a candidate specification and brief, using the Board skills matrix as a basis for identifying gaps that should be addressed as part of the selection process. This brief is then placed with an executive search agency, who must be a signatory to the Voluntary Code of Conduct for Executive Search Firms, in line with our Board Diversity Policy. Any agencies that are used as part of the recruitment process must confirm their independence on appointment. The executive search agency then provides a longlist of potential candidates from various backgrounds and industries, based on this candidate brief. The candidates are then shortlisted following discussions between the Chair, the Senior Independent Director and other members of the Committee (or appointed sub-Committee, as appropriate).

The candidates are interviewed and assessed against pre-determined criteria and considered in line with the specific candidate brief, which often involves meeting various Board members on a more informal basis to determine interpersonal dynamics. The successful candidate is then recommended for appointment to the Board, by the Nomination Committee, with the Company Secretary being tasked with the formalities.



Board evaluation and effectiveness

In accordance with Code Provision 21, the Board conducted an internal evaluation during the financial year. This process involved the completion of anonymous online questionnaires for the Board and each Committee. The responses were then collated into an overall feedback report for the Board. Specific questions were included to identify progress that had been made since the previous evaluation, and progress made during the year since the 2023 internal Board evaluation is documented below:

Internal Board evaluation 2023	**Progress during 2024**
Review of interactions with colleagues to enable the Board to fully understand any concerns or challenges within the culture of the organisation and, therefore, fulfil its obligation to ensure that the Group's purpose, behaviours and culture are all aligned	Increased employee engagement meetings and the addition of updates at each Board meeting to ensure that the employee 'voice' is present in the Boardroom at every meeting
Board agendas and papers streamlined to allow for deeper dives into topical/key issues, whilst allowing sufficient time for governance-related matters	Review conducted of Board agendas and deep dives scheduled during the year on key areas such as sustainability, IT and people and culture. Legal and governance updates at each meeting
Review of the composition of the Board to ensure appropriate knowledge of the industry, to enable effective strategic review and challenge	Annual review of the composition of the Board and updates made during the year to the format of the Board skills matrix, to differentiate between proficiency and experience. This enables the Board to identify any further areas that can be improved upon

The Board was asked as part of the 2024 internal evaluation to detail its key strengths and specific areas for improvement. This enabled detailed responses, which, when collated, provided an honest and transparent insight into the views of the Board, allowing the identification of areas of focus for improvement during 2025:

Outcomes of the internal Board evaluation 2024	**Plans for improvement in 2025**
Additional focus on emerging markets and sustainability practices	Focus on further training opportunities for the Board during 2025 and continued updates to the Board on regulatory developments
Continue to improve the breadth of exposure of NEDs to the culture and people of Genuit, as well as to customers and industry experts, to keep abreast of areas impacting strategy	Update to the employee engagement programme to improve access, hosting as a virtual session in addition to in-person sessions. Continued deep dives of Business Units planned to allow the Board to obtain further insight into customers, suppliers and the wider industry

Overall, the results of the evaluation were positive, with the Board and its Committees being viewed as operating effectively and in line with their respective remits. The next external evaluation will be conducted in 2025, in accordance with the Code requirements to conduct an external audit at least once every three years.

Sections 4 & 5

Audit, risk and internal controls & Remuneration

The final principles and provisions of the Code are vital for maintaining effective governance within financial operations and remuneration practices. They ensure that the Group has robust systems in place to manage and monitor financial risk, maintain accurate records and ensure compliance, as well as setting parameters to ensure the fair and transparent remuneration of executives. These principles and provisions help safeguard the integrity of our operations and ensure that our remuneration practices are competitive, fair and aligned with our strategic goals. We have covered these in more detail in our Audit and Risk Committee Reports on pages 111 to 122, and in the Remuneration Report on pages 128 to 153.

> The audit, risk and internal controls & remuneration principles and supporting provisions of the Code are vital for maintaining effective governance within financial operations and remuneration practices."

Financial and business reporting process

The Board recognises its duty to ensure that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the position and performance, strategy and business model of the Company. In addition to the Annual Report and Accounts, the Company also ensures that other price-sensitive reports and other information are published externally.

The Group has a thorough assurance process in place in respect of the preparation, verification and approval of periodic financial reports, which is set out in the Audit Committee Report on pages 118 and 119.

In accordance with Principle N of the Code, the Board is required to ensure that its financial and business reporting is fair, balanced and understandable. To ascertain whether this is the case, it firstly establishes whether or not the information presented within the Annual Report and Accounts is fair, reviewing whether the whole story is presented and done so accurately, and if the key messages in the narrative reflect the way in which it is presented in the financial reporting. Secondly, it assesses whether the information presented is balanced, ensuring that there is a good level of consistency between the narrative reporting in the front and the financial reporting in the back, as well as satisfying itself that the statutory and adjusted measures are explained clearly, with appropriate prominence. The final element to the assessment is to determine whether the Annual Report and Accounts are understandable. The Board assesses whether the Annual Report and Accounts uses language which is accessible to a reasonably well-informed reader or provides clear definitions for technical vocabulary and acronyms where this is not possible; it should not be disjointed or repetitive and should tell a complete and straightforward story. The Board also ensures that important messages are highlighted or cross-referenced appropriately throughout the document. Completion of this process provides comfort to the Board that the Annual Report and Accounts, when, taken as a whole, is fair, balanced and understandable, and following its review, the Board was of the opinion that the 2024 Annual Report and Accounts is representative of the year and presents a fair, balanced and understandable overview.

Annual General Meeting

The Company's Annual General Meeting (AGM) is scheduled to be held on 19 May 2025. All shareholders have the opportunity to attend and vote, either in person or by proxy, at the AGM. A copy of the notice of AGM can be found on the Company's website.

The AGM is the Company's principal forum for communication with private shareholders. The Chair of the Board and the Chair of each of the Committees will be available to answer shareholders' questions at the AGM.

The notice of AGM will be sent out to shareholders at least 20 working days before the meeting. The results will be announced to the London Stock Exchange via a Regulatory Information Service announcement and published on the Company's website.

Directors' indemnity and insurance

The Company maintains Directors' and Officers' liability insurance to cover legal proceedings against Directors and Officers acting in that capacity.

Details of the Directors' indemnity arrangements can be found on page 124 of the Directors' Report.

Re-election of Directors

At the AGM, all Directors will retire and submit themselves for re-election. As a result of the Board evaluation exercise, as Chair, I am satisfied that each Director continues to show the necessary level of commitment to their role and has sufficient time available to fulfil his or her duties to justify their re-election.

Approved by the Board and signed on its behalf.

Kevin Boyd
Chair of the Board

11 March 2025

"The Group has a thorough assurance process in place in respect of the preparation, verification and approval of periodic financial reports."

Nomination Committee Report

Kevin Boyd
Chair of the Nomination Committee

Members

Louise Brooke-Smith
Non-Executive Director

Lisa Scenna
Senior Independent Director

Shatish Dasani
Non-Executive Director

Bronagh Kennedy
Non-Executive Director

Dear Shareholder

I am delighted to present the Report of the Nomination Committee (the Committee) for 2024, reporting on the work of the Committee during the year.

The Committee plays a crucial role in the governance structure of the Company, establishing and maintaining the process for appointing new Board members and the Executive Management Team (EMT), and ensuring a diverse and skilled leadership team. It operates independently of Executive management and effectively assesses the skills needed for leadership roles, engaging in thorough and transparent candidate selection processes.

In keeping with Corporate Governance Code requirements, the senior management succession plan was reviewed and updated at the Committee meeting in February 2024, following a robust review process led by the EMT. Whilst there were no changes to our Board composition during the year, there were changes to the EMT, involving the Committee. Clare Taylor stepped down from her role as Chief People Officer (CPO) during the year, and Tim Pullen, our Chief Financial Officer, covered this role as Interim CPO in accordance with our established policy for contingency planning, whilst the process of recruiting a replacement was completed. Following a robust recruitment process, we are pleased to welcome Edel Conway to the Group and EMT as our new CPO, to continue to lead our people and culture journey. Edel has attended two Committee meetings since joining us in January 2025, and we look forward to her future contributions to the Committee and its work. In addition, we welcome Lee Mellor, our newly appointed Business Unit Managing Director for the Climate Management Solutions (CMS) Business Unit, to the Group and the EMT. Lee will drive the deployment of the Group strategy within CMS to support the delivery of the Group's medium-term objectives and, therefore, its purpose. As EMT members, both Edel and Lee are members of the Risk Committee, as referenced in our Risk Committee Report on page 112.

The Committee has demonstrated its effectiveness in successfully supporting the Executives in recruiting and onboarding new members of the EMT, as well as operating a successful succession plan, identifying the diverse skills and experience required to support the Company's strategic direction in keeping with its culture and purpose, as well as its plans for future growth.

During the year, the Committee reviewed and updated its Board skills matrix to record those Board members offering proficiency in certain areas versus experience. This allows the Committee to further differentiate between the level of skills across the Board and identify any current or potential future gaps. The Board skills matrix supports the Committee in its succession planning, by identifying skills gaps and ensuring that these are carefully considered by the Committee when making changes to the Board. The Committee will continue to focus on ensuring that individual Directors and the Board as a whole have the necessary experience and skills to support the Company's strategic direction, as well as the Board's ability to successfully oversee the delivery of such strategy.

Equality, diversity and inclusion continue to be a priority for the Committee. The Board's membership currently comprises 42.8% of female members, one Director is from an ethnic minority background, and one senior Board position is held by a female. In addition, the data collection pool capturing gender data has extended, following the merging of the Executive Committee and EMT to capture the roles reporting into the EMT. We can therefore confirm that the Company complies with the diversity-related recommendations within Listing Rules LR 6.6.6R(9), further details of which are reflected within this Report.

I will be available at the AGM to answer any questions about the work of the Committee.

Kevin Boyd
Chair of the Nomination Committee

11 March 2025

2024 key achievements

Review of the structure, size and composition of the Board

Review of the senior leadership succession plan

Review and update of the Board skills matrix to enhance the review of skills and experience on the Board and the resulting gap analysis

Supported the EMT in the recruitment of a Chief People Officer and CMS Business Unit Managing Director

2025 areas of focus

Review the Board composition and succession planning for Non-Executive Directors

Review the enhanced senior management succession plan following integration with performance management modules within Workday, HRIS

Recommend the adoption of an ethnicity target for senior leadership

Members and meetings

The Committee comprises Kevin Boyd (the Chair) and all the Non-Executive Directors, these being Shatish Dasani, Bronagh Kennedy, Lisa Scenna and Louise Brooke-Smith. In accordance with best practice, Joe Vorih (Chief Executive Officer) and Edel Conway (Chief People Officer) attend the Committee meetings by invitation only.

The Committee is chaired by the Chair of the Board, except when considering their own re-election.

All the Committee members are independent, in accordance with Code Provision 17. Further details on the members of the Committee and their attendance at Committee meetings are set out on page 87. The Company Secretary acts as Secretary to the Committee.

Under the Committee's Terms of Reference, the Committee will normally meet not less than twice a year and at such other times as the Chair shall require. The Committee held two scheduled formal meetings during the year under review. After each Committee meeting, the Chair reports to the Board on the main items that were discussed, as well as reporting on the nature and content of its discussions, recommendations and actions to be taken.

Governance

The Committee's main responsibilities are to:

- evaluate the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board and the Committees;
- give full consideration to succession planning of Directors and other senior executives; and
- assist with the selection process for new Executive and Non-Executive Directors, including the Chair of the Board.

The Committee's Terms of Reference explain the Committee's role and responsibilities and were reviewed in January 2025 to ensure they remain appropriate and reflect any updates in Corporate Governance guidance. The Terms of Reference can be found on the Company's website, and this Report explains how the Committee has complied with these in more detail, along with the activities it has undertaken during the 2024 financial year.

In accordance with Code Principle L, the Board and its Committees are required to be evaluated on an annual basis. Following the external evaluation of the performance of the Board and its Committees during 2022, an internal evaluation was conducted during 2024. This evaluation focused on the remit of the Committee and how effectively members work together to achieve the Committee's objectives. At its meeting in January 2025, the Committee considered the results of the review and concluded that the evaluation had found the Committee to be operating effectively, and communicating as required with the Board in relation to matters within its remit. It was noted by Committee members that a review and refresh of senior management succession planning would be beneficial, and that this will be considered during 2025. Further details on the internal Board evaluation can be found on page 104 of the Corporate Governance Report.

The Chair confirms that the Committee has considered the performance evaluation and the contribution and commitment of all Directors. The Chair has confirmed to the Board that the performance and commitment of all Directors is such that the Company should support their re-election.

In addition, the Board evaluated each Director's time commitments and was satisfied that, in line with the Code, they each continued to allocate sufficient time in order to discharge their responsibilities effectively. This includes attendance at Board and applicable Committee meetings, as well as the time needed to prepare for meetings and for other additional commitments that may arise during the usual course of business. Further details of the Directors' appointments are included in the biographies on pages 90 to 91.

As stated in the Corporate Governance Report, all of the Company's Directors will retire and each will offer themselves for re-election at the forthcoming AGM, in accordance with Code Provision 18. No Director is able to vote in respect of their own election/re-election when consideration is given to Director election/re-election at the AGM.

Role of the Committee and its activities during the year

Succession planning and tenure

The Committee is satisfied that all key roles have credible succession and contingency plans in place. Notwithstanding this, the Committee considers succession and contingency planning regularly. When considering succession planning, the Committee takes into account the challenges and opportunities facing the Group and the future skills and expertise needed on the Board to enable the effective execution of the Company's strategy using objective criteria, whilst promoting diversity and inclusion. In accordance with Code Principle J and the FRC Guidance on Board Effectiveness recommendations, a key activity of the Committee is to keep under review and maintain an effective succession plan for members of the Board and senior executives across the Group. The Committee's succession planning includes:

- **contingency planning** – for sudden, unplanned and unforeseen departures, whereby interim cover on a short-term basis is implemented;
- **medium-term planning** – the orderly replacement of current Board members and senior executives (e.g. retirement); and
- **long-term planning** – the relationship between the delivery of the Company strategy and objectives and the skills needed on the Board, both now and in the future.

Nurturing talent is a key enabler to delivering our growth strategy, creating a high-performance, purpose-led, inclusive culture. Management training and development plans are provided to senior and middle management where appropriate, in order to continue to develop a diverse pipeline of internal talent for the future, ensuring that the composition of the Board and senior management teams remains appropriately balanced between new and innovative thinking and longer-term stability and corporate knowledge. The Group Talent Director is responsible for managing the talent programmes within the Group, and during 2024, we launched the Genuit Leadership Programme for our senior leaders. The programme consisted of assessments, coaching and in-person learning, delivered by an experienced third party.

Diversity and inclusion (D&I)

The Committee supports and endeavours to drive increased diversity in line with Principle J of the Code, and encourages equality, diversity and inclusion across the Group. It recognises its role in establishing a diversity-led culture to increase innovation, creativity and engagement, as well as gaining a broader understanding of diverse stakeholder needs. The Company's recruitment and appointment strategy is based on the merits of the individual candidates, without bias towards age, gender, marital or family status, race, sexual orientation, religion or belief or any disability, and encourages leaders, employees and our external partners and stakeholders to make a positive difference through proactively supporting our diversity and inclusion principles. The diversity of the wider leadership team is monitored with reference to data extracted from the Company's secure HR information system, Workday. All employees are able to use this system to provide their individual diversity data, including gender identity and ethnic background, should they wish to do so.

The D&I Policy is reviewed and approved annually, and diversity and policy initiatives are embedded across the Group through dedicated engagement events throughout each year, which remain static to enable consistent reviewing of progression and development. During 2024, this included the following, as noted in the Strategic Report on page 59:

- **March 2024 International Women's Day** – this is an important lever for the Group in promoting gender equality across the organisation. In March 2024, we asked employees to highlight and discuss everyday stereotypes across our businesses. This set a culture of raising awareness and supported local businesses in implementing updates and changes
- **June 2024 Pride** – we asked colleagues via an anonymous survey what questions they wanted to ask experts about Pride, and shared the responses to their questions in a podcast
- **September 2024 National Inclusion Week** – we asked employees via a survey what would they like us to focus on in 2025 and expanded the membership of the D&I working group
- **November 2024 Movember** – we held sessions both on our sites and virtually, and leaders held 'Mo-ments', which provided an opportunity to discuss difficult subjects locally

As reported in our 2023 Annual Report and Accounts, in early 2024 we issued new maternity and paternity policies, following a review which was prompted by one of our D&I initiatives, and we were proud to share this development and level of responsiveness with our employees. We continue to promote direct engagement with employees to assist us in identifying and making improvements to our diversity-related policies and procedures.

Diversity requirements form part of the succession-planning framework, as outlined earlier in this Report, as well as being a key criteria for any recruitment partners with whom we engage. The data relating to the next layer of senior management indicates that 41% identify as female and 59% as male, whilst across the wider workforce, the split is 26% female and 74% male. Since the launch of Workday, we are capturing more diversity data, such as age, sexual orientation, disability and ethnicity, to further understand the diversity of our workforce.

The table on page 109 shows our Board's composition in line with the Listing Rule requirements, including gender, ethnicity and the percentage of women in senior Board positions, as at 31 December 2024. It also shows gender diversity at senior management level, this being the EMT and its direct reports. The Committee supports the FTSE Women Leaders Review target, which seeks to improve Board and senior leadership diversity across FTSE 350 companies, as well as the FRC Board Diversity and Effectiveness in FTSE 350 Companies. As at the reference date of 31 December 2024, our EMT comprises 83% male and 17% female members. The Committee and the Board also fully support the Parker Review's 'One by 2024' recommendation, and is pleased to confirm compliance with this as at 31 December 2024. Additionally, the Parker Review requests data on the senior management team and its current percentage for minority ethnic groups. The percentage figure for the Group as at 31 December 2024 was 4.6%. No target for the Company was submitted for the year ended 2024; however, further analysis will be conducted during the year to ascertain an appropriate target for the Group prior to the 2025 year end. The Committee will review and approve the future targets in this area and further details will be included in the 2025 Annual Report and Accounts. Further information about diversity and inclusion and how it contributes to our strategic objectives is included in the Strategic Report on pages 59 to 61.

FCA Diversity Disclosure table

Data under LR 6.6.6R (9)

In line with LR 6.6.6R (9), as at the reference date of 31 December 2024, the composition of the Board and Senior Leadership is as follows:

Gender	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, and Chair)	Number in Senior Leadership positions[1]	Percentage of Senior Leadership
Women	3	43%	1	16	36%
Men	4	57%	3	28	64%

Ethnic Background	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, and Chair)	Number in Senior Leadership positions[2]	Percentage of Senior Leadership
White British or other White	6	86%	4	41	93%
Mixed/multiple Ethnic Groups	–	–	–	2	5%
Asian/Asian British	1	14%	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other Ethnic Group including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	1	2%

1. Per the definition above on page 108.
2. Per the definition above on page 108.

Gender is captured as sex for all employees at the onboarding stage and is held on the Company's secure HR system, Workday. Genuit has 100% completion of sex data for the members of the Board and Senior Leadership, which is the data used when reporting the above gender diversity data. Recognising that for some, gender identity can differ from that assigned at birth, all employees are offered the opportunity to volunteer their gender identity directly within Workday. Ethnicity data is also provided voluntarily and can be offered in the same way as gender identity. Genuit has voluntary completion of ethnicity data for the members of the Board and executive management, and this data is used when reporting the above ethnicity data. All information is strictly confidential, in accordance with Genuit Group's Privacy Notice, in line with the UK General Data Protection Regulations (UK GDPR, GDPR 2018 and DPA 2018).

In addition, the Committee considers emergency succession planning and is comfortable that a framework is in place should key senior management roles need to be covered on an interim basis. Board appointment criteria are considered automatically as part of the Committee's review of succession planning, and matters of Director tenure are viewed on a case-by-case basis.

During 2024, we launched our talent and performance module within Workday, which will enable us to adopt a Group-wide approach to performance management and to use this data when considering succession planning. We will be implementing this module across the Group during 2025, ensuring a consistent approach to performance management across all of our businesses. More information on our annual performance review process is included in our People and Culture section on pages 62 to 63.

During the year, 44 of our Genuit Leadership Team (GLT) members participated in the Genuit Leadership Programme, which had a positive impact and received positive feedback. The year end review also provided an opportunity to review the diversity of this strategically important group. The overall GLT population at 31% female continues to track higher than the total organisation, which is 26% female as at 31 December 2024. Gender diversity is an improving picture across the Group, following this greater representation in senior leadership. Hiring of female colleagues has increased during the year, with 30% of applications and 26% of hires being female. This is positive progress, given the challenges we see across our industry in attracting female talent. Whilst we are still in the early stages of using Workday to track and review diversity data, there has been progress during the year and positive outcomes, such as an overall reduction in the number of employees who 'Prefer not to say', and the ability to track the data of new hires across the year, of whom 12% were from a minority ethnic group.

Tenure of Non-Executive Directors

Appointments to the Board are typically made for an initial term of three years and are ordinarily limited to three consecutive terms in office, subject to annual re-election by shareholders at the AGM.

The Committee recognises the recommendations in Principle K and Provision 19 of the Code in respect of the Board tenure of independent directors, and, in accordance with this, a nine-year tenure is the maximum for any Non-Executive Director appointed to the Board (with exceptions permitted only with a sufficient explanation and where agreed by the Committee as a whole).

Recruitment of Chief People Officer

During the year, we embarked on the recruitment of a new Chief People Officer. We engaged an external recruitment firm and reviewed the technical and cultural fit of the shortlist of candidates, in addition to considering diversity and the long-term goals of the Group.

Following a rigorous and robust recruitment process, we are pleased to welcome Edel Conway, who joined the Group as Chief People Officer in January 2025 to lead our people and culture journey, as we position the Group for continued success and future growth.

Recruitment of Executive and Non-Executive Directors

The Committee's role in recruiting Executive and Non-Executive Directors includes:

- identifying any skills or experience gaps in the composition of the Board and its current diversity;
- having regard to any such gaps, identifying and nominating candidates to fill Board vacancies, as and when they arise, and recommending them for the approval of the Board; and
- reviewing the time commitment required from Non-Executive Directors.

The Committee recognises the importance of the time commitment of each Director to shareholders, and this will, therefore, continue to be kept under review for all Directors during 2025. A considered process supports director appointments to the Board and is set out below. It is bolstered by the Group's Diversity & Inclusion Policy, which drives action to promote diverse appointments and inclusive recruitment.

During the year, there were no changes to the Board composition; therefore, the Committee did not require any confirmation of the independence of third parties. Information on the Directors' service agreements, shareholdings and share options is set out in the Directors' Remuneration Report on pages 131 to 151.

Board evaluation and composition

As part of its role in monitoring the composition and structure of the Board, the Nomination Committee will:

- review the structure, size and composition of the Board and make recommendations to the Board, as appropriate;
- identify the balance of skills, knowledge, diversity and experience on the Board;
- review and approve the Group's diversity policy and evaluate its effectiveness on a regular basis;
- review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace and deliver the Company's strategy and objectives; and
- review the results of the Board performance evaluation process that relate to the composition of the Board and the Committee's own performance.

Recruitment process

Stage 1	Confirm the intended outcome of the process and define the role
Stage 2	Engage an external recruitment firm and outline the recruitment process
Stage 3	Assess the specification and role against a longlist
Stage 4	Review technical and cultural fit to agree a shortlist
Stage 5	Identify the preferred candidate to be recommended to the Board

Board skills and experience

The Committee uses a skills matrix when identifying the balance of skills, knowledge, experience and diversity of the Board for its evaluation and composition review and succession planning. During the year, the matrix was updated to differentiate between those Directors who are proficient in specific subject matters, and those who are experienced. This allows the Committee to identify any areas of expertise which are lacking or that require further development. It also highlights those areas where there are opportunities to further grow the Board's collective knowledge and level of diversity. Following the annual review, the skills of the Board are considered appropriate to provide constructive challenge, as well as guidance and support in order to continue to deliver the Company's strategy. The skills matrix of the Board as at 31 December 2024 is included in the Governance Report on page 102.

By order of the Board.

Kevin Boyd
Chair of the Nomination Committee

11 March 2025

Risk Committee Report

Tim Pullen
Chair of the Risk Committee

Members

Joe Vorih
Chief Executive Officer

Emma Versluys
Group Legal Counsel and Company Secretary

Martin Gisbourne
Chief Strategy and Sustainability Officer

Edel Conway
Chief People Officer (with effect from 27 January 2025)

Lee Mellor
Business Unit Managing Director (BU MD), CMS (with effect from 1 December 2024)

Steve Currier
Business Unit Managing Director (BU MD), WMS (interim) & SBS

Dear Shareholder

I am pleased to present the Risk Committee (the Committee) Report for the year ended 31 December 2024, having completed my first full year as Chair of the Committee.

During 2024, the risk profile of the Group was impacted by both the global and domestic macroeconomic environments. In the context of this ever-evolving environment, the Committee focused on overseeing and regularly reviewing the Group's principal and emerging risks, to ensure that mitigating actions remained effective and that the Group was able to adapt the tolerances of its risk appetite. Internationally, conflict continued in the Middle East, and our focus as a Committee was on ensuring that our employees in our Dubai operations remained safe and that input supplies to the Group were unaffected by supply chain disruption. We remain vigilant but satisfied with the mitigations in place, and continue to monitor the situation.

Across the world, the impact of climate change is evident, with warmer temperatures being recorded and intense rainfall events becoming more frequent, causing significant flooding events. Climate-related risks and opportunities remain a key agenda item for the Committee, and during the year, we conducted further quantitative scenario analysis on key risks and opportunities as part of our obligations under the Financial Conduct Authority (FCA) Listing Rules and recommended Task Force on Climate-Related Financial Disclosures (TCFD). Whilst climate change poses risk, it also presents opportunities for the Group, with structural drivers in both mitigating and adapting to the impacts of climate change, that are expected to provide growth opportunities for the Group over the medium term. Given the Group's overall purpose, it is important that the Committee continues to review and remain aware of the risks, to enable the Group to capitalise on any opportunities. Within the context of the assessments under TCFD, overall, our assessment was that any changes would have a minimal impact on our short-term future revenues or growth. Further details on this are provided later in this Report and in the TCFD Report on pages 42 to 53.

Domestically, the market remained subdued in respect of residential and commercial construction. During the year, a new Government was elected in the UK, and we are encouraged by the new administration's focus on growth and in particular the desire to promote construction and address the structural housing shortage. However, there are also risks posed by policy changes and, following the Autumn Budget, the Group has quantified that c.£5m of additional costs will be incurred during

> We remained resilient to the changing markets and continued to invest in the Genuit Business System."

2025, associated with National Insurance and minimum wage changes. The Group remains committed to increasing productivity, and the deployment of the Genuit Business System is one example of this commitment. Public policy and regulation provide both opportunities and risks, and during 2025, this will be an area of active focus for the Committee.

Internally, we expanded the Group through two acquisitions, as we welcomed new employees from Sky Garden and Omnie & Timoleon, and the Committee oversaw the risk aspects of the integration process for both acquisitions. The recruitment and retention of key personnel and the associated risks were monitored as part of the Business Unit and Function reviews that take place on a rotational basis. The Committee remains satisfied that local teams continue to manage risks effectively, with strong progress being made in the cultural development and diversity of the Group, supported by the Group's inaugural employee engagement survey in March 2024. In addition, the Committee placed a focus on compliance rates for learning and development courses, noting the importance of this for mitigating a broad range of risks. Further information on our people strategy and engagement with our employees can be found in the Strategic Report on pages 56 to 65.

During the year, the Committee improved its visibility on changes in risk through more frequent reporting. This was achieved by requirements for Business Units and Group functions to highlight any material movements in risk at each meeting. This has been effective in enhancing the Committee's agility in overseeing risk management within a dynamic environment. The Committee also reviewed its approach to defining and monitoring risk appetite during the year.

The subsequent improvements made ensure that the consideration of risk appetite is at a principal risk level, enabling detailed assessment of whether mitigating actions bring the inherent risk exposure in line with risk appetite. The Committee will continue to review and make improvements to processes to maintain effective risk reporting and mitigation across the Group.

Following the updates made to the Terms of Reference in 2024, as a result of which one Non-Executive Director will attend at least one Risk Committee meeting, Shatish Dasani, Chair of the Audit Committee, attended one meeting during the year. This provided additional opportunity for challenge and oversight by the Board and Mr Dasani reported his observations on the effectiveness of the Committee to the Board following his attendance.

As part of its annual cycle, at its meeting in early 2025, the Committee reviewed, discussed and agreed the final changes to the Group's principal risks and uncertainties and emerging risks prior to submitting the list to the Board for approval, to ensure that the reporting of these risks remained current, proportionate and appropriate. This Report describes in more detail how the Committee has fulfilled its role in supporting the Board in overseeing and advising on future and current risk exposures and monitoring the effectiveness of the Group's risk management framework. Further detail is also included about the performance and effectiveness of the Committee, which was reviewed as part of the internal Board evaluation carried out during the year.

The Committee's work in 2024 has continued to strengthen the Group's risk management structure. It acts as a dedicated forum to consider risk management, and we will endeavour to continue to apply continuous improvement measures during 2025. I remain confident that we are well positioned to meet the challenges and uncertainties that the current macroeconomic conditions pose. Details of our principal risks and uncertainties, as well as our emerging risks, can be found on pages 75 to 85.

I will be available at the AGM to answer any questions about the work of the Committee.

Tim Pullen
Chair of the Risk Committee

11 March 2025

2024 key achievements

Improvement to our risk appetite analysis to enable principal risk level assessment

Completion of scenario analysis on two further climate-related risk and opportunity areas

Establishment of a cross-functional working group to consider the potential risks and opportunities posed by artificial intelligence

Monitoring of changes in macroeconomic risk at both international and domestic levels

2025 areas of focus

Completion of training workshops to further embed the Group risk appetite process within operations

Changes to reporting templates to further enhance the quality of reporting to the Committee

Further embedding of climate-related risk and opportunity assessment outputs within strategic workstreams

Oversight of the Group's programme to implement compliance with Provision 29 changes under the Corporate Governance Code

Members and meetings

The Committee was reviewed during the year to ensure that it remained fit for purpose and continued to have the skills and experience required to perform the roles and responsibilities within its remit. Following the departure of Clare Taylor, Chief People Officer, and Steve Durdant-Hollamby, Business Unit Managing Director of WMS during the year, Lee Mellor, Business Unit Managing Director of CMS, and Edel Conway, Chief People Officer joined the Committee on 1 December 2024 and 27 January 2025, respectively. The current Committee membership, therefore, comprises Tim Pullen, Joe Vorih, Martin Gisbourne, Edel Conway, Emma Versluys, Steve Currier and Lee Mellor. Accordingly, there are seven members. The Group Financial Controller and the Group Internal Audit Director are invited to attend all meetings, and Group function heads and senior managers within the Business Units are invited to attend and provide an update to the Committee on a rotational basis. The Deputy Company Secretary acts as Secretary to the Committee. The Committee is required to meet not less than four times a year, and it held four meetings during the year under review.

As reported in the 2023 Annual Report and Accounts, it was agreed by the Board that, given the wholly executive membership of the Risk Committee, it would be beneficial for the Audit Committee Chair to attend at least one Committee meeting a year. This provides independent insight to the Board on the activities of the Committee to ensure the Committee is managing risk appropriately and effectively, complementing the work of the Audit Committee. Shatish Dasani, Audit Committee Chair, was invited to all Committee meetings and, in accordance with the Committee Terms of Reference, he attended one meeting in April 2024.

The UK Corporate Governance Code 2018 (the Code) Provision 25 requires that risk management systems be either reviewed by the Audit Committee, a risk committee comprising independent Non-Executive Directors, or the Board.

Although the Committee comprises solely Executive Directors and senior management, it reports regularly on all its activities to the Board and the Board is required to approve any changes to the Group's risk appetite, principal and emerging risks, the Group's risk management structure and climate-related risks and opportunities. Therefore, such decisions are not made without Board approval. The executive composition of the Committee enables meetings to be effective at reviewing and discussing the granular detail of risk across Business Units and the Group as a whole. The attendance by the Audit Committee Chair at one Committee meeting each year provides independent oversight and assurance to the Board that it continues to have appropriate oversight of the activities of the Committee and the Group's risk management processes.

Governance

In accordance with Code Principle L and Provision 21, the Board and its Committees are required to be evaluated on an annual basis, with external evaluations conducted at least every three years. An external evaluation was conducted in 2022, and, therefore, an internal evaluation was conducted during the year. The 2023 internal evaluation included recommendations to improve the length and frequency of meetings, which, as reported in the 2023 Annual Report and Accounts, resulted in an update to the Terms of Reference to increase meetings from a minimum of two to four, and the issue of standardised templates to ensure consistent reporting to the Committee. This has improved visibility and contemporaneous reporting on risk rating to the Committee and will continue to be applied during 2025. The Committee evaluation held in December 2024 highlighted that the executive composition of the Committee remained appropriate, and that the membership comprised the necessary knowledge and skills, and, as a result, was well equipped to manage the Group's risk framework on behalf of the Board. A recommendation was made for additional training of Committee members on the assessment of risk, given the change in membership during the year, and a review as to the implementation of this training will take place during 2025.

The Committee is responsible for monitoring and reviewing risk management systems; therefore, it has oversight of the Group risk profile and risk appetite as a whole and, unless required otherwise by regulation, carries out the duties below, reporting to the Board as appropriate:

- it reviews, manages and agrees the risk appetite, tolerance and strategy of the Group for approval by the Board;
- it assists the Board in fulfilling its reporting responsibilities in the Annual Report and Accounts for risk reporting, including:
  - the internal risk management and control systems in place;
  - principal risks and uncertainties;
  - emerging risks;
  - climate-related risks and opportunities and associated scenario analysis;
  - risk appetite and any respective stress testing;
  - overseeing and implementing the Group's risk management systems and internal controls;
  - reviews the alignment of any identified risks to Group strategy; and
  - supports the Remuneration Committee in ensuring that remuneration policy is aligned to the Group's risk appetite.

All proceedings of the Committee are reported formally to the Board by the Chair of the Committee, who reports on the key items discussed, as well as reporting on the nature and content of the discussion, making recommendations and proposing actions to be taken or approvals requested. The Deputy Company Secretary acts as Secretary to the Committee, and the minutes of all Committee meetings are shared with the Board as part of the Committee Chair's report to the Board.

The Committee's Terms of Reference explain the Committee's role and responsibilities and were reviewed in October 2024 to ensure that they remained appropriate. The Board approved the Terms of Reference at its meeting in December 2024, and a copy can be found on the Company's website.

Role of the Committee and its activities during the year

Ensure adequate and effective risk management systems and controls, and assesses the effectiveness of the internal control environment

In accordance with Principle O of the Code, one of the Committee's responsibilities is to ensure, on behalf of the Board, that adequate and effective risk management systems and controls are in place across the Group. In the UK Corporate Governance Code 2024, Principle O was updated to include the requirement to 'maintain' the framework, in addition to establishing its procedures. In readiness, the Board already has processes in place to ensure compliance with the updated Code, given the requirement for the Committee to provide a detailed report to the Board after each meeting, currently held a minimum of four times a year. Management of risk is treated as a critical and core aspect of Group activities, and whilst the Board has ultimate responsibility for the Group's robust risk identification and management procedures, risk management activities are delegated to the Risk Committee, which is more able to oversee and manage everyday business, strategic and operational risk. Updates from the Group Internal Audit Director outlining principal and emerging risks and reporting timelines are presented at each Committee meeting. In the event that weaknesses in the risk management systems are identified, plans for strengthening these systems are discussed and agreed by the Committee, implemented as appropriate and reported to the Board. Monitoring and progress updates are then provided by the Group Internal Audit Director, as required.

The Committee also provides recommendations to the Board on the effectiveness of the internal control environment in relation to risk management.
The Committee's responsibilities include:

- monitoring and reviewing the effectiveness of the Company's risk management and internal control systems;
- reviewing the Company's procedures for managing or mitigating principal risks and identifying emerging risks; and
- reviewing and approving the statements to be included in the Annual Report and Accounts concerning internal risk controls and risk management.

Risk Committee Report continued

Risk management process

As outlined above, the Board, with the support of the Committee, is responsible for ensuring that an effective risk management system is in place. Through ongoing review during the year, it ensures that it is fit-for-purpose and that it operates effectively. It is therefore imperative that the Committee ensures the Board has a clear view of the level of risk across the Group, in accordance with the risk management system outlined on page 76 of the Strategic Report.

Each business and Group function is responsible for monitoring and maintaining individual risk registers, allowing the most significant risks to be identified and prioritised. The risk management process is prescribed and organised by the Group Internal Audit Director, who ensures that each business complies with the Group's mandatory standards. Businesses are required to formally review their risk register and risk profile at least twice a year. This requirement extends to climate-related risk, and the process for climate-related risk is in line with the process above, managed by the Chief Strategy and Sustainability Officer. Committee meetings include a requirement for Business Unit and Group function leads to report any movement in reported current or emerging risks. This was implemented during 2024 and has proven to be an effective mechanism to enable the Committee to have regular oversight of changes to risk outside of the six-monthly cycles.

To ensure compliance with the Code and to operate the highest governance standards, the Board remains responsible for reviewing and approving risk management and internal controls and approves the Group risk appetite on an annual basis. The Board reviews and approves any material output of the Committee, which ensures that principal risks and uncertainties and emerging risks are adequately reviewed and challenged by the Board and support the setting of overall Group strategic objectives. The Committee works alongside the Board to set the risk tolerance levels for the Group by drafting its risk appetite and monitoring its implementation to set a culture in line with this. It monitors and reviews the Group's risk registers, identifying and evaluating principal and emerging risks, approving climate-related risks and presenting to the Board for approval and inclusion in the Annual Report and Accounts.

Internal risk controls and management systems

The Committee relies on the effectiveness of senior leaders across the Group to implement its controls and risk management systems. Business Unit Managing Directors (MDs), as Committee members, are still required to present their specific Business Unit risk register on a rotational basis. This is beneficial for ensuring that all Business Unit MDs are aware of other identified current and emerging risks across all Business Units, which enables the Committee to synergise mitigation where appropriate and take a high-level and consolidated approach to managing emerging risks. Group function heads are also required to present to the Committee on a rotational basis and risk register owners are required to provide updates at each Committee meeting on any material changes to their respective risk registers. Senior leaders are responsible for maintaining the Group's risk registers and implementing the bottom-up approach to the reviewing of risks. They are ultimately responsible to the Committee for managing and adequately implementing the Group's risk management procedures and for monitoring the operation and effectiveness of key internal risk controls. They also provide support, guidance and advice to employees in identifying risk, assessing the likely impact, and proposing and implementing mitigation plans, which is critical to the effective operation of the Group's risk management systems and controls.

Business Unit and Group function risk registers must be submitted at least twice a year, so that the Group principal risk register can be updated every six months. The Group risk register represents the consolidation of all risks considered to be significant at Group level. It is maintained by the Group Internal Audit Director and is reviewed and updated by the Committee.

Following the Committee's reviews during the year, the Committee confirms that it is satisfied that the Group's internal risk control and management procedures:

- operated effectively throughout the period; and
- are in accordance with the guidance contained within the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

Evaluate and assess the principal and emerging risks of the Group on behalf of the Board

One of the key responsibilities of the Committee is to assess principal and emerging risks and monitor these on an ongoing basis. The Committee reviews these at every meeting as a standing agenda item and ensures that any principal or emerging risks which are prevalent are added as individual agenda items.

The Committee's role includes:

- assisting in the Board's assessment of principal and emerging risks;
- evaluating the Group's principal risks, to be considered by the Board when assessing the Company's prospects; and
- advising the Board on the likelihood and the impact of principal risks materialising, and the management and mitigation of principal risks to reduce the likelihood of their incidence or their impact.

A robust assessment of the principal and emerging risks facing the Group is performed by the Group Internal Audit Director, following the collation of the Group risk registers. This process identifies those risks that could threaten future performance and solvency or liquidity, as well as the Group's strategic objectives, over the coming 12 months. Emerging risks that are identified across the Group are consolidated in the same way and highlight areas that could indicate an increase to the Group's risk exposure. These are discussed by the Committee and decisions are taken as to their prominence, likely impact, and timescale to impact. Any significant increase in risk or proposed emerging risks or current principal risks is subject to challenge by the Committee and requires a robust justification and clear supporting data. Relevant details are included in the Chair's report to the Board, and on an annual basis, principal and emerging risks are submitted in full to the Board for final approval and inclusion in the Annual Report and Accounts.

Artificial intelligence (AI) as an emerging risk

During the year, a strategic workstream was established to better define the Group's approach to exploring AI opportunities, as well as creating processes and a governance framework to enable us to build experience and capability without importing undue risk. This workstream considered the impact that AI has on the workplace, either by enhancing productivity, or by executing key tasks currently performed by humans. The working group acknowledged that AI has the potential to improve efficiencies and the accuracy of operations, changing how we measure capability and performance, and this was presented to the Board as part of its strategy day in October 2024.

With transformational digital change comes emerging risks which are multi-faceted, impacting various functions and operations. Therefore, it was important prior to proceeding to implement any growth or improvement initiatives, to identify those areas which posed a potential risk to the Group. This included data and information security risks, competitor advantage, internal adoption challenges, data quality concerns and uncertain organisational impact. The Group will continue to monitor and address these potential and emerging risks as part of its risk management processes throughout 2025 and assess any opportunities capitalised in this arena.

> AI has the potential to improve efficiencies and accuracy of operations, changing how we measure capability and performance."

Principal risks are documented to include a comprehensive overview of the key controls in place to mitigate the relevant risk and the potential impact on strategic objectives, KPIs and our business model. Changes to those principal risks which are disclosed annually can only be made with approval from the Committee and the Board. Principal risks are presented to the Committee at every meeting to ensure that they are monitored on an ongoing basis, and the Committee places a focus on the effectiveness of mitigations in reducing the risk. More detail on the Group's principal risks and uncertainties and emerging risks can be found on pages 77 to 85 of the Strategic Report.

Climate

In line with the recommendations in the Task Force on Climate-Related Financial Disclosures (TCFD) and the FCA's Listing Rules, the Committee is responsible for monitoring, assessing and mitigating the impact of climate change on the Group and the possible effects on its strategy. It is responsible for ensuring that the Board has adequate oversight of these risks and opportunities and ensures that the impact is adequately assessed and appropriate mitigations identified, ensuring that the Company is resilient enough to manage these over the short, medium and long term.

Quantitative and qualitative analysis was conducted by the Committee to assist with the completion of its TCFD disclosure, which provided further clarity and insight into the impact of those risks that had been identified as significant. At its meeting in July, the Committee approved one transition risk and one opportunity to undergo further quantitative scenario analysis, to enable it to understand the potential financial impact of these on the Group as a whole and allocate adequate metrics to monitor their movement.

Climate is categorised as a principal risk, as outlined in the principal risks and uncertainties on page 81, and the qualitative and quantitative scenario analysis and subsequent monitoring of the climate risk register has positively contributed to the accuracy of the controls surrounding climate as a principal risk, thus reducing its overall scoring. Further details about the findings of our quantitative assessments and the monitoring of the qualitative assessments can be found in our TCFD Report on pages 42 to 53.

Advises the Board on its risk appetite, tolerance and strategy, as well as ensuring that the Group is acting in accordance with its approved risk appetite

The Committee is responsible for:

- advising the Board on the Company's overall risk appetite, tolerance and strategy, along with the principal and emerging risks that the Company is willing to take to achieve its long-term strategic objectives; and
- reviewing and assessing the Company's risk appetite and the associated stress testing.

During the year, the Committee reviewed its risk appetite statement and submitted it to the Board for review and approval in accordance with its annual reporting requirements.

The review of the risk appetite statement and the risks that the Company it is willing to take to achieve its strategic objectives includes:

- reviewing the defined accepted tolerance levels for individual risks in accordance with the risk appetite statement;
- reviewing risks in the context of the overall strategic direction of the Group; and
- reviewing and monitoring updates from senior management about their principal and emerging risks and their approach to risk management, monitoring and mitigation to ensure that each is aligned with the Group risk reporting structure and current appetite.

The Committee will continue to ensure that it reviews and mitigates Group risk on an ongoing basis, with transparent and frequent reporting to the Board to ensure that adequate governance structures remain in place throughout the upcoming financial year.

By order of the Board.

Tim Pullen
Chair of the Risk Committee

11 March 2025

Audit Committee Report

Shatish Dasani
Chair of the Audit Committee

Members

Louise Brooke-Smith
Non-Executive Director

Lisa Scenna
Senior Independent Director

Bronagh Kennedy
Non-Executive Director

Dear Shareholder

On behalf of the Board, I am pleased to present the Report of the Audit Committee (the Committee) for 2024.

The Committee's main role is to monitor and review the integrity of the Company's financial information. Consequently, it is responsible for overseeing the financial reporting processes of the Group and ensuring that they are accurate and transparent. Its key responsibilities include reviewing financial statements, overseeing the external audit processes and ensuring that the auditor remains independent, monitoring internal controls, and fostering effective communication between executive management, the Group's external auditor and the Board. We continued to see professional, comprehensive and robust work across our employees and partners, which has meant that the Committee was able to discharge its obligations effectively throughout the year.

Following a competitive tender process during 2023, Ernst & Young LLP (EY) were selected to remain as the Company's External Auditor and were re-appointed by shareholders at the 2024 AGM. External auditor independence and effectiveness is of critical importance to the Committee, and a formal framework for the assessment of the effectiveness of the external audit process and the quality of the audit has been established, covering all aspects of the audit service provided by EY. While part of the assessment is managed annually, it is treated as an ongoing review throughout the cycle. I am satisfied that auditor independence, objectivity and effectiveness have been maintained, and monitoring this will continue to be of importance to the Committee. Further details about this process are detailed later in this Report.

Areas of focus in 2024

2024 proved to be another year of uncertainty within the macroenvironment, following the UK General Election, the 2024 Autumn Budget and continued high inflation. The Committee remained vigilant to the impact of these challenges, scrutinising assumptions related to going concern and other key accounting judgements. We considered the ongoing challenges that this presented and their financial implications, complementing the work of the Risk Committee in understanding the principal risks and the effectiveness of any mitigations in place. Further information on the Risk Committee's work and its approach to monitoring principal and emerging risks is set out in the Risk Committee Report on pages 111 to 115. The Committee considered the resulting implications of these and other challenges for the interim and full year financial statements. Throughout the year, the Group remained effective at identifying external challenges quickly and proactively mitigating them to the greatest possible extent.

"The reviews conducted during the year provided the Committee with confidence in the robustness of the Group's financial reporting, audit processes and control environment."

The Committee also closely monitored communications and Group reporting processes, ensuring that the progress of the external and internal audits remained on track throughout the year, that current internal controls remained effective, and that any resulting actions were addressed in a timely manner. The reviews conducted during the year provided the Committee with confidence in the robustness of the financial reporting, audit processes and control environment. The internal audit plan continued to operate effectively and continues to evolve to reflect the changing needs of the Group. Further detail on the role of internal audit is outlined later in this Report.

In relation to the acquisitions of Sky Garden and Omnie & Timoleon in August 2024, the Committee ensured that it was satisfied with the appropriateness of the external communications regarding the transactions and the integrity of the acquisition process. The Committee also took appropriate steps to satisfy itself that these businesses are being effectively integrated into the Group, ensuring that there is effective implementation of the Group's internal control requirements, financial reporting practices, IT systems, and governance and ethical practices.

The Committee is committed to enhancing internal controls to protect the Group's shareholder interests now and in the future; therefore, during the year, particular focus was given to the upcoming UK Corporate Governance Code changes, specifically in relation to audit, risk and internal controls, effective from 1 January 2026. The Committee oversaw the roadmap and implementation of a programme to assess and action certain enhancements to financial controls to ensure compliance with the new requirements. Further details on the action taken during the year to prepare for these changes, including the recruitment of a new Group Head of Internal Controls, are detailed later in this Report.

As part of its responsibilities under its Terms of Reference, the Committee is required, on behalf of the Board, to oversee the process for determining whether the Annual Report and Accounts, when taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's financial position and performance, business model and strategy. The judgements and factors that the Committee considered when reviewing the 2024 Annual Report and Accounts are outlined on page 119, as well as its conclusions in this regard.

As a result of its work undertaken during the year, and taking into account the feedback from the Board and Committee evaluations, (further details of which are set out on page 104), the Committee considers that it has been effective in ensuring that it has due regard for the matters within its remit. My attendance at one Risk Committee during the year has enhanced the oversight of the activity of the Risk Committee, complementing the work of the Committee during the year. This Report outlines some of the main activities of the Committee during the financial year.

I will be available at the AGM to answer any questions about the work of the Committee.

Shatish Dasani
Chair of the Audit Committee

11 March 2025

2024 key achievements

Review of full year and half year financial statements, including key accounting judgements, estimates and assumptions

Review and assessment of changes required to comply with the revised UK Corporate Governance Code 2024

Overseeing the roadmap for compliance with the new Corporate Governance code, including the establishment of a Provision 29 steering group

2025 areas of focus

Development of a proportionate plan to support the Group in further strengthening its control environment to ensure compliance with Provision 29 of the revised UK Corporate Governance Code 2024

Review of the integration of 2024 acquisitions to ensure that key business controls remain effective

Continue to enhance co-sourced internal audit service provision, to further embed Internal Audit within the control of our Group Internal Audit Director

Members and meetings

The Committee comprises four Non-Executive Directors, these being Shatish Dasani, Lisa Scenna, Bronagh Kennedy and Louise Brooke-Smith. In accordance with Provision 24 of the UK Corporate Governance Code 2018 (the Code), the Chair of the Board is not a member of the Committee. All Committee members are considered to be independent, in accordance with the Code.

The composition of the Committee was reviewed by the Board and Nomination Committee during the year to ensure it was compliant with the Code and the respective FRC Guidance, which highlights that audit committees should consist of a minimum membership of three independent non-executive directors, one of whom must have recent and relevant financial experience, as well as expecting that the Committee as a whole has competence relevant to the sector in which the Company operates. In accordance with the requirements of Provision 24 of the Code and the FRC's Guidance on Audit Committees, Shatish Dasani is designated as the Committee member with recent and relevant financial experience. He has extensive experience of the financial reporting requirements of FTSE companies and the required compliance for public companies, and of dealing with internal and external auditors, having had a 30-year career in financial roles as a FTSE Chief Financial Officer, as well as his current Audit and Risk Committee Non-Executive Directorships.

All other members of the Committee are deemed to have the necessary ability and experience to understand financial issues, given their mix of skills and backgrounds, and the Audit Committee as a whole has competence relevant to the sector in which the Group operates. The Committee and Board is confident that its composition, balance and expertise provide shareholders with the confidence that the financial reporting and control processes of the Group are subjected to the appropriate level of independent, robust and challenging oversight.

The Committee discharges its responsibilities through a series of scheduled meetings during the year. Each meeting has a formal agenda, which is linked to the events in the financial calendar of the Group. Attendees at each of the meetings include the Committee members, as well as, by invitation, the Chair of the Company, the Chief Executive Officer, the Chief Financial Officer, the Group Internal Audit Director, the Group Financial Controller, the external auditor, EY, and Grant Thornton UK LLP, who provide specific internal audit services to the Group. The Company Secretary is also Secretary to the Committee.

The Committee held four formal meetings during the year.

In accordance with best practice, the Committee met regularly with the EY lead audit partner without executive management being present. The Committee also met with the Group Internal Audit Director and Grant Thornton UK LLP without executive management being present. In addition, the Committee Chair has regular meetings with EY and separate meetings with the internal audit team.

Governance

The responsibilities of the Committee are set out in its Terms of Reference. The Terms of Reference are reviewed on an annual basis to ensure that they remain appropriate and reflect any changing governance requirements and recommendations, with any relevant updates made accordingly. The Committee Terms of Reference were reviewed and approved in October 2024 and are available on the Company's website. One of the Committee's responsibilities is to ensure that it adequately reports to the Board on how it has discharged its responsibilities under these Terms of Reference.

In accordance with best practice, the effectiveness of the Committee was evaluated this year as part of the internal Board and Committee evaluation. This evaluation involved an anonymous questionnaire to encourage open feedback, ensuring that the evaluation provided a valuable feedback mechanism for identifying concerns, improving effectiveness and highlighting areas for further improvement. There was also the opportunity at the end of the questionnaire to detail strengths and areas for improvement, to allow the Committee to have a broader understanding of its effectiveness outside of the structured questions. The questionnaire circulation was also extended beyond the Committee membership to include regular attendees, including the external auditor. At its meeting in December 2024, the Committee considered the results of the internal evaluation. Responses to the questionnaire showed that the Committee and regular attendees were unanimous in their view of the effectiveness of all functions of the Committee. Feedback was positive, noting that dialogue was open, that there was an appropriate balance of support and challenge, and that meetings were effectively chaired, ensuring that there was sufficient time dedicated to discussion of key agenda items. The results of the evaluation, therefore, provided the Committee with a high level of assurance that key issues are being dealt with appropriately. Following the feedback in the 2023 evaluation, which recommended increased convergence with the Risk Committee, the Committee Chair is now invited to attend all Risk Committee meetings, with a minimum attendance of one meeting each year. This was implemented during 2024, and further information regarding the effectiveness of this can be found in the Risk Committee Report on page 112.

As part of the process of working with the Board to discharge its responsibilities and to maximise its effectiveness, meetings of the Committee normally take place immediately prior to Board meetings, and the Chair of the Committee will then provide an update to the Board on the Committee's discussions and decisions. Details of the role of the Committee and its activities in the year are set out in the remainder of this Report.

Role of the Committee and its activities during the year

Independent oversight of reporting procedures and financial statements

The Committee's role in overseeing reporting procedures and financial statements includes:

- monitoring the integrity of the financial statements of the Group, including its annual and half-yearly reports, trading updates, results announcements and any other formal announcements relating to its financial performance;
- reviewing significant financial reporting matters and judgements; and
- reviewing the content of the Annual Report and Accounts and advising the Board on whether, taken as a whole, it is fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's financial position and performance, business model and strategy.

When approving the Group's interim and final results announcements, Committee meetings are scheduled prior to the Board meetings to allow the Committee to fully consider the financial reporting judgements made by management, prior to submitting the announcements to the Board for approval. The Committee considers the principal accounting policies that are used when preparing results, as well as reviewing the significant accounting issues and areas of judgements made and other key areas of focus. The Committee receives regular reports from the Chief Financial Officer and Group Financial Controller to support this work. The Committee's considerations are based on a review of the accounting papers and financial reports prepared and presented by management as referred to above, along with the reports prepared and presented by the Company's external auditor.

Viability Statement

The Viability Statement is a longer-term view of the sustainability of the Company's proposed strategy and business model, considering wider economic and market developments as well as giving a clearer and broader view of solvency, liquidity and risk management. Its purpose is to provide assurance to shareholders that the Group is financially stable, and capable of meeting its financial obligations over a longer period of time. The Committee considered and challenged the current Viability Statement during the year, as well as the current three-year period and relevant stress testing, and remained of the opinion that this continued to be appropriate. Part of its assessment of the Viability Statement involved considering the risk scenarios presented, the sensitivities for the impact of the combined risks, the reverse stress testing, and the available headroom after applying the sensitivities. The full statement can be found in the Directors' Report on page 123, which contains further detail on the process, assumptions and testing that underpin it.

Going concern

In determining whether the Group can continue to adopt the going concern basis, the Committee considers and reviews the Group's overall resources for the foreseeable future, covering a period of at least 21 months. Following this review, the Committee agreed that the forecasts presented were reasonable; therefore, the Annual Report and Accounts have been prepared on a going concern basis. The going concern statement for the Group can be found in the Directors' Report on page 123.

Fair, balanced and understandable

A key requirement of the financial statements and Annual Report and Accounts is that they are fair, balanced and understandable (FBU). These principles aim to ensure that the financial statements accurately and fairly reflect the financial position and performance of the Group, that they are presented in a clear and concise manner, and that they include the information necessary for shareholders to assess the Group's position, performance, business model and strategy. This includes monitoring and assessing the Group's reporting processes throughout the year, culminating in the final summary, as included in the Annual Report and Accounts, which correctly reflects the Company's performance in the reporting year in a clear and concise manner in line with the FBU principles, as well as ensuring that there is consistent formatting and terminology throughout. The Committee plays a key role in this process, as follows:

Stage 1
It monitors the integrity of the Group's reporting processes and the contributions of the external auditor

Stage 2
It monitors key accounting judgements and estimates, challenging management and ensuring transparency and accountability and the credibility of data

Stage 3
It reviews and challenges significant adjustments resulting from the external audit

Stage 4
It reviews the disclosures, processes and controls underlying the production of the full year and half year results, prior to recommending them to the Board for approval

Stage 5
It reviews drafts of the Annual Report and Accounts to assess and advise on direction and key messages, with a near-final version provided to the Committee and Board for review, prior to sign-off of the Annual Report and Accounts

Stage 6
It ensures that the regulatory requirements for the Annual Report and Accounts are thoroughly understood in conjunction with the Board and management, and the consistency of and any changes to accounting policies and practices during the year

Stage 7
It reviews and approves the Viability Statement assumptions and going concern assumption

The Committee undertakes this review with both management and the Group's external auditor, and focuses on ensuring compliance with the relevant financial and governance reporting requirements. Further details on the FBU process can be found in the Corporate Governance Report on page 105.

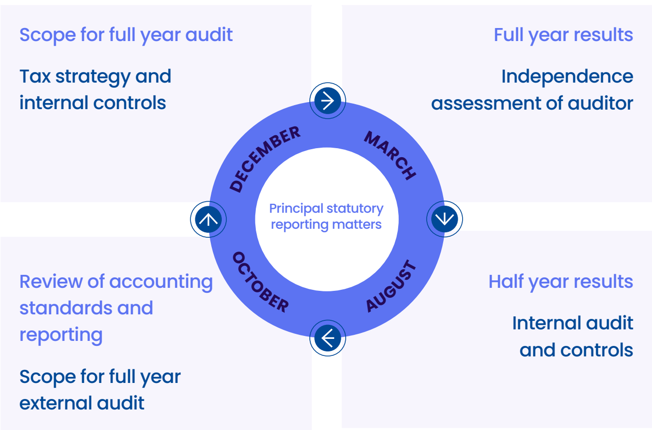
Following the Committee's assessment of the Annual Report and Accounts, it concluded and was able to recommend to the Board that the Annual Report and Accounts is fair, balanced and understandable and provide the information necessary to assess the Group's position and performance, business model and strategy.

Audit Committee Report continued

Financial reporting

The significant financial reporting judgements reviewed by the Committee in respect of the year under review were as follows:

- Revenue recognition and customer rebates – the Committee considered the operating effectiveness of controls surrounding revenue recognition and management's assessment and the recognition of customer rebate liabilities at the half year and year end.
- Impairment of non-financial assets – the Committee considered a detailed report, prepared by management, setting out the assumptions used in determining whether goodwill, other intangible assets or property, plant and equipment required impairment. This included a review of the discount rate (using mid-year discounting) and the growth factors used to calculate the discounted projected future cash flows, the sensitivity analysis applied, and the discounted projected future cash flows used to support the carrying amount of the goodwill and the recoverable amount of cash generating units.
- Cash generating units (CGUs) – the Committee considered and approved the 2024 acquisitions being integrated into the existing CGU structure.
- Classification of non-underlying items – the Committee considered a report, prepared by management, setting out the basis and assumptions used in determining income and expenses as underlying or non-underlying at the half year and the year end.



The Committee is also responsible for considering the impact of new financial reporting standards and legislative requirements on the Group, reviewing the Group's tax strategy and recommending the Report of the Audit Committee for approval by the Board. All these activities were completed during the year and implemented as appropriate.

Selection and supervision of the independent auditor

The Committee's responsibility for selecting and supervising internal and external independent auditors includes:

- assisting the Board with the discharge of its responsibilities in relation to internal and external audits;
- overseeing the relationship with the external auditor, including their appointment, re-appointment and/or removal; approval of the scope of the annual audit, their remuneration and the terms of engagement; monitoring and reviewing their independence and objectivity, considering the effectiveness of the audit process and reviewing the extent of non-audit services performed; and
- monitoring and reviewing the effectiveness of the Group's internal audit function in the overall context of the Company's risk management system and the work of the compliance and finance functions and the external auditor.

Internal controls and internal audit

The Group maintains a co-source approach to internal audit, with a Group Internal Audit Director (GIAD) role and a contract for the delivery of selected internal audits by a third party, which is currently Grant Thornton UK LLP (GT). An Internal Audit Charter, which is reviewed and updated annually, is in place to govern the function and provide guidance, purpose and clarity to the GIAD as to the scope and objectives of the function. Internal audit, as a function, spans the whole Group, including (as and when relevant) acquired businesses, and provides independent and objective assurance over the Group's systems of internal controls through a risk-based approach. A rolling three-year internal audit plan is in place, and the specific annual plans are developed in advance of the relevant financial year through discussion with various stakeholders before being presented to, and approved by, the Audit Committee. This plan, which is subject to regular review and adaptation as necessary, addresses the Group's principal risks on a rotational basis whilst maintaining a focus on basic financial accounting and reporting controls. The Group has a rolling list of findings and agreed remedial actions, which are tracked and monitored by the Audit Committee. GT bring best-practice thinking and

UK Corporate Governance Code 2024

The FRC conducted a consultation during 2023 and subsequently published the updated UK Corporate Governance Code in January 2024. The revised Code will apply to financial years beginning on or after 1 January 2025, other than Provision 29, which will come into effect for financial years beginning on or after 1 January 2026. As we focus on Provision 29 of the revised UK Corporate Governance Code, we are in the process of performing a full review of our entity-level controls, with the objective of consolidating our existing controls and identifying potential areas requiring improvement. We are strengthening our programme to review and monitor the effectiveness of the management of risk and the overall system of Internal Control. The Group Head of Internal Controls joined the Group in October 2024 as part of the Group's journey to comply with the revised Code and, specifically, the focus on the effectiveness of material internal controls by developing and delivering a proportionate plan to support the business in further strengthening its control environment. Overall, the Committee remains confident in the Group's compliance with the existing Code and is working closely with the Group Head of Internal Controls to ensure that the requirements of the revised Code are addressed in advance of applicable dates.

I'm very excited about joining Genuit and having the opportunity to be part of the Group's internal controls journey. Progressing towards a stronger internal control environment means more than just compliance – it's about building a company culture where excellence, reliability, and accountability thrive in every decision we make."

Juliana Zillmann,
Group Head of Internal Controls

approaches to the function and continue to support the strengthening of the Group's internal control environment.

In accordance with its Terms of Reference, which are reviewed and updated annually, the Audit Committee has ultimate responsibility for (amongst other matters) ensuring the effectiveness of internal audit, approving the three-year rolling internal audit plan and the scope of each planned audit. The Group Chief Financial Officer has day-to-day responsibility. In addition, the internal audit delivery is subject to an Internal Audit Charter. Key areas covered in the 2024 internal audit plan included topics such as IT disaster recovery, the Group's M&A process, pay compliance and procurement. Rotational balance sheet reviews were completed in respect of a majority of sites and ad hoc audits were completed in respect of some of the remainder.

The Committee provides independent oversight, regularly considering the internal audit plan, internal audit reports and action tracker, and reviewing and challenging the internal audit results and reports, as well as the adequacy and timeliness of management's responses and proposed resolutions.

The Risk Committee has responsibility for risk management on behalf of the Board, and details of how risk is assessed, managed and controlled, as well as an outline of its purpose in the governance structure of the Group, can be found in the Risk Committee Report on page 111 to 115. Details of the Group's principal risks and uncertainties and emerging risks can be found in the Strategic Report on pages 75 to 85.

External audit appointment

The Committee carefully considers the re-appointment of the external auditor each year, prior to making its recommendation to the Board. As part of this process, the Committee considers the independence of the external auditor, the effectiveness of the external audit process, its remuneration and the terms of engagement. Following this review and the external audit tender conducted in 2023, when EY were re-appointed as external auditors, the Committee recommended to the Board that EY should be re-appointed for the 2024 audit.

In accordance with current professional standards, the external auditor is required to change the lead audit partner every five years, in order to protect auditor independence and objectivity. EY were awarded the external audit in 2023, following a competitive tender process. The lead audit partner was rotated in 2017 and again in 2022, and the senior audit manager was rotated in 2019, following completion of the 2018 full year audit. In accordance with the Code, the Competition and Markets Authority (CMA) Order and the EU Audit Directive, it is the Company's intention to put the audit out to tender at least every 10 years.

Effectiveness and independence of the external auditor

A review of the external auditor's performance and effectiveness is undertaken by the Committee each year. In respect of the 2024 full year audit, EY confirmed its independence in October 2024 and March 2025, as it presented to the Committee on its determination of independence, to enable the Committee to fully, and appropriately, assess its independence. This review includes considering the qualification, expertise, resources and re-appointment of the external auditors, as well as ensuring that no issues have arisen that may adversely affect their independence and objectivity. The review also considers how robust the external audit has been, as well as the quality of delivery. It also assesses how well the external auditors has exercised professional scepticism and whether they have provided an appropriate degree of constructive challenge to management. Following this review, the Committee concluded that the external auditor remained independent. As a result, and after considering the above matters, the Committee considered that the external audit had been effective and recommended to the Board that EY be re-appointed as external auditor to the Group. A resolution to this effect will be proposed at the 2025 AGM.

Non-audit services

The Group's non-audit services policy restricts the external auditor from performing certain non-audit services, in accordance with the Revised Ethical Standard 2019 issued by the FRC. All non-audit services proposed to be performed by the external auditor must be pre-approved and sponsored by a senior executive via a detailed written recommendation, including: the nature and scope of the proposed service, the supplier selection process and criteria, the chosen supplier and selection rationale, the relationship of the individual within the external auditor to perform the proposed service with those undertaking the audit work, a fee estimate and the category of non-audit service, if relevant. In addition, the external auditor must provide a written statement of independence, approved by the lead audit partner. All non-audit services proposed to be performed by the external auditor with a fee estimate in excess of £10,000 must also be pre-approved by the Committee.

This policy and approach further enhances auditor objectivity and independence, and was reviewed by the Committee at its meeting in October 2024. There were no exceptions to this policy during 2024.

Fraud, compliance, whistleblowing and the UK Bribery Act

As part of its roles and responsibilities, the Committee monitors and reviews internal controls in the context of ethics and compliance, with the aim of strengthening governance systems across the Group.

Whistleblowing

The Committee recognises the importance of effective whistleblowing policies as being a key tool to strengthen governance, acting as a mechanism for ensuring internal control. The Committee ensures that a reliable system is in place to identify and correct any unlawful or unethical conduct, and is responsible for ensuring that adequate reporting tools and policies are in place, in accordance with Principle E of the Code. It regularly reviews the arrangements whereby all of the Group's employees may, in confidence, raise concerns about illegal, unethical or improper behaviour or other matters and ensures that these concerns are investigated and escalated as appropriate. As part of this process, it monitors any reported incidents under its whistleblowing policy and via the third party reporting provider.

The Whistleblowing Policy is accessible across the Group as a standalone policy and sets out the procedure that employees should follow to raise legitimate concerns about any wrongdoing in financial reporting, or other matters such as:

- something that could be unlawful;
- a miscarriage of justice;
- a danger to the health and safety of any individual;
- damage to the environment; and
- improper conduct.

The anonymous hotline and online reporting tool support the internal processes and enable employees to feel confident to freely report any concerns they may have. During the year, the Company Secretary provided regular updates to the Committee on any reports received via the third party reporting line, and the action taken, where required, to address the concerns raised. The Group will continue to monitor any national laws that implement additional, relevant requirements and make any required changes to policies and procedures where appropriate.

Fraud and the UK Bribery Act

As part of its commitment to drive a workplace that promotes honesty, integrity and good ethical practices, the Committee is also responsible for reviewing the Group's compliance procedures for detecting fraud and the systems and controls in place to prevent a breach of anti-bribery legislation.

The Committee receives an update on the effectiveness of the ethics and compliance policies in place across the Group as part of its ethics and compliance update at each meeting, as well as reviewing and approving any updated versions of key policies. These policies must be adhered to by all employees and are aimed at reducing the risk of fraud occurring. The Group is committed to a zero-tolerance position with regard to bribery and has in place an Anti-Bribery and Corruption Policy which must be complied with by all employees, regardless of their possible risk of exposure. The efforts made during 2024 for all employees to complete updated training has ensured that the Company continues to foster an environment whereby every employee takes responsibility and feels empowered to ensure that the zero-tolerance position is upheld and that there are no breaches of anti-bribery legislation. The Group will continue to request biannual confirmations from relevant individuals, stating that they have complied with the Group's policy. Refresher training will be reissued in line with the policy renewal and all new starters are required to complete the training on commencement of employment.
The appointment of our Group Head of Internal Controls during the year will continue to improve oversight and transparency in this area.

Cyber and information security

The Committee is responsible for ensuring that adequate cyber and information security protections are in place across the Group. The Committee received regular cyber security updates from the Group's Information Security (IS) Director throughout the year, in addition to those received by the Board as a whole and the rotational cycle of updates given to the Risk Committee. The Committee was updated by the Group IS Director on the successful defence against new AI-led attacks and techniques, which validates the Group's ongoing investment in its cyber defences. It approved the onboarding of all businesses into one 'Infrastructure as a Service' to provide full coverage of the Group's cyber security umbrella for the first time. Annual training was reissued to all employees and there is growing momentum in cyber risk and awareness across the Group. The Committee remains satisfied with the ongoing investment and commitment to robust cyber defences.

By order of the Board.

Shatish Dasani
Chair of the Audit Committee

11 March 2025

Directors' Report
Statutory and other information

Introduction

The Directors present their Annual Report and Accounts for the year ended 31 December 2024. In accordance with the Companies Act 2006 as amended, and the Listing Rules and the Disclosure Guidance and Transparency Rules, the Reports within the Governance section of the Annual Report and Accounts should be read in conjunction with one another, and with the Strategic Report. As permitted by legislation, some of the matters normally included in the Directors' Report have instead been included in the Strategic Report (pages 2 to 85) as the Board considers them to be of strategic importance.

The Company

Genuit Group plc is a public company limited by shares, incorporated in England and Wales, with registered number 06059130. Since 16 April 2014, the Company has been listed on the London Stock Exchange. While the Group operates predominantly in the UK, it does have operations in Ireland, Italy, the Netherlands and the Middle East.

Strategic Report

The Companies Act 2006 requires the Company to present a fair review of the development and performance of the Group's business during the financial year and the position of the business at the end of that year. This review is contained within the Strategic Report on pages 2 to 85. The principal activities of the Group are described in the Strategic Report on pages 14 to 63.

Financial risk management

The Group's financial risk management objectives and policies, including information on financial risks that materially impact the Group and financial instruments used by the Group (if any), are disclosed in Note 29 to the Group's consolidated financial statements on pages 194 to 196.

Viability Statement

In accordance with Provision 31 of the Code, the Directors have assessed the prospects of the Group over a longer period than that required by the 'going concern' provision.

The Board has determined that a three-year period to 31 December 2027 is the most appropriate period of assessment. Whilst the Board has no reason to believe the Group will not remain viable over a longer period and the Group produced a five-year plan during the year, three years has been chosen as this is considered the period over which it has reasonable visibility of the market and industry characteristics to be able to develop reasonable forecasting assumptions and perform a realistic viability assessment.

The Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency, or liquidity. In performing scenario analysis, the Directors have assumed the Group's banking facilities and Sustainability-Linked Loan revolving credit facility agreement of £350.0m, with a £50.0m uncommitted accordion facility that expires in August 2027, will continue to be available, albeit at a reduced level of £310.0m. Within the base case scenario, the Directors have assumed that the Group's volumes will move in line with industry forecasts and inflationary pricing. The Directors believe that the Group is well placed to manage its business risks successfully, having considered the current economic outlook. In their assessment of the viability of the Group, the Directors have considered 6 scenarios each considering the impact of one of the Group's principal risks and uncertainties, detailed on pages 75 to 85 of the Strategic Report. In addition, the Directors have considered a combined scenario which reflects the impact of multiple risks. The most severe scenario considers the impact of both a recession, with a similar impact to that of the 2007 to 2010 Global Financial Crisis, a delay in recovering increases in raw material costs of 25% from customers and an increase in raw materials to lower carbon alternatives and the associated supply chain and taxes. Even under these scenarios the Group would not be required to pursue any of its available mitigating actions in order to avoid a breach of covenants or exhaust available liquidity. Notwithstanding the Directors' expectation that they would not need to pursue mitigating actions, they have identified the reduction of capital expenditure and dividend payments as the two most significant mitigations. The Board included this in its assessment of the viability of the Group.

The Directors have considered the potential impact of climate change on the viability assessment, particularly in the context of the risks and opportunities identified in the Task Force on Climate-Related Financial Disclosures Report on pages 42 to 53 of the Strategic Report. The Directors do not currently expect any material short-and-medium-term impacts under the scenarios modelled that could not be mitigated, and climate change presents a number of opportunities for the Group which are built into the Group's strategy. The risks over the longer term are more uncertain and the Directors will continue to assess these risks against key areas of judgement and estimations within the Group's Annual Report.

Accordingly, the Board believes that, considering the Group's current position, and subject to the principal risks faced by the business, the Group will be able to continue in operation and to meet its liabilities as they fall due for the period up to 31 December 2027, being the three- period considered.

Going concern statement

The Directors have made enquiries into the adequacy of the Group's financial resources, through a review of the Group's budget and medium-term financial plan, including cash flow forecasts. The Group has modelled a range of scenarios, with the base forecast being one in which, over the 24 months ending 31 December 2026, sales volumes grow in line with or moderately above external construction industry forecasts. In addition, the Directors have considered several downside scenarios, including adjustments to the base forecast, a period of significantly lower like-for-like sales, profitability and cash flows. Consistent with our principal risks and uncertainties, these downside scenarios included, but were not limited to, loss of production, loss of a major customer, product failure, recession, increases in interest rates and increases in raw material prices. Downside scenarios also included a combination of these risks and reverse stress testing. The Directors have considered the impact of climate-related matters on the going concern assessment and they are not expected to have a significant impact on the Group's going concern.

At 31 December 2024, the Group had available £228.6m of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. These borrowing facilities are available until at least August 2027, subject to covenant headroom. At August 2026, the borrowing facility will reduce from £350m to £310m until August 2027. The Directors are satisfied that the Group has sufficient liquidity and covenant headroom to withstand reasonable variances to the base forecast, as well as the downside scenarios. In addition, the Directors have noted the range of possible additional liquidity options available to the Group, should they be required.

As a result, the Directors have satisfied themselves that the Group has adequate financial resources to continue in operational existence for a period of at least the next 21 months. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

Directors

The current Directors' biographies are set out on pages 90 and 91. In accordance with the Code, each Director will retire annually and put themselves forward for re-election at each AGM of the Company.

Appointment and replacement of Directors

The rules about the appointment and replacement of Directors are contained in our Articles of Association (the Articles). They provide that Directors may be appointed by ordinary resolution of the members or by a resolution of the Directors.

Directors must retire and put themselves forward for election at the first AGM following their appointment and every third anniversary thereafter. However, the Directors wishing to continue to serve as members of the Board will seek re-election annually, in accordance with the Code.

Details of the Non-Executive Directors' letters of appointment are given on page 103 under 'Appointment and tenure'. The Executive Directors have service contracts, under which 12 months' notice is required by both the Company and the Executive Director.

Powers of Directors

The general powers of the Directors set out in Article 104 of the Articles provide that the business of the Company shall be managed by the Board, which may exercise all the powers of the Company, subject to any limitations imposed by applicable legislation or the Articles.

The general powers of the Directors are also limited by any directions given by special resolution of the shareholders of the Company that are applicable on the date that any power is exercised.

Compensation for loss of office

The Company does not have arrangements with any Director that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the Company's share plans may cause options and awards granted under such plans to vest on a takeover. Further information is provided in the Directors' Remuneration Report on page 140.

Directors' indemnity arrangements

Directors and officers of the Company are entitled to be indemnified out of the assets of the Company in respect of any liability incurred in relation to the Company or any associate Company, to the extent the law allows. In this regard, the Company is required to disclose that, under Article 224 of the Articles, the Directors have the benefit of an indemnity, to the extent permitted by the Companies Act 2006, against liabilities incurred by them in the execution of their duties and exercise of their powers.

This indemnity has been in place since the Company's listing in 2014 and remains in place. The Company has purchased and maintained throughout the financial period Directors' and Officers' liability insurance.

Share capital

As at 31 December 2024, the share capital of the Company was 249,170,247 ordinary shares of £0.001 each, of which 375 ordinary shares were held in treasury. Details of the Company's share capital are disclosed in Note 24 to the Group's consolidated financial statements on page 189. As at 11 March 2025, the share capital of the Company was 249,170,247 ordinary shares of £0.001 each, of which 375 ordinary shares were held in treasury.

Authority of the Directors to allot shares

The Company passed a resolution at the AGM, held on 28 May 2024, authorising the Directors to allot ordinary shares up to an aggregate nominal amount of £166,113.25 (representing approximately two thirds of the ordinary share capital). This authority will expire at the Company's 2025 AGM and the Directors will be seeking a new authority to allot shares, to ensure that the Directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares. There are no current plans to issue new shares, except in connection with employee share schemes.

Issue of shares

A special resolution was passed at the AGM, held on 28 May 2024, granting the Directors the authority to issue shares on a non-pre-emptive basis up to an aggregate nominal amount of £24,916.99 (representing 24,916,987 ordinary shares or approximately 10% of the ordinary share capital). A special resolution was also passed granting the Directors the authority to issue shares on a non-pre-emptive basis in respect of an additional 10% of the ordinary share capital in connection with an acquisition or specified capital investment.

These authorities will expire at the Company's 2025 AGM. The Directors will, therefore, be seeking a new authority to issue shares for cash on a non-pre-emptive basis up to £166,113.25, and the Directors also propose to seek authority to issue non pre-emptive share capital of the Company in accordance with the updated Pre-Emption Group's Statement of Principles 2022 on Disapplying Pre-Emption Rights, this being no more than 24% in total, rather than the previous thresholds of 10% in accordance with the Pre-Emption Group's Statement of Principles published in 2015. The Directors will also seek authority to issue non-pre-emptively for cash shares up to £24,916.99 (representing 24,916,987 ordinary shares or approximately 10% of the ordinary share capital) for use only in connection with an acquisition or specified capital investment, and a further authority of no more than 2%, to be used only for the purposes of making a 'follow on offer', as set out in the Pre-Emption Group guidance.

Purchase of own shares by the Company

A special resolution was passed at the AGM held on 28 May 2024 granting the Directors the authority to make market purchases of up to 37,350,563.81 ordinary shares with a total nominal value of £37,350.56, representing approximately 14.99% of the Company's issued ordinary share capital. The authority to make market purchases will expire at the Company's 2025 AGM and the Directors will be seeking a new authority to make market purchases up to 14.99% of the Company's issued ordinary share capital, which will only be exercised if the market and financial conditions make it advantageous to do so. Further details are set out in the explanatory notes of the notice convening the AGM.

Rights attaching to shares

The rights attaching to the ordinary shares are summarised as:

- the ordinary shares rank equally for voting purposes;
- on a show of hands, each shareholder has one vote, and on a poll, each shareholder has one vote per ordinary share held;
- each ordinary share ranks equally for any dividend declared;
- each ordinary share ranks equally for any distributions made on a winding-up of the Company;
- each ordinary share ranks equally in the right to receive a relative proportion of shares in the event of a capitalisation of reserves;
- the ordinary shares are freely transferable; and
- no ordinary shares carry any special rights with regard to control of the Company and there are no restrictions on voting rights.

Amendment to the Company's Articles

The Company may alter its Articles by special resolution, passed at a general meeting of the Company. A resolution to amend the Articles was voted on and passed by shareholders at the 2020 AGM.

Political donations

The Group made no political donations during the year.

Greenhouse gas emissions

Information on the Group's greenhouse gas emissions is set out in the Strategic Report on pages 33 to 41, and forms part of this Report by reference.

Future developments within the Group

The Strategic Report contains details of likely future developments within the Group. The Group's research and development costs are disclosed in Note 6 to the Group's consolidated financial statements on page 179.

Overseas operations

As explained in the Strategic Report, the Group operates in the UK, Ireland, Italy, the Netherlands and the Middle East.

Post balance sheet events

There have been no significant post balance sheet events to report.

Principal risks and uncertainties

The Board has carried out a robust assessment of our current key risks and these are summarised in the Principal Risks and Uncertainties section of the Strategic Report on pages 75 to 85.

Results and dividends

An interim dividend of 4.1 pence per share was paid on 2 October 2024. The Board recommends a final 2024 dividend of 8.4 pence per share.

Shareholders will be asked to approve the final dividend at the AGM, for payment on 4 June 2025 to shareholders whose names appear on the register on 2 May 2025. Total ordinary dividends paid and proposed for the year amount to 12.5 pence per share or a total return to shareholders of £31.1m.

Employees

The Group is committed to employment principles which not only follow best practice, but are based on equal opportunities for all colleagues, irrespective of gender, pregnancy, race, colour, nationality, ethnic or national origin, disability, sexual orientation, age, marital or civil partner status, gender reassignment or religion or belief. Full and fair consideration is given to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. The Group encourages and supports the continued employment and training, career development and promotion of disabled persons employed by the Group, including making reasonable adjustments where required. If any employee becomes disabled, every effort is made by the Group to support and ensure their continued employment, either in the same or in an alternative position, with appropriate retraining given if necessary.

The Board is aware of its obligations to engage with employees and the Group's wider stakeholders, as outlined under The Companies (Miscellaneous Reporting) Regulations. Further detail of its activities during the year can be found in our Stakeholder Engagement section on pages 64 to 69, our s172 statement on pages 70 to 73, and our Board employee engagement activities on page 65 of the Governance Report.

Substantial shareholders

As at 31 December 2024 and 11 March 2025, the Company was aware of the interests in voting rights representing 3% or more of the issued ordinary share capital of the Company set out below. This information was correct at the date of notification. It should be noted that these holdings may have changed since they were notified to the Company. However, notification of any change is not required until the next applicable threshold is crossed.

Auditor

A resolution to re-appoint Ernst & Young LLP as the Company's external auditor and to authorise the Directors to fix the auditor's remuneration will be proposed at the 2025 AGM.

	As at 11 March 2025		As at 31 December 2024	
Name of shareholder	**Ordinary shares**	**% Voting Rights**	Ordinary shares	% Voting Rights
FIL Investment International	**23,715,691**	**9.52**	23,763,350	9.54
Impax Asset Mgt	**19,483,449**	**7.82**	19,610,729	7.87
Lansdowne Partners	**9,742,701**	**3.91**	9,912,358	3.98
Vanguard Group	**9,590,798**	**3.85**	9,442,451	3.79
AEGON Asset Mgt	**9,488,174**	**3.81**	10,019,307	4.02
Aberdeen	**8,742,523**	**3.51**	8,394,485	3.37
Janus Henderson Investors	**7,727,872**	**3.10**	8,588,492	3.45
Franklin Templeton Investments	**4,696,817**	**1.89**	10,249,817	4.11

Directors' statement of disclosure of information to auditor

Each of the Directors has confirmed that as at the date of this Report:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all reasonable steps that they ought to have taken as Directors, in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Requirements of the Listing Rules

Apart from the details of any long-term incentive scheme as required by Listing Rule 9.3.3.(R), which is disclosed in the Directors' Remuneration Report on pages 128 to 153, disclosure of the information listed in Listing Rule 6.6.1(R) is not applicable.

Annual General Meeting

The 2025 AGM is scheduled to be held on 19 May 2025. A full description of the business to be conducted at the meeting is set out in the separate notice of AGM.

By order of the Board.

Emma Versluys
Company Secretary

11 March 2025

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the Group's consolidated financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group's consolidated financial statements in accordance with UK-Adopted International Accounting Standards (IFRSs).

Under company law the Directors must not approve the Group's consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing the Group's consolidated financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- state whether IFRSs have been followed, subject to any material departures disclosed and explained in the Group's consolidated financial statements; and
- prepare the Group's consolidated financial statements on the going concern basis unless it is appropriate to presume that the Group will not continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group's consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Section 172 Statement, Remuneration Report and Corporate Governance Statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Directors' responsibility statement

The Directors confirm, to the best of their knowledge:

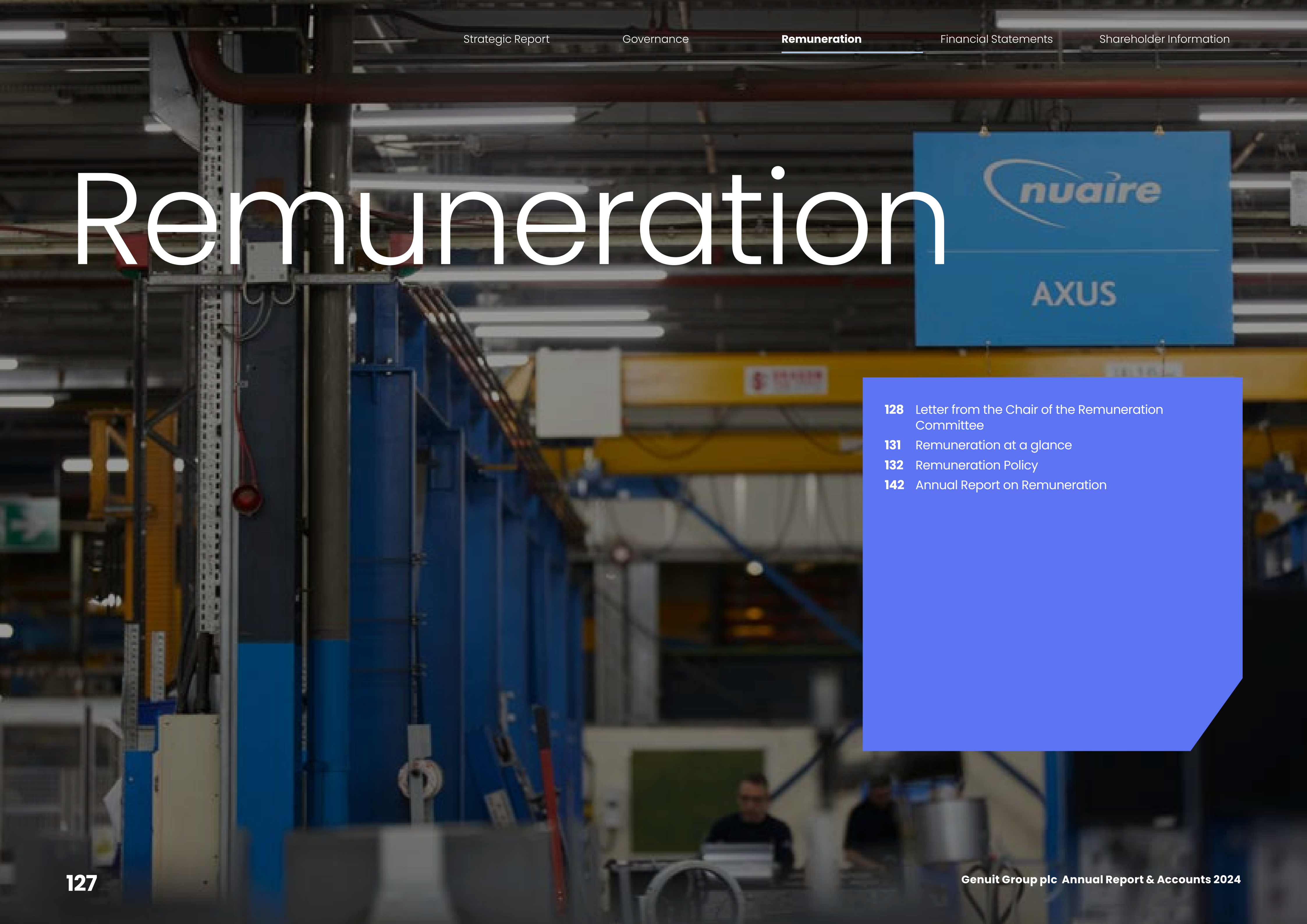
- the Group's consolidated financial statements, prepared in accordance with UK-Adopted International Accounting Standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and undertakings included in the consolidation taken as a whole
- the Annual Report and Accounts, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face
- they consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy

By order of the Board.

Joe Vorih
Chief Executive Officer

Tim Pullen
Chief Financial Officer

11 March 2025



Remuneration

Letter from the Chair of the Remuneration Committee

Lisa Scenna
Chair of the Remuneration Committee

Members

Kevin Boyd
Non-Executive Chair

Shatish Dasani
Non-Executive Director

Louise Brooke-Smith
Non-Executive Director

Bronagh Kennedy
Non-Executive Director

Dear Shareholder

I am pleased to present the Directors' Remuneration Report (the Report) for the year ended 31 December 2024.

The Report is split into two sections, in line with legislative reporting regulations:

– The Remuneration Policy (the Policy) contains details of the various components of the Policy, which was approved by shareholders at our 2024 Annual General Meeting (AGM) and had effect from that date.

– The Annual Report on Remuneration contains details of the remuneration received by Directors in 2024 and also contains full details of how we intend to implement the Policy during 2025. The Annual Report on Remuneration will be subject to an advisory vote at the 2025 AGM. Further details are set out on pages 142 to 153.

This Directors' Remuneration Report is compliant with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2013 (and subsequent amendments), the UK Listing Authority Listing Rules and the Companies Act 2006, and has been prepared on a 'comply or explain' basis with regard to the remuneration provisions included in the UK Corporate Governance Code 2018 (the Code).

Aligning remuneration with Company strategy

The Policy is designed to encourage the achievement of our strategic goals and priorities, details of which are set out on pages 2 to 63, by rewarding Directors and senior management in line with underlying Company performance, whilst encouraging leadership behaviour which carries an appropriate level of risk. This is achieved by an annual bonus arrangement, which is linked to achieving financial and non-financial targets, as well as a long-term incentive plan, which rewards for shareholder value creation, the delivery of long-term earnings growth and the achievement of progress against the Company's sustainability goals.

Executive remuneration in 2024

Our performance was resilient in the face of continuing macroeconomic pressures, as we focused on implementation of the Genuit Business System, balanced price and cost management, and growth through M&A, helping to offset any volume decline. Further details are set out in the review of the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) on pages 9 to 13 and 24 to 29, respectively. In 2024, we achieved an underlying operating profit of £92.2m and underlying basic earnings per share (EPS) of 24.6 pence.

Despite the difficult market conditions, we delivered a solid performance. This included exceeding the maximum operating cash flow conversion target set at the start of the year, delivering an EBIT margin above our budgeted target and performing within the range of our EBIT target, as well as making strong strategic progress through the year. As a result, the Committee determined that, in respect of 2024 performance, Joe Vorih and Tim Pullen each earned a bonus of 57.24% of the maximum potential annual bonus. Our Executive Directors demonstrated resilience and effective leadership despite these challenging conditions, ensuring sustainable long-term value for our shareholders and other stakeholders. Given this, the Committee believes that the proposed bonus outcome is appropriate and reinforces our culture of accountability and high performance. In accordance with the Policy, one third of this bonus will be deferred into shares, half of which will vest two years from grant and the remainder of which will vest three years from grant.

The same approach was used to determine the annual bonus outcome across the Group. The Committee is comfortable that the formulaic outcome of the bonus reflects the wider performance of the business; therefore, no adjustments to the payouts are required.

With regards to performance over the longer term, the 2022 Long-Term Incentive Plan (LTIP) Awards will vest to the extent that earnings per share (EPS) growth, relative Total Shareholder Return (TSR) targets and sustainability targets were met over the three years ended 31 December 2024. Due to the challenging market over the last few years, neither the EPS nor the TSR element are due to vest. As a result of the sustainability targets for both recycled materials and carbon emissions not being, met, neither of these elements will vest. However, as The 5% Club target has been exceeded, this element will vest. As a result, the award will vest in April 2025 at 8.33% of the maximum. Further details on the outcome of the targets as part of this award can be found on page 148 of this Report.

The Committee is comfortable that the current Policy operated as intended during the year.

2024 LTIP awards

In April 2024, the Committee approved the grant of LTIP awards to the Executive Directors and other senior management. Award levels were 150% of annual salary for Joe Vorih and Tim Pullen. The performance measures that were applied to the 2024 LTIP awards were underlying diluted earnings per share (50%), operating cash conversion (25%), and sustainability targets (25%). Once vesting is determined, based on performance against these metrics, a TSR modifier will be applied, adjusting the final vesting outcome based on total shareholder return (TSR) performance relative against FTSE 250 Industrials. This modifier can increase or decrease total vesting by up to 33%. As a result, the total LTIP opportunity is capped at 200% of salary. This change of approach for 2024 better aligned the performance metrics with our strategy and overall focus on creating long-term sustainable returns for our shareholders. A summary of the 2024 Policy review process and the Committee's conclusions are set out on pages 118 to 119 of the 2023 Annual Report and Accounts.

In line with best practice, the Committee, in operating the Policy, will retain the ability to adjust remuneration outcomes so that payments appropriately recognise the employee and wider stakeholder experience during the relevant performance periods. The Committee also retains the ability to adjust vesting for any perceived windfall gains.

Committee evaluation

During the year, the Board undertook an internal evaluation of its performance, and the activities of the Committee were reviewed as part of this process. The results of this evaluation highlighted that the Committee is operating effectively, promoting debate and challenge on key issues and moderated well by the Committee Chair, with detailed discussions on the remuneration framework and structure to ensure that they are closely aligned to the Group's strategic objectives. This demonstrated that the Committee continued to operate effectively and in alignment with its Terms of Reference, and overall, it was agreed that the Committee was effective, organised, focused, and well supported by the external advisors.

Further details of the evaluation process can be found in the Corporate Governance Report on page 104.

Key remuneration decisions for 2025

The proposed implementation of the Policy for our Executive Directors for 2025 is outlined on pages 142 to 145. Key decisions made by the Committee in relation to 2025 include:

- The Committee reviewed the salary increase budget to operate across the workforce, having had regard to the overall remuneration offering currently provided to our employees. Following this review, the Committee approved an average salary increase of 3% for the wider workforce, with Executive Directors receiving the same 3% increase, ensuring alignment across the Group. Following agreement of the Executive Directors' 2025 salary increases, the Committee determined that it would be appropriate to review the market positioning of the Executive Directors prior to the 2026 salary review process. This will be in recognition of 2026 marking just over two years since the current CFO was appointed. Given his performance in the post to date, and his increased experience, it is the Committee's intention to ensure that his salary for 2026 reflects the market rate for the role. Any material change would be subject to appropriate dialogue with the Company's shareholders.
- The maximum bonus opportunity in FY 2025 will be 150% of salary for Joe Vorih and 125% of salary for Tim Pullen. With regard to the LTIP quantum of FY 2025 awards, the Committee intends to continue making awards at 150% of salary to the Executive Directors, with the awards then subject to a TSR modifier that can increase or reduce the number of shares vesting by up to 33%, depending on the Company's relative TSR performance.
- During the year, the Committee reviewed the performance measures for the annual bonus and determined that these remained appropriate and effective; therefore, the weightings and performance measures for the 2025 annual bonus remain unchanged, with the total weighting on EBIT and EBIT margin at 65%, operating cash flow conversion at 15%, and strategic objectives at 20%. This continues to align the annual bonus with the in-year objectives that have been set to contribute towards the longer-term delivery of sustainable shareholder value. In addition, a health and safety and a compliance override will continue to be operated, in relation to which the Committee will have discretion to reduce any annual bonus payable in the event that certain circumstances arise.
- No changes are to be made to the LTIP performance metrics, which were reviewed in 2024 and remain aligned with our strategy. As a result, the performance metrics for 2025 will be underlying diluted EPS (50% of the award), defined and measurable long-term sustainability targets (25% of the award) and cash conversion (25% of the award). Achievement of the threshold performance targets will continue to trigger 25% of each element vesting, rising to 100% for achieving the maximum target or better. Once vesting is determined based on performance against the above metrics, a TSR modifier will be applied to the vesting result. This will have the ability to increase total vesting by a further 33% or reduce total vesting by 33%. TSR will continue to be measured against FTSE 250 Industrials.
- The Committee intends to undertake a final review of the range of targets to apply to the 2025 LTIP awards prior to grant, to ensure that any changes to the external environment can be taken into account. The current intention is that the underlying diluted EPS for FY 2027 will need to be least 28p (circa 4.8% per annum growth from FY 2024) for threshold vesting to take place, with maximum vesting requiring 2027 EPS to be at least 33p (circa 10.7% per annum growth from FY 2024). The current intention in relation to cash conversion is that a threshold of 90% and a maximum target of 95% will operate, calculated on an underlying basis and defined as the sum of operating cash flow excluding non-underlying items and capital expenditure and payment of lease liabilities in 2025, 2026 and 2027 relative to underlying EBITDA over the same three-year period. The target ranges for the EPS and cash conversion have been set to be at least as challenging as prior years' awards, taking into account internal business plans, consensus analyst estimates and the challenging market conditions. With regard to the cash conversion targets, these are lower in headline terms than the range set for FY 2024. This reflects the fact that the 2024 cash conversion, as a result of the unwind of higher inventory levels, was above the medium-term target of 90%. This resulted in a higher target range which has now been set to better reflect current business planning and a longer-term sustainable rate of cash conversion in a growing business, with cash conversion returning to more sustainable levels from 2025.
- The sustainability target is set to be similarly challenging to the EPS and cash conversion targets. The target has been updated versus the sustainability targets set for the 2024 award, to better reflect our current priorities. As a result, 25% of the 2024 award will vest based on a targeted

improvement in intensity output of scope 3: category 1 emissions over the three-year period. The target is measured from the 2024 baseline of 2.000tCO_2e/t and requires a reduction to 1.712tCO_2e/t for threshold vesting, resulting in 25% of this element of the award vesting, with the maximum target set at a reduction to 1.517tCO_2e/t, which will result in 100% vesting. Straight-line vesting will take place between performance thresholds. This target is consistent with driving down our scope 3: category 1 emissions in line with our published targets. The Committee is comfortable with the revised target for the 2025 award, given it is well structured and challenging with respect to our current baseline and strategic priorities.

The Committee believes that this balanced combination of short-term and long-term metrics will provide a fair and comprehensive assessment of Company performance. Additionally, the TSR modifier within the LTIP reinforces the Board's commitment to aligning management incentives with the delivery of enhanced shareholder returns.

Context of Director pay within the Company

The Committee believes that employees play a key role in contextualising remuneration decisions. Committee members receive feedback directly or as part of Board meetings, and the Committee regularly monitors and reviews the application and effectiveness of its remuneration and reward policy and its compatibility with remuneration policies for the wider workforce. To do this, the Group Reward Director provides the Committee with an annual update on Group-wide pay and benefits arrangements, and the proposed approach to forthcoming pay reviews. The Committee then considers the Executive Directors' pay in the context of these arrangements. Changes were implemented during the year to enhance the benefits received by the workforce, including updates to our maternity and paternity policies and improvements to our pension offering and life assurance scheme. The Committee also reviewed the analysis of the overall gender pay gap and the equity of role-based pay within the Company. The Board and the Committee were satisfied that appropriate actions were being taken and will continue to monitor the situation going forward.

As required by legislation, we have included pay ratios between the CEO and our wider workforce, using remuneration earned in 2024. As part of its discussions on this issue, the Committee noted that the ratio was consistent with the scope and responsibilities of the different roles undertaken by the individuals included in the analysis, and that the ratios were within the range disclosed by other FTSE 250 companies to date. Louise Brooke-Smith is the Company's appointed Non-Executive Director with responsibility for employee engagement, which includes, where appropriate, engagement with employees on how executive remuneration aligns with wider Group pay policies. As well as receiving feedback on remuneration-related matters via the employee engagement route, we have also been working on enhancing employees' understanding of the Committee's role and to encourage employee engagement specifically on remuneration related matters. To this end, an explanatory video was recorded featuring the Remuneration Committee Chair and the CEO, outlining the purpose of the Committee and its role and responsibility within our Governance structure. We intend to continue to encourage employees to engage directly with Committee members, the Executive Directors or the Executive Management Team on remuneration-related concerns or questions.

Given that the remuneration structures were not raised as a material issue during the engagement with employees, it was not considered necessary to make any changes to the current remuneration structures beyond the planned changes referred to above. Further detail on the employee engagement Non-Executive Director role is set out in the Governance Report on page 96.

Shareholder engagement

The Committee engages with its largest shareholders on Executive pay matters, where appropriate. Ahead of the 2024 AGM, we consulted with shareholders and advisory bodies to gather their views on the new Policy and its proposed implementation for FY 2024, and we appreciate the feedback received during that process. With the proposed Policy aligning with general institutional investor best practices, as well as being strategically aligned with our business, it secured over 96% support. On behalf of the Committee, I am always happy to make myself available to shareholders to discuss any concerns or feedback they may have.

I hope you will find this Report to be clear and helpful in understanding our remuneration practices and that you will be supportive of the resolutions relating to remuneration at the AGM.

Lisa Scenna
Chair of the Remuneration Committee

11 March 2025

2024 key achievements

Review and approval of the Remuneration Policy, including consultation on proposed changes with shareholders and shareholder advisory bodies

Review and update of the Long-Term Incentive Plan, Deferred Share Bonus Plan and Sharesave Plan and approval by shareholders

Approval of updates to wider workforce remuneration arrangements and policies

Changes in performance measures as part of long-term incentive arrangements and policy implementation

2025 areas of focus

Review of the updated UK Corporate Governance Code 2024 and the implementation of any necessary changes to remuneration and governance practices

Finalisation of targets for the 2025 annual bonus and Long-Term Incentive Plan awards

Review of performance outcomes for 2024 annual bonus and 2022 Long-Term Incentive Plan awards

Consideration of Directors' remuneration and our ancillary policies and practices

Remuneration at a glance

Executive Director remuneration for 2024 (£000's)

	Joe Vorih							Tim Pullen						
	Base salary	Benefits	Pension	Annual Bonus	LTIP	Other	Total	Base salary	Benefits	Pension	Annual Bonus	LTIP	Other	Total
2024 Total Remuneration	597	65	30	513	68	125	1,398	383	47	21	274	n/a	n/a	725

Full details are disclosed on page 146.

Fixed Pay

Executive Directors

Base salary
To appropriately recognise skills, experience and responsibilities and attract and retain talent by ensuring salaries are market competitive.

Pensions
To provide market-competitive retirement benefits.

Benefits
To provide market-competitive benefits as part of a competitive package to assist with recruitment and retention.

Salary
+3.0%
increase for Executive Directors for 2025
(average workforce increase +3.0%)

Benefits
No change

Pension
5% of salary

Element timeline (years)
1 2 3 4 5
Base salary

Variable Pay

	Joe Vorih	Tim Pullen
Annual Bonus	150% of salary	125% of salary
Long-Term Incentive Plan (LTIP)	150% of salary	150% of salary

Annual Bonus

To link reward to key financial and operational targets for the forthcoming year.

Additional alignment with shareholders' interests through the operation of bonus deferral.

- Subject to underlying EBIT, EBIT margin, operating cash flow conversion targets and strategic objectives
- 33% deferred into shares. Half the shares vest two years from grant and half three years from grant

Element timeline (years)
1 2 3 4 5
Two thirds cash
One third deferred into shares for two/three years

Long-Term Incentive Plan (LTIP)
To link reward to key strategic and business targets for the longer term and to align Executive Directors' interests with shareholders' interests.

- Awards subject to underlying diluted EPS, cash conversion and sustainability performance measures, overlaid with a TSR modifier
- Two year post-vesting holding period applies

Element timeline (years)
1 2 3 4 5
Performance period
Post-vesting holding period

Share Ownership
200% of salary in employment share ownership guideline and a post-employment requirement to retain the lower of the shares held at cessation of employment and 200% of salary for two years. Additional alignment with shareholders' interests through the operation of bonus deferral.

Incentive Performance Snapshot for 2024

Annual Bonus

Performance measures	Achievement of that element
EBIT margin %	65%
Underlying EBIT	25%
Operating cash flow conversion	100%
Strategic objectives	80%
Overall out-turn	**57.24%**

Long-Term Incentive Plan

Performance measures	Achievement of that element
Below median TSR performance relative to comparator group	0%
Underlying Diluted Earnings per share (EPS)	0%
Sustainability targets:	
Carbon reduction	0%
Use of recycled polymers	0%
The 5% Club	8.33%
Overall vesting	**8.33%**

AGM

The Annual Report on Remuneration will be subject to an advisory shareholder vote at our AGM, scheduled to be held on 19 May 2025.

Remuneration Policy

This part of the Report sets out a summary of the Directors' Remuneration Policy (the Policy)

The Company's current Policy was approved by shareholders at the 2024 AGM, following consultation with shareholders and the shareholder advisory bodies. This part of the Report sets out the Policy. Details of the changes to the previous policy can be found on page 124 of the 2023 Annual Report and Accounts. The Policy applied from the date of approval and it is intended that it will apply for three years from approval; therefore, the next remuneration policy will be put to shareholders for approval in 2027. The information provided in this section of the Directors' Remuneration Report is not subject to audit.

Corporate Governance Code Requirements

In determining the Remuneration Policy and its application in 2024, the Committee considered the following factors set out in Provision 40 of the Corporate Governance Code 2018.

Clarity

Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce

Remuneration arrangements are clearly articulated within the Annual Report and Accounts to shareholders and other stakeholders. The Policy is clearly disclosed on pages 132 to 141 and the implementation of the Policy is set out on pages 142 to 153. Before proposing the updated Policy for approval, extensive consultation with the Company's major shareholders and the leading shareholder advisory bodies took place, and consideration was given to the wider workforce remuneration framework. All feedback was carefully reviewed and considered, to ensure that any changes are clear, understandable and transparent, and clearly aligned to stakeholder interests.

Simplicity

Remuneration structures should avoid complexity and their rationale and operation should be easy to understand

Our remuneration arrangements are regularly reviewed to ensure that they are as simple as possible and in line with market practice, whilst at the same time incorporating the necessary structural features to ensure a strong alignment with Group performance and strategy. Additional steps are taken to ensure that these are effectively communicated and understood by all participants.

Risk

Remuneration arrangements should ensure that reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated

The proposed Policy has been designed to discourage inappropriate risk-taking through a weighting of incentive pay towards long-term incentives, the balance between financial and non-financial measures in the annual bonus, the requirement for bonus deferral, recovery provisions, and shareholding requirements both during and post-employment. The Committee, therefore, believes that the performance targets in place for the incentive schemes provide appropriate rewards for stretching levels of performance without driving behaviour that is inconsistent with the Company's risk profile. In addition, to avoid conflicts of interest, Committee members are required to disclose any conflicts or potential conflicts ahead of Committee meetings.

Predictability

The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the Policy

The Annual Report on Remuneration clearly sets out how the current Policy has been applied during the year, as well as the Committee's intentions for the following reporting year. This is put to a shareholder vote at each Annual General Meeting of the Company. Elements of the Policy are subject to caps and dilution limits. Examples of how remuneration varies, depending on performance, are set out in the scenario charts. Any incentive payout is ultimately at the discretion of the Committee.

Proportionality

Remuneration arrangements should ensure that the link between individual awards, the delivery of strategy and the long-term performance of the Company is clear. Outcomes should not reward poor performance

There is an equal balance between short-term and long-term incentives, and performance conditions include both financial and non-financial targets linked to strategy. A proportion of the annual bonus payable to Executive Directors is required to be deferred into shares, further aligning short-term incentives with long-term performance. All incentive targets are set to be stretching and incentivising. The Committee has discretion to override formulaic outcomes to ensure that they are appropriate and reflective of overall performance.

Alignment to culture

Incentive schemes should drive behaviours consistent with Company purpose, behaviours and strategy

Variable incentive schemes, performance measures and underpins are designed to be consistent with the Company's purpose, established behaviours and strategy. Our performance metrics include sustainability-related targets in our Long-Term Incentive Plan, which reflects the increasing importance of sustainability within our future strategy, rewarding for supporting the Company's growth-focused, sustainability-centric culture. The Sharesave Plan is in place for all eligible employees across the Group (in the UK and overseas), to encourage them to become shareholders and have a share in our future growth.

A summary of the Executive Directors' Remuneration Policy

Fixed Pay	
Base Salary	
Purpose and link to strategy	To appropriately recognise skills, experience and responsibilities and attract and retain talent by ensuring salaries are market competitive.
Operation	Generally reviewed annually with any increase normally taking effect from 1 January, although the Committee may award increases at other times of the year if it considers it appropriate. The review takes into consideration a number of factors, including (but not limited to): – The individual Director's role, experience and performance; – Business performance; – Market data for comparable roles in appropriate pay comparators; and – Pay and conditions elsewhere in the Group.
Maximum opportunity	No absolute maximum has been set for Executive Director base salaries. Current Executive Director salaries are set out in the Annual Report on Remuneration section of this Remuneration Report. Any annual increase in salaries is at the discretion of the Committee, taking into account the factors stated in this table and the following principles: – Salaries would typically be increased at a rate consistent with the average salary increase for UK employees. – Larger increases may be considered appropriate in certain circumstances (including, but not limited to, a change in an individual's responsibilities or in the scale of their role, or in the size and complexity of the Group). – Larger increases may also be considered appropriate if a Director has been initially appointed to their position on the Board at a lower than typical salary.
Performance conditions and provisions for recovery of sums paid[1]	No performance conditions. Recovery and withholding provisions do not apply.
Benefits	
Purpose and link to strategy	To provide market-competitive benefits as part of a competitive package to assist with recruitment and retention.
Operation	Benefits include a company car (or car allowance), other allowances (e.g. support with tax filing and business travel), income protection insurance, private family medical insurance, permanent health insurance and life assurance of four times annual salary. The Committee has discretion to add to or remove benefits provided to Executive Directors. Executive Directors are entitled to reimbursement of reasonable expenses. Executive Directors also have the benefit of a qualifying third-party indemnity from the Company as well as Directors' and Officers' liability insurance.
Maximum opportunity	There is no overall maximum as the level of benefits depends on the annual cost of providing individual items in the relevant local market and the individual's specific role.
Performance conditions and provisions for recovery of sums paid[1]	No performance conditions. Recovery and withholding provisions do not apply.

Remuneration Policy continued

Pension	
Purpose and link to strategy	To provide market-competitive retirement benefits.
Operation	Current policy is for the Company to contribute to the Group Pension Plan, a personal pension scheme and/or provide a cash allowance in lieu of pension.
Maximum opportunity	Executive Directors receive a pension-related contribution in line with the average contribution available to the wider workforce (currently 5% of salary).
Performance conditions and provisions for recovery of sums paid[1]	No performance conditions. Recovery and withholding provisions do not apply.
Variable Pay	
Annual Bonus[2,3]	
Purpose and link to strategy	To link reward to key financial and operational targets for the forthcoming year. Additional alignment with shareholders' interests through the operation of bonus deferral.
Operation	The Executive Directors are participants in the annual bonus plan, which is reviewed annually to ensure that bonus opportunity, performance measures and targets are appropriate and supportive of the business plan. No more than two thirds of an Executive Director's annual bonus is delivered in cash following the release of audited results and the remaining amount is deferred into an award over Company shares under the Deferred Share Bonus Plan. – Deferred awards are usually granted in the form of conditional share awards or nil-cost options (and may also be settled in cash). – Deferred awards usually vest in two equal tranches two and three years from grant although may vest early on leaving employment or on a change of control (see later sections). – An additional payment (in the form of cash or shares) may be made in respect of shares which vest under deferred awards to reflect the value of dividends that would have been paid on those shares during the vesting period (this payment may assume that dividends had been reinvested in Company shares on a cumulative basis).
Maximum opportunity	The maximum award that can be made to an Executive Director under the annual bonus plan is 150% of salary for the Chief Executive Officer and 125% of salary for other Executive Directors.
Performance conditions and provisions for recovery of sums paid[1]	The bonus is normally based on performance assessed over one year using appropriate financial, strategic and operational performance measures. The majority of the bonus will be determined by measures of Group financial performance. A sliding scale of targets is set for each Group financial measure with payout at no more than 25% for threshold financial performance, increasing to 100% for maximum performance. The remainder of the bonus will be based on financial, strategic or operational measures appropriate to the individual Executive Director. Details of the bonus measures operating each year will be included in the relevant Annual Report on Remuneration. The Remuneration Committee has discretion, where it believes it to be appropriate, to override the formulaic outcome arising from the annual bonus plan. Any bonus payout is ultimately at the discretion of the Committee. Malus/clawback provisions apply. Cash bonus will be subject to recovery and/or deferred shares will be subject to withholding at the Committee's discretion in exceptional circumstances where, within three years of the bonus determination or before the vesting of each tranche of deferred shares, a material misstatement or miscalculation comes to light which resulted in an overpayment under the annual bonus plan, or if evidence comes to light of material misconduct by an individual or a material health and safety breach or actions that subsequently gave rise to serious reputational damage or insolvency.

Long-Term Incentive Plan (LTIP)[3,4]	
Purpose and link to strategy	To link reward to key strategic and business targets for the longer term and to align Executive Directors' interests with shareholders' interests.
Operation	Awards are usually granted annually under the LTIP to selected senior executives. Individual award levels and performance conditions on which vesting will be dependent are reviewed annually by the Committee. Awards may be granted as conditional awards of shares, nil-cost options or, if appropriate, as cash-settled equivalents. Awards normally vest or become exercisable at the end of a period of at least three years following grant although may vest early on leaving employment or on a change of control (see later sections). Awards to Executive Directors that vest are subject to a two-year holding period (other than in exceptional circumstances such as death). An additional payment (in the form of cash or shares) may be made in respect of shares which vest under LTIP awards to reflect the value of dividends that would have been paid on those shares during the vesting period (this payment may assume that dividends had been reinvested in Company shares on a cumulative basis).
Maximum opportunity	The normal maximum annual award permitted under the LTIP is shares with a market value (as determined by the Committee) of 200% of salary. In exceptional circumstances, awards can be granted up to 250% of salary with the intention being to provide greater flexibility in recruitment situations where there is a need to buy out forfeited awards. Each year the Committee determines the actual award level for individual senior executives within these limits.
Performance conditions and provisions for recovery of sums paid[1]	All LTIP awards granted to Executive Directors must be subject to a performance condition. Vesting of Executive Directors' LTIP awards would be dependent on measures which could include Group earnings, return on capital employed, cash conversion, total shareholder return and sustainability, with the precise measures and weighting of the measures determined by the Committee ahead of each award. Performance will usually be measured over a performance period of at least three years. For achieving a 'threshold' level of performance against a performance measure, no more than 25% of the portion of the LTIP award determined by that measure will vest. Vesting then increases on a sliding scale to 100% for achieving a maximum performance target. Vesting outcomes may also be subject to a performance modifier, which may increase or reduce the vesting outcome by up to one third. The maximum opportunities noted above are inclusive of the operation of any modifier. The Remuneration Committee has discretion, where it believes it to be appropriate, to override the formulaic outcome arising from the LTIP. Malus and clawback provisions apply. LTIP awards may be subject to withholding or recovery at the Committee's discretion in exceptional circumstances where, before the later of the vesting of an award and the second anniversary of the end of the performance period, a material misstatement or miscalculation comes to light, or evidence comes to light that during that performance period there was material misconduct by an individual, or a material health and safety breach or actions that subsequently gave rise to serious reputational damage or insolvency.

Remuneration Policy continued

Sharesave Plan[3]	
Purpose and link to strategy	To create staff alignment with the Group and promote a sense of ownership.
Operation	UK tax-approved monthly savings scheme facilitating the purchase of shares through share options at a discounted exercise price by all eligible employees. Executive Directors are eligible to participate on the same basis as other UK employees.
Maximum opportunity	Monthly savings limit of £500 (or such other limit as may be approved from time to time by HMRC) under all savings contracts held by an individual.
Performance conditions and provisions for recovery of sums paid	The Sharesave Plan is structured in accordance with HMRC requirements so has no performance conditions but requires participants to make regular contributions under a savings contract. Recovery and withholding provisions do not apply.
Share Ownership Guidelines	
Purpose and link to strategy	To create alignment between the long-term interests of Executive Directors and shareholders.
Operation	Executive Directors are required to build and maintain a shareholding as a percentage of salary in the form of shares in the Company. Executive Directors are expected to achieve the shareholding requirement within five years of an individual becoming subject to the requirement.
Maximum opportunity	Any Executive Director in employment is expected to achieve a shareholding with a value of 200% of salary. Any Executive Director leaving the Company will be expected to retain the lower of the shares held at cessation of employment and shares to the value of 200% of salary for a period of two years.
Performance conditions and provisions for recovery of sums paid	Not applicable.

Notes to table:

1. The Committee may amend or substitute any performance condition(s) if one or more events occur which cause it to determine that an amended or substituted performance condition would be more appropriate, provided that any such amended or substituted performance condition would not be materially less difficult to satisfy than the original condition (in its opinion). The Committee may also adjust the calculation of performance targets and vesting outcomes (for instance for material acquisitions, disposals or investments and events not foreseen at the time the targets were set) to ensure they remain a fair reflection of performance over the relevant period. In the event that the Committee was to make an adjustment of this sort, a full explanation would be provided in the next Directors' Remuneration Report.
2. Performance measures – annual bonus. The annual bonus measures are reviewed annually and chosen to focus executive rewards on delivery of key financial targets for the forthcoming year as well as key strategic or operational goals relevant to an individual. Specific targets for bonus measures are set at the start of each year by the Committee based on a range of relevant reference points, including, for Group financial targets, the Group's business plan and are designed to be appropriately stretching.
3. The Committee may: (a) in the event of a variation of the Company's share capital, demerger, special dividend or dividend in specie or any other corporate event which it reasonably determines justifies such an adjustment, adjust; and (b) amend the terms of awards granted under the share schemes referred to above in accordance with the rules of the relevant plans. Share awards may be settled by the issue of new shares or by the transfer of existing shares. In line with prevailing best practice at the time this Remuneration Policy was approved, any issuance of new shares is limited to 5% of share capital over a rolling ten-year period in relation to discretionary employee share schemes and 10% of share capital over a rolling ten-year period in relation to all-employee share schemes.
4. Performance measures – LTIP. The LTIP performance measures will be chosen to provide alignment with our longer-term strategy of growing the business in a sustainable manner that will be in the best interests of shareholders and other key stakeholders in the Company. Use of earnings and cash conversion measures reward management for delivery of key financial measures of Company success that should result in sustainable value creation. Use of a total shareholder return measure aligns management's interests with the interests of our shareholders. Use of sustainability measures aligns management with the Company's long-term commitment to building a sustainable operating business. Targets are considered ahead of each grant of LTIP awards by the Committee, taking into account relevant external and internal reference points and are designed to be appropriately stretching.

Other notes:

- The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed: (i) before the Policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder approved remuneration policy in force at the time they were agreed; or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.
- The Committee may make minor amendments to the Policy for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation, without obtaining shareholder approval for that amendment.
- All historical awards that were granted under any current or previous share schemes operated by the Company and remain outstanding remain eligible to vest based on their original award terms.

Non-Executive Director (NED) fees	
Purpose and link to strategy	To appropriately recognise responsibilities, skills and experience by ensuring fees are market competitive.
Operation	NED fees comprise payment of an annual basic fee and additional fees for further Board responsibilities such as: – Senior Independent Director – Chair of Audit Committee – Chair of Remuneration Committee – Employee Engagement NED The Chair of the Board receives an all-inclusive fee. No NED participates in the Group's incentive arrangements or pension plan or receives any other benefits other than where travel to the Company's registered office is recognised as a taxable benefit in which case a NED may receive the grossed-up costs of travel as a benefit. NEDs are entitled to reimbursement of reasonable expenses. Fees are reviewed annually. NEDs also have the benefit of a qualifying third-party indemnity from the Company as well as Directors' and Officers' liability insurance.
Maximum opportunity	Fees are set at an appropriate level that is market competitive and reflective of the responsibilities and time commitment associated with specific roles. No absolute maximum has been set for individual NED fees. Current fee levels are set out in the Annual Report on Remuneration section of this Remuneration Report. The Company's Articles of Association provide that the total aggregate fees paid to the Chair and NEDs will not exceed £2,000,000 per annum.

Remuneration Policy continued

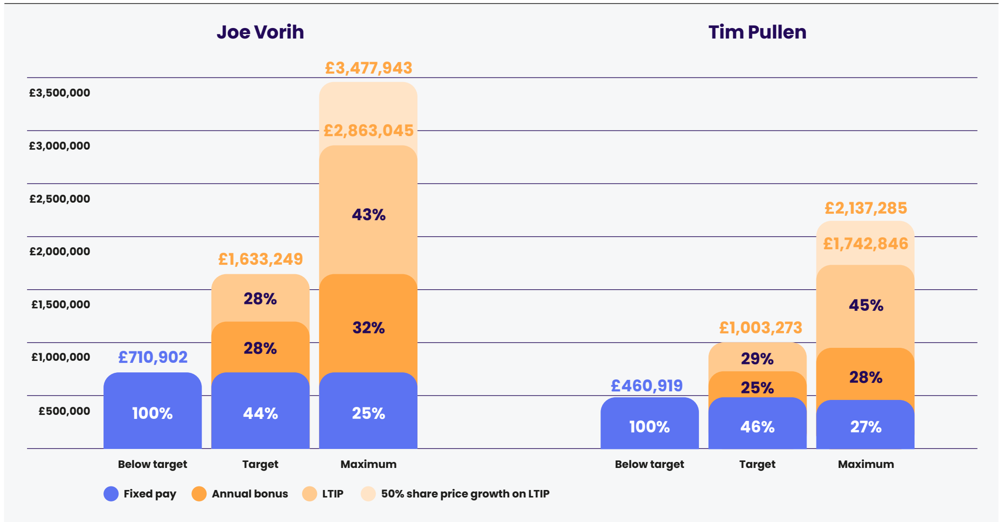
Illustrations of application of the Policy

The 'Implementation of Remuneration Policy in 2025' section of the Annual Report on Remuneration details how the Committee intends to implement the Policy during 2025.

The charts to the right illustrate, in three assumed performance scenarios, the total value of the remuneration package potentially receivable by Joe Vorih and Tim Pullen in relation to 2025. This comprises salary and benefits, plus an annual bonus of up to a maximum of 150% of salary for Joe Vorih, and 125% of salary for Tim Pullen, and an LTIP award of 150% of salary for Joe Vorih and Tim Pullen.

The charts are for illustrative purposes only and actual outcomes may differ from that shown. LTIP awards have been shown at face value and also allowing for a 50% increase in share price under the maximum performance scenario. All-employee share plans have been excluded.

Assumed performance	Assumptions used
All performance scenarios (Fixed Pay) **Consists of total fixed pay, including base salary, benefits and pension**	– Base salary – salary effective for 2025 – Benefits – the value of benefits received in 2024 have been included – Pension – 5% of salary
Minimum performance (Variable Pay)	– No payout under the annual bonus – No vesting under the LTIP
Performance in line with expectations (Variable Pay)	– 50% of the maximum payout under the annual bonus – 50% vesting under the LTIP
Maximum performance (Variable Pay)	– 100% of the maximum payout under the annual bonus – 100% vesting under the LTIP. The maximum scenario includes an additional element to represent 50% share price growth on the LTIP award from the date of grant to vesting In addition, we have assumed that relative TSR performance is at or above the upper quartile; as a result, the LTIP vesting would be increased by 33% (i.e. the vesting result will be multiplied by a factor of 1.33)



Approach to recruitment remuneration

Principles

In determining remuneration arrangements for new appointments to the Board (including internal promotions), the Committee will apply the following principles:

- The Committee will take into consideration all relevant factors, including the experience of the individual, market data and existing arrangements for other Executive Directors, with a view that any arrangements should be in the best interests of both the Company and our shareholders, without paying more than is necessary.
- Typically, the new appointment will have (or be transitioned onto) the same remuneration structure as the other Executive Directors, in line with the Policy.
- Upon appointment, the Committee may consider it appropriate to offer additional remuneration arrangements in order to secure the appointment. In particular, the Committee may consider it appropriate to 'buy out' terms or remuneration arrangements that are forfeited on leaving a previous employer (discussed below).
- The Committee may reimburse costs and provide support if the recruitment requires the relocation of the individual.
- Where an Executive Director is recruited as an internal promotion, the normal policy of the Company is that any legacy arrangements would be honoured in line with the original terms and conditions. Similarly, if an Executive Director is appointed following the Company's acquisition of or merger with another company, legacy terms and conditions would be honoured.

Components and approach
The remuneration package offered to new appointments may include any element within the Policy, or any other element which the Committee considers is appropriate, given the particular circumstances. The Committee will give due regard to the best interests of shareholders, subject to the limits on variable pay set out above in the Policy.

In considering which elements to include, and in determining the approach for all relevant elements, the Committee will take into account a number of different factors, including (but not limited to) market practice, existing arrangements for other Executive Directors and internal relativities. If appropriate, different measures and targets may be applied to a new appointee's annual bonus in their year of joining.

The Committee would seek to structure buyout and variable pay awards on recruitment to be in line with the Company's remuneration framework so far as is practical, which may include granting awards at up to 250% of salary under the LTIP to facilitate the buyout of an award.

However, if necessary, the Committee may also grant such awards outside of that framework as permitted under Listing Rule 9.3.2(R), subject to the limits on variable pay set out above. The exact terms of any such awards (e.g. the form of the award, timeframe, performance conditions and leaver provisions) would vary depending upon the specific commercial circumstances, albeit the Committee would seek to mirror the value and timeline of any awards forfeited as far as practicable in constructing any buyout award.

Maximum level of variable pay
The normal maximum level of variable remuneration which may be granted to new Executive Directors in respect of recruitment shall be limited to the normal maximum permitted under the Policy, namely, 350% of their annual salary.

This limit excludes any payments or awards that may be made to buy out the Executive Director for terms, awards or other compensation forfeited from their previous employer (as discussed below).

Buyouts
To facilitate recruitment, the Committee may make a one-off award to buy out compensation arrangements forfeited on leaving a previous employer. In doing so, the Committee will take account of all relevant factors, including any performance conditions attached to incentive awards, the likelihood of those conditions being met, the proportion of the vesting/performance period remaining, and the form of the award (e.g. cash or shares). The overriding principle will be that any buyout award should be of comparable commercial value to the compensation which has been forfeited. However, such buyout awards would only be considered where there is a strong commercial rationale to do so.

Recruitment of Non-Executive Directors
In the event of the appointment of a new Non-Executive Director, remuneration arrangements will normally be in line with the Policy for Non-Executive Directors. However, the Committee (or the Board, as appropriate) may include any element within the Policy, or any other element which the Committee considers is appropriate given the particular circumstances, with due regard to the best interests of shareholders. In particular, if the Chair or a Non-Executive Director takes on an executive function on a short-term basis, they would be able to receive any of the standard elements of Executive Director pay.

Provision	Policy
Notice period	Executive Directors – 12 months' notice by either the Company or the Executive Director
	Non-Executive Directors – at the Company's discretion, Non-Executive Directors may have a notice period of up to three months
Termination payment	Following the serving of notice by either party, the Company may terminate employment of an Executive Director with immediate effect by paying a sum equal to salary, benefits and pension, with the payment subject to appropriate phasing and mitigation. Executive Directors are not contractually entitled to any bonus for the period of service in the year in which their employment ends
	Non-Executive Directors are only entitled to receive any fee accruing in respect of the period up to termination
Expiry date	Executive Directors have rolling 12-month notice periods so have no fixed expiry date
	Non-Executive Directors' letters of appointment have no fixed expiry date

Remuneration Policy continued

In accordance with the Code, each Director will retire annually and put themselves forward for election or re-election at each AGM of the Company.

All Executive Directors' service agreements and Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office at 4 Victoria Place, Holbeck, Leeds, LS11 5AE.

In the table below, we have set out details of the service agreements for the Executive Directors and letters of appointment for the Non-Executive Directors.

Executive Directors	Date of appointment	Date of current agreement/letter of appointment	Notice from the Company and individual	Unexpired period of service agreement
Joe Vorih	28 February 2022	28 February 2022	12 months	Rolling contract
Tim Pullen	1 November 2023	8 November 2023	12 months	Rolling contract
Non-Executive Directors				
Kevin Boyd	22 September 2020	1 November 2022	3 months	3 months
Lisa Scenna	24 September 2019	10 September 2019	1 month	1 month
Louise Brooke-Smith	24 September 2019	10 September 2019	1 month	1 month
Shatish Dasani	1 March 2023	24 February 2023	1 month	1 month
Bronagh Kennedy	3 July 2023	6 June 2023	1 month	1 month

Policy on payment for loss of office

In relation to payments under non-contractual incentive schemes, the Committee would take the following factors into account:

Annual Bonus

– The Committee may determine that the Executive Director is eligible to receive a bonus in respect of the financial year in which they cease employment. This bonus would usually be time apportioned and may be settled wholly in cash. In determining the level of bonus to be paid, the Committee may, at its discretion, take into account performance up to the date of cessation or over the financial year as a whole, based on appropriate performance measures as determined by the Committee. The treatment of outstanding share awards is governed by the relevant share plan rules, as summarised below.

Deferred Share Bonus Plan

– On cessation of employment, unvested shares will vest immediately or at their normal vesting date at the discretion of the Committee.

– On a change of control, unvested shares will vest in full.

– If other corporate events occur, such as a demerger, delisting, special dividend, voluntary winding-up or other event which, in the opinion of the Committee, may affect the current or future value of shares, the Committee will determine whether unvested shares should vest.

LTIP

– On cessation of employment, unvested awards will lapse unless cessation is as a result of death, ill health, injury, disability, transfer of employing company or business to which an individual's employment relates out of the Group, or any other scenario in which the Committee determines at its discretion that good leaver treatment is appropriate (other than circumstances justifying summary dismissal). In these scenarios, unvested awards will usually continue until the normal vesting date, unless the Committee determines that the award should vest earlier, and will vest to an extent that takes into account the performance conditions assessed at the date of vesting and, unless the Committee determines otherwise, to an extent that takes into account the period of time between grant of the award and cessation of employment.

– On a change of control, unvested LTIP awards will vest immediately to an extent that takes into account the performance conditions assessed at the change of control and, unless the Committee determines otherwise, to an extent that takes into account the period of time between grant of the award and the change of control. If other corporate events occur, such as a demerger, delisting, special dividend, voluntary winding-up or other event which in the opinion of the Committee, may affect the current or future value of shares, the Committee will determine whether unvested LTIP awards should vest. If they do vest, they will vest immediately to an extent that takes into account the performance conditions assessed at the date of the event and, unless the Committee determines otherwise, to an extent that takes into account the period of time between grant of the award and the date of the event.

Sharesave Plan
Options become exercisable immediately on death, ceasing employment due to injury, disability, retirement, redundancy, sale of the employing company or business to which an individual's employment relates out of the Group, or on a change of control/voluntary winding-up of the Company.

The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation), or by way of a compromise or settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payments may include, but are not limited to, paying any fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with their cessation of office or employment.

Consideration of employment conditions elsewhere in the Group

The Committee appreciates the importance of effective engagement with the wider workforce and so has a nominated Non-Executive Director responsible for employee engagement. Louise Brooke-Smith has held this role since June 2020 and has engaged regularly with employees during the course of the year through a structured employee engagement programme across the Group, which includes, where appropriate, engagement with employees on how executive remuneration aligns with the wider Company pay policy. This engagement involved various employees at different Company sites, as well as virtually for employees based overseas, and covered a wide variety of topics. Louise reported regularly to the Committee and confirmed that there were no concerns raised regarding the alignment between executive remuneration and wider workforce pay. In addition, feedback relating to remuneration from the employee engagement survey carried out in 2024 was shared with the Committee, as well as the action plans in place in each business in relation to the feedback. Further details on some of the activities Louise has undertaken during the year can be found in the Corporate Governance Report on pages 96 to 98.

In addition, as part of our Diversity and Inclusion initiatives, engagement sessions held on International Women's Day during 2023, in which the Committee Chair participated, provided valuable feedback from employees, and updates to our maternity and paternity policies were implemented during 2024 as a result. To increase awareness of the Committee, a video has been created, hosted by the CEO and Committee Chair, to outline the purpose of the Committee and how it assists the Group in ensuring that an appropriate remuneration framework is in place to support its growth strategy in the context of the Board and wider workforce. To acknowledge and reward employees outside of the senior management team for their contribution, CEO awards have been introduced, allowing the Executive Management Team to nominate employees who they believe have excelled in their contribution to receive nil-cost options, which vest two years from grant (subject to continued employment) with no performance conditions attached. This reward and recognition scheme allows employees to feel valued and appreciated by the Group, incentivising other employees to achieve the same standard.

The Committee is committed to reviewing workforce remuneration and related policies on an annual basis, and is conscious of the importance of ensuring that its pay decisions for Executive Directors and the senior management team are regarded as fair and reasonable within the Group.

As outlined in the Policy table, pay and conditions across the Group are one of the specific considerations taken into account when the Committee is considering changes in salaries for the Executive Directors and the senior management team.

Annual Report on Remuneration

Remuneration Committee Report

The Annual Report on Remuneration describes how the Directors' Remuneration Policy, approved by shareholders at the Annual General Meeting in May 2024 (the Policy), has been applied in the financial year ended 31 December 2024. This Annual Report on Remuneration will be put to an advisory shareholder vote at the Annual General Meeting (AGM) on 19 May 2025.

Role of the Committee

The role of the Committee is to determine all aspects of Executive Director pay, ensuring that the remuneration framework both attracts and retains leaders who are appropriately incentivised to deliver the Group's strategy, aligning with the interests of members and promoting the long-term success of the Company for the benefit of its stakeholders as a whole. The Committee also reviews workforce remuneration and related policies and ensures alignment of its rewards with culture.

It also monitors pay arrangements for other senior executives and oversees the operation of all share plans.

Details about the role of the Committee are set out in its Terms of Reference, which are reviewed annually and were last updated in October 2024. These can be found on the Company's website.

Committee membership and meetings

The Committee comprises all of the Non-Executive Directors, all of whom are considered to be independent, and their attendance at meetings during the year is set out on page 87. Lisa Scenna is Chair of the Committee and along with all other members of the Committee, Lisa attended all five meetings held during the year.

The CEO, Joe Vorih, was also present at those meetings during 2024 by invitation, albeit he was not involved in any discussions in relation to his own remuneration. Tim Pullen also attended certain Committee meetings during the year but was also not involved in any discussions in relation to his own remuneration.

The Committee typically meets at least four times a year and thereafter as required and, in 2024, the Committee met five times.

External advisers

Korn Ferry have been advisers to the Committee on executive remuneration matters since January 2020. During the year, the Committee received advice from Korn Ferry on market practice and key areas of investor focus, market updates and assistance with performance monitoring and benchmarking, as well as advice and support in relation to the implementation of the Policy. Korn Ferry also provided other human capital-related services to the Group during the year, but these services were carried out by a team separate to the remuneration advisory team, with an effective separation between the Committee advisory team and the wider Korn Ferry teams. As a result, the Committee was satisfied that the advice provided by Korn Ferry was objective and independent, having also noted their commitment to the Code of Conduct. During the year, the fees (charged on a time plus expenses basis) paid to Korn Ferry were £47,451 (2023: £80,000). Korn Ferry is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK.

Unaudited information

Implementation of Remuneration Policy in 2025

The section below sets out the implementation of the Remuneration Policy in 2025. There are no material changes to its implementation.

Base annual salary

Executive Directors' salaries were increased by 3% with effect from 1 January 2025. This was aligned with the budgeted rate of increase for employees across the Group for 2025.

	Salary 1 January 2025	Salary 1 January 2024	% increase
Joe Vorih (CEO)	£614,898	£596,988	3.0%
Tim Pullen (CFO)	£394,439	£382,950	3.0%

Pension and Benefits

In line with the Policy, Joe Vorih and Tim Pullen will receive a pension contribution of 5% of annual salary during 2025, which is in line with the wider workforce. The Executive Directors' benefits are as per the Remuneration Policy.

Annual Bonus

The annual bonus plan for 2025 will be operated in accordance with the Policy.

Key features of the plan for 2025 are as follows:

– There will be a maximum bonus opportunity of 150% of annual salary for Joe Vorih and 125% of annual salary for Tim Pullen.

– 33% of any bonus earned will be deferred into shares under the Deferred Share Bonus Plan (DSBP). Half of these shares will vest two years from the date of grant and the remaining half will vest three years from the date of grant.

– In the event that a material misstatement or miscalculation subsequently comes to light that resulted in an overpayment under the annual bonus plan, or if evidence comes to light of material misconduct by an individual, a material health and safety breach or actions that subsequently gave rise to serious reputational damage or insolvency, then the Committee has the flexibility to withhold the value of shares granted under the DSBP and/or to require repayment of an appropriate portion of the annual bonus cash award in respect of the relevant bonus year.

– The Remuneration Committee has discretion, where it believes it to be appropriate, to override the formulaic outcome arising from the annual bonus plan.

Following a review by the Committee, Executive Director bonuses for 2025 will remain subject to a challenging underlying EBIT target (40%), an underlying EBIT margin percentage target (25%), an operating cash flow conversion target (15%) and structured strategic targets relating to growth (20%). The plan will also be subject to a health and safety and a compliance override, in relation to which the Committee shall have discretion to reduce payouts in certain circumstances. It is intended that these objectives will then cascade down through the senior management team, to continue to drive the right behaviours across the Group and to ensure that the Executive Directors and senior management teams have incentives that are aligned. These performance metrics and weightings will be reviewed for ongoing suitability at the end of 2025.

The targets for these performance measures in relation to FY 2025 are deemed to be commercially sensitive. However, retrospective disclosure of the targets and performance against them will be provided in next year's Remuneration Report to the extent that they do not remain commercially sensitive at that time.

Long-Term Incentive Plan (LTIP)

Executive Directors will receive awards under the LTIP during 2025. As at the time of preparing this Remuneration Report, the Committee's intention is to grant the awards on the basis described below. Should there be any change to the approach set out below, this would be detailed in the Stock Exchange announcement made at the time of granting the awards and detailed in next year's Remuneration Report.

– With regard to the quantum of FY 2025 awards, the Committee intends to make awards at 150% of salary to the Executive Directors.

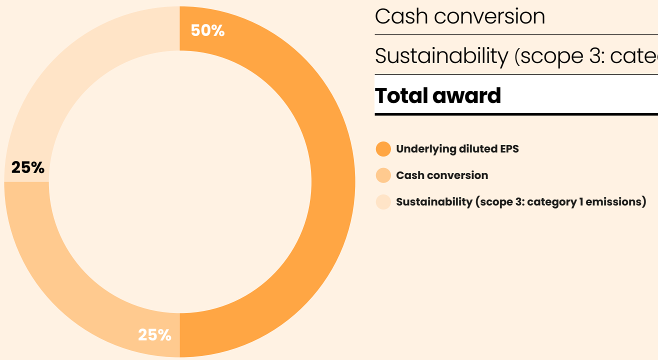
– Subject to achievement of the performance targets, awards will become exercisable three years after grant.

– In the event that a material misstatement or miscalculation subsequently comes to light that results in too high a level of vesting under the LTIP, or if evidence comes to light of material misconduct by an individual, a material health and safety breach or actions that subsequently gave rise to serious reputational damage or insolvency, then the Committee has the flexibility to withhold or recover the value of shares granted under the LTIP.

– The Remuneration Committee has discretion, where it believes it to be appropriate, to override the formulaic outcome arising from the LTIP.

– Awards granted to Executive Directors will be subject to a two-year post-vesting holding requirement.

– Awards will be subject to a combination of underlying diluted EPS, cash conversion and sustainability targets, assessed over a three-year performance period as detailed below, with a TSR modifier applying to the vesting result at the end of the performance period, which will have the ability to increase total vesting by a further 33% or reduce total vesting by 33%.



Underlying diluted EPS	50.00%
Cash conversion	25.00%
Sustainability (scope 3: category 1 emissions)	25.00%
Total award	**100%**

Underlying diluted earnings per share (EPS) (50% of the award)

The EPS targets have been set with reference to FY 2027 EPS.

The targets have been set with reference to both internal and external expectations for the Company's performance, allowing for current market conditions and the Group's corporate tax rate. The Committee retains discretion in line with the Policy when testing targets (e.g. in the event of material M&A, divestments, etc.). Any use of discretion to restate targets would ensure that the targets were no more or less challenging than when originally set, but for the relevant event. The range of targets to apply is as follows:

Underlying Diluted Earnings per Share for the period ending 31 December 2027	Vesting (% of this element of the award)
Below 28p (equivalent to a 4.8% p.a. growth from FY 2024 EPS)	0%
28p (equivalent to a 4.8% p.a. growth from FY 2024 EPS)	25%
33p (equivalent to a 10.7% p.a. growth from FY 2024 EPS)	100%

Straight-line vesting will operate between these performance points.

Cash conversion (25% of the award)

Cash conversion is measured as an average over the three-year period ending 31 December 2027 and is calculated on an underlying basis, defined as operating cash flow excluding non-underlying items and capital expenditure and payment of lease liabilities relative to EBITDA. This definition of cash conversion has been set so that it does not impact the timing of investment decisions, or act as a disincentive to invest, with the basis of setting the target range consistent with the assumptions used in our medium-term published targets.

Cash conversion	Vesting (% of this element of the award)
Below 90%	0%
90%	25%
95% or above	100%

Straight-line vesting will operate between these performance points.

Sustainability Target (25% of the award)

Sustainability targets align with the key elements of the Group's Sustainable Solutions for Growth strategy and its science-based targets (SBTs). This sustainability target directly aligns with the Group's SBTs.

Consistent with our SBT covering scope 3: category 1 emissions, we will target an intensity output improvement over the three-year period ending 31 December 2027. The target has been set to be a stretch target, with the 2024 baseline being 2.000tCO_2e/t and the range of the targeted reduction being consistent with our SBT planning.

Scope 3: category 1 emissions – FY 2027 intensity output	Vesting (% of this element of the award)
Above 1.712tCO_2e/t	0%
1.712tCO_2e/t	25%
1.517tCO_2e/t or below	100%

Straight-line vesting will operate between these performance points.

TSR modifier – applicable to vesting outcome

Once vesting is determined based on performance against the above metrics, a TSR modifier will be applied to the vesting result. This will have the ability to increase total vesting by a further 33% or reduce total vesting by 33%. TSR will continue to be measured against FTSE 250 Industrials and the modifier will be applied as follows:

- TSR at or below lower quartile: the vesting result based on EPS, cash conversion and sustainability performance is reduced by 33% (i.e. the vesting result will be multiplied by a factor of 0.67).
- TSR at or above upper quartile: the vesting result is increased by 33% (i.e. the vesting result will be multiplied by a factor of 1.33).
- TSR between performance points: the vesting result is adjusted on a straight-line basis, using a TSR performance factor of between 0.67 and 1.33.

As a result, the maximum opportunity under the LTIP may be increased to 200% of salary (based on a 150% of salary award and if all performance targets and the modifier are achieved in full using the original grant price of shares awarded).

Summary

The range of targets for the 2025 LTIP awards have been set to be similarly challenging to those set in prior years. The targets were set with reference to both internal plans and external market expectations for future performance, both of which were influenced by market conditions such as current rates of inflation and interest rates. The Committee retains discretion to adjust vesting outcomes (e.g. if EPS vesting outcomes are impacted by relevant events such as material M&A or divestments, etc.). Any discretion applied by the Committee would be used to ensure that the performance targets fulfil their original intent and were not more or less challenging than intended when set, but for the relevant events in the performance period. Furthermore, as set out in the Policy, awards are granted subject to malus and clawback provisions.

Sharesave Plan

Invitations to employees (including Executive Directors) to participate in the Sharesave Plan have been issued annually and were issued to all eligible Group employees in 2024. The Board is proposing to continue to issue invitations to join the Sharesave Plan on an annual basis, and all eligible employees will, therefore, be invited to join the Sharesave Plan in 2025.

Non-Executive Director remuneration

During the year, the Board Chair fee and Non-Executive Director fees were reviewed. As a result, the fees were increased by 3% in line with the budgeted rate of increase for employees across the Group for 2025. The Committee intends to undertake a review of the current Board Chair fee in 2025 with regard to both the time commitment of the role and appropriate FTSE 250 data.

The table below shows the fee structure for Non-Executive Directors with effect from 1 January 2025, with comparative figures for 2024. Non-Executive Director fees are determined by the full Board, except for the fee for the Chair of the Board, which is determined by the Committee.

	2025 Fees	2024 Fees
Chair of the Board all-inclusive fee	**£214,240**	£208,000
Basic Non-Executive Director fee	**£56,774**	£55,120
Senior Independent Director additional fee	**£10,300**	£10,000
Chair of Audit Committee additional fee	**£10,300**	£10,000
Chair of Remuneration Committee additional fee	**£10,300**	£10,000
Employee engagement NED fee	**£10,300**	£10,000

Audited information

The information provided in this section of the Remuneration Report, up until the 'Unaudited information' heading on page 151, is subject to audit.

Single total figure of remuneration

The following tables set out the total remuneration for Executive Directors and Non-Executive Directors for 2024, with comparative figures for 2023.

2024

All figures shown in £'000	Salary and fees[1]	Benefits[2]	Pension[3]	Total fixed	Annual bonus[4]	LTIP[5]	Total variable	Other[6]	Total remuneration[10]
Executive Directors									
Joe Vorih	597	65	30	692	513	68	581	125	1,398
Tim Pullen	383	47	21	451	274	–	274	–	725
Non-Executive Directors									
Kevin Boyd	208	–	–	–	–	–	–	–	208
Lisa Scenna	75	–	–	–	–	–	–	–	75
Louise Brooke-Smith	65	–	–	–	–	–	–	–	65
Shatish Dasani	65	–	–	–	–	–	–	–	65
Bronagh Kennedy	55	–	–	–	–	–	–	–	55

2023

All figures shown in £'000	Salary and fees[1]	Benefits[2]	Pension[3]	Total fixed	Annual bonus[4]	LTIP[5]	Total variable	Other[6]	Total remuneration[10]
Executive Directors									
Joe Vorih	577	89	29	695	566	–	566	350	1,611
Tim Pullen[7]	123	9	6	138	99	–	99	–	237
Non-Executive Directors									
Kevin Boyd	200	–	–	–	–	–	–	–	200
Lisa Scenna	71	–	–	–	–	–	–	–	71
Louise Brooke-Smith	61	–	–	–	–	–	–	–	61
Shatish Dasani	52	–	–	–	–	–	–	–	52
Bronagh Kennedy	27	–	–	–	–	–	–	–	27

Notes to the table – methodology

1. Salary and fees – as disclosed in the 2023 Annual Report, Joe Vorih and Tim Pullen received a 3.5% salary increase with effect from 1 January 2024, which was below the average increase for the wider workforce of 4.0%. The Non-Executive Director base fee and the Chair fee was increased by 4.0%.
2. Benefits – this represents the taxable value of all benefits. Executive Directors receive benefits including car allowance, other allowances, private family medical insurance and life assurance of four times annual salary.
3. Pension – the pension provision in the form of a cash allowance for all Executive Directors is 5% of salary.
4. Annual bonus – the bonus is typically paid as 66.67% in cash and 33.33% deferred into shares under the DSBP.
5. LTIP – for 2024, this relates to the estimated value of the 2022 LTIP award, which was subject to an EPS growth target, a TSR performance target, and various sustainability targets over the three-year period ended 31 December 2024. Further details can be found on page 148. The value of the 2022 LTIP has been calculated using the Company's average share price for Q4 2024 (£4.447).
6. Other – for 2024, Joe Vorih's 2021 Spectris LTIP replacement award vested in March 2024. The value shown in the table is based on the share price on vesting of £4.19. The awards were granted at a share price of £5.38, so none of the value of the awards is attributable to share price appreciation.
   Other – for 2023, Joe Vorih's 2020 Spectris LTIP replacement award vested in March 2023. The value shown in the table is based on the share price on vesting of £2.715. The awards were granted at a share price of £5.38, so none of the value of the awards is attributable to share price appreciation.
7. Tim Pullen was appointed to the Board as Chief Financial Officer on 1 November 2023.
8. Shatish Dasani joined the Board on 1 March 2023.
9. Bronagh Kennedy joined the Board on 3 July 2023.
10. Total remuneration paid to Directors in respect of 2024 was £2,591,000 (2023: £3,278,000).

Annual Bonus

The maximum annual bonus opportunity for the Executive Directors in 2024 was as follows:

– 150% of annual salary for Joe Vorih

– 125% of annual salary for Tim Pullen

For all Executive Directors, two thirds of the bonus earned will be paid in cash and one third will be deferred into shares under the DSBP. Half of these shares will vest two years from the date of grant and half will vest three years from the date of grant. Malus and clawback provisions apply to the bonuses of both of the aforementioned Directors. The performance measures and targets that applied to the 2024 annual bonus are set out below. This reflects the same approach used to determine the bonus outcome for the senior management team.

Performance measure		Proportion of bonus determined by measure	Threshold performance	Target performance	Maximum performance	Actual performance	% of maximum of this element of the bonus payable
Group underlying EBIT	65%	EBIT margin 25%	15.6% 25% earned	16.2% 50% earned	17.8% 100% earned	16.7%	65%
		EBIT 40%	£92.7m 25% earned	£96.0m 50% earned	£105.6m 100% earned	£92.8m	25%
Operating cash flow conversion		15%	84.9% 25% earned	88.0% 50% earned	91.1% 100% earned	99.3%	100%
Strategic objectives		Strategy execution 8%	Effective deployment of growth initiatives consistent with our Sustainable Solutions for Growth strategy Meet sales growth targets for designated product pipelines Develop international growth plan consistent with the Group's ambition			Growth initiatives deployed with progress against growth plans achieved by end of 2024. Target achieved at 50% of maximum Stretch sales growth targets not achieved in challenging external environment. Target not met International growth plan approved by the Board during FY 2024 and incorporated into 2025 budget. Target met in full	50%
		Talent management 6%	85% of roles identified in categories of growth, high impact performers and future talent retained Conduct a formal assessment of performance and Trademark Behaviours for senior management			90.1% of roles retained. Target met in full All GLT members assessed as part of a phased roll-out of our performance management process. Target met in full	100%
		Pathway to Net-Zero 6%	4% reduction in scopes 1, 2 & 3: category 1 emissions versus 2023 data as submitted to SBTi			2024 reduction at 6.6% versus the maximum target of 4%. Target met in full	100%

The total bonus payable to each Executive Director based on the assessment of performance against the targets set out above is shown below:

	Total bonus payable % of maximum	Total bonus payable £'000 and % of salary
Joe Vorih	57.24%	£512,574 (85.86%)
Tim Pullen	57.24%	£274,001 (71.55%)

The Committee has confirmed that it is comfortable with the outcome of the annual bonus plan in light of the Group's financial performance in the wider macroeconomic environment and health and safety and compliance requirements over the period.

Annual Report on Remuneration continued

LTIP vesting

Joe Vorih was granted an LTIP award in April 2022 which is due to vest in April 2025. The award was subject to relative TSR performance, EPS growth and sustainability targets split into three equal components across carbon reduction targets, use of recycled plastics and The 5% Club, assessed over the three financial years ended on 31 December 2024. The vested value of the award is therefore required to be included in the 2024 single figure table.

Performance measure	Weighting	Threshold (25% of award vests)	Maximum (100% of award vests)	Actual Performance	% of part of award vesting	Vested shares	Estimated value of vested shares*
2024 underlying diluted EPS	50% of the award	31.5 pence per share	37.3 pence per share	24.3 pence per share	0%	0	£0
TSR performance relative to comparator group	25% of the award	Median	Upper quartile	Below median	0%	0	£0
Sustainability targets (25% of the award)	Carbon reduction targets 8.33% of the award	0.108 emissions intensity	0.086 emissions intensity	0.124 emissions intensity	0%	0	£0
	Use of recycled plastics 8.33% of the award	54.4% recycled materials used	62.0% recycled materials used	52.0% recycled materials used	0%	0	£0
	The 5% Club 8.33% of the award	4.2% progress towards The 5% Club	5% progress towards The 5% Club	18.5% achieved	100%	15,255	£67,839

* Estimated value based on an average share price for Q4 of 2024 (£4.447).

Total vesting under the 2022 LTIP award is 8.33% of maximum. The Committee is comfortable that the formulaic outcome of the 2022 award is appropriate and consistent with overall financial, strategic and sustainability performance across the three-year performance period.

Buyout awards vesting

As set out in the 2021 Annual Report and Accounts, Joe Vorih received buyout awards on joining the Company to compensate for awards forfeited on leaving employment at Spectris to join the Company. The final part of this CEO buyout award granted in 2022 vested in 2024, based on the proportion of the 2021 LTIP targets met. Total vesting under the 2021 LTIP award was 16.7% of maximum. Further details are set out on page 141 of the 2023 Annual Report and Accounts. This award was also subject to ongoing employment to 17 March 2024. Details of the buyout award that vested during the year is set out in the table below.

Executive	Grant date	Number of shares granted[1]	Vesting date	Vested shares[2]	Face value of the award at vesting date[3]
Joe Vorih	22 March 2022	124,683	17 March 2024	29,935 (including 9,163 dividend shares)	£125,428

1. Shares were granted in the form of deferred shares as a nil-cost option.
2. The vesting of this award was based on the proportion of the Company's 2021 LTIP vesting (16.66%).
2. Share price at the date of vesting was £4.19.

Scheme interests awarded during the financial year

LTIP awards

An award was granted under the LTIP to selected members of senior management, including the Executive Directors, in April 2024. This award is subject to the performance conditions described below and will become exercisable in April 2027.

	Type of award	Date of grant	Award as % of salary	Threshold vesting	End of performance period
Joe Vorih	Nil -cost option[1]	8 April 2024	150%	25%	31 December 2026
Tim Pullen	Nil -cost option[1]	8 April 2024	150%	25%	31 December 2026

1. In line with the 2023 awards, awards were granted as nil-cost options with an exercise date of three years from the grant date. Therefore there has been no change in exercise price or date.

Vesting of the awards is subject to satisfaction of the performance conditions set out below, measured over a three-year performance period ending 31 December 2026. Vesting is calculated on a straight-line basis.

As set out in the Remuneration Committee Chair's letter on page 128, in light of the prevailing share price at the time of grant, the Committee also agreed the inclusion of a windfall provision in relation to the 2024 awards.

Underlying Diluted Earnings per Share (EPS) (50% of the award)

The EPS targets are a range around FY 2026 EPS. Setting the targets with reference to the final year of the three-year performance period mirrors standard market practice and reduces the impact on the condition of the near-term uncertainties caused by external factors. The range of targets to apply is as follows:

Underlying Diluted Earnings per Share growth over the three-year period ending 31 December 2026	Vesting (% of this element of the award)
Below 4% p.a.	0%
4% p.a.	25%
10% p.a. or above	100%

Straight-line vesting will operate between these performance points.

Cash conversion (25% of the award)

Cash conversion is measured as an average over the three-year period to 31 December 2026 and is calculated on an underlying basis, defined as operating cash flow excluding non-underlying items and capital expenditure and payment of lease liabilities relative to EBITDA. This definition of cash conversion has been set so that it does not impact the timing of investment decisions, or act as a disincentive to invest, with the basis of setting a target range consistent with the assumptions used in our medium-term published targets. The range of targets to apply is as follows:

Cash conversion over the three-year period ending 31 December 2026	Vesting (% of this element of the award)
Below 93%	0%
93%	25%
99% or above	100%

Straight-line vesting will operate between performance points.

Sustainability Targets (25% of the award)

Sustainability targets align with the key elements of Genuit's Sustainable Solutions for Growth strategy. The 25% of the award subject to sustainability targets is split into two equal components, as follows:

Scope 3: category 1 emissions (12.5% of the award)

Consistent with our SBT covering scope 3: category 1 emissions, we targeted that the suppliers representing 83% of our carbon emissions within purchased goods and services in 2026 had SBTs in place. The target has been set to be a stretch target, with the 2023 baseline being 32% and the range of targets consistent with our SBT planning.

Scope 3: category 1 emissions (percentage of suppliers with science-based targets in place) as at 31 December 2026	Vesting (% of this element of the award)
Below 70%	0%
70%	25%
83% or above	100%

Straight-line vesting will operate between these performance points.

Annual Report on Remuneration continued

Diversity and Inclusion (12.5% of the award)

Our 2026 objective is to have 1 in 3 early careers employees (apprenticeships and graduates) to have a diverse characteristic, as set out below:

Diversity in early careers employees as at 31 December 2026	Vesting (% of this element of the award)
Below 27%	0%
27%	25%
33% or above	100%

Straight-line vesting will operate between these performance points.

The 2023 baseline from which the above targets were set is 27%. However, maintaining 27% is considered to be challenging, given the growth in early careers over the period and the need to replace those already with diverse characteristics as they grow beyond early careers status. As a result, the above range, from 27% to 33%, is challenging and consistent with our objective of increased diversity throughout the Group.

TSR modifier – applicable to vesting outcome

Once vesting is determined based on performance against the above metrics, a TSR modifier will be applied to the vesting result. This will have the ability to increase total vesting by a further 33% or reduce total vesting by 33%. TSR will be measured against FTSE 250 Industrials and the modifier will be applied as follows:

- TSR at or below lower quartile: the vesting result based on EPS, cash conversion and sustainability performance is reduced by 33% (i.e. the vesting result will be multiplied by a factor of 0.67).
- TSR at or above upper quartile: the vesting result is increased by 33% (i.e. the vesting result will be multiplied by a factor of 1.33).
- TSR between performance points: the vesting result is adjusted on a straight-line basis using a TSR performance factor of between 0.67 and 1.33.

As a result, the total LTIP opportunity can be increased to 200% of salary, as detailed below.

	Maximum award opportunity % of salary[1]	Maximum number of shares[1,2]	Maximum face value (£)[1,2]
Joe Vorih	200%	270,987	£1,190,988
Tim Pullen		173,829	£763,978

1. The number of shares is the maximum number of shares that are eligible to vest after the application of the TSR modifier, which is applied to the outcome of the performance metrics set out above.
2. The maximum number of shares that could be awarded has been calculated using the share price of £4.395 (average closing share price for 3 to 5 April 2024) and is stated before the impact of reinvestment of dividends paid since grant.

Deferred Share Bonus Plan awards

On 8 April 2024, the Executive Directors received an award of shares under the Deferred Share Bonus Plan relating to the 2023 annual bonus. The value of these shares was included in the annual bonus figure in the 2023 single total figure of remuneration. No further performance conditions apply to these shares.

	Type of award	Maximum number of shares	Face value (£)*	Vesting date
Joe Vorih	Deferred shares	42,904	£188,563	50% vests in each of April 2026 and April 2027
Tim Pullen	Deferred shares	7,477	£32,861	

* The award was made in the form of a nil-cost option. The maximum number of shares awarded was calculated using the average closing share price for the three dealing days prior to grant of £4.395.

Payments for loss of office

There were no payments for loss of office in FY 2024.

Payments to past Directors

Matt Pullen and Paul James stepped down from the Board in 2023. Full details of their exit arrangements are provided in the 2023 Annual Report and Accounts. Matt Pullen's 2022 LTIP awards are due to vest in April 2025, with 8.33% of the award vesting based on performance over the period (further details on page 148). The awards will be time pro-rated, resulting in 3,055 shares vesting for Matt Pullen.

Statement of Directors' shareholdings and share interests

Executive Directors are expected to achieve the shareholding requirement of 200% of salary within five years of becoming subject to the requirement. The Committee reviews ongoing individual performance against the shareholding requirement at the end of each financial year. Joe Vorih joined the Board in February 2022 and Tim Pullen joined the Board in November 2023, and both will build up their shareholding in line with the aforementioned five-year timescale.

The number of shares held by Directors as at 31 December 2024 is set out in the table below:

	Shares owned outright[6]	Interests in share incentive schemes, subject to performance conditions	Interests in share incentive schemes, awarded without performance conditions		Vested but unexercised options
		LTIP[1,7]	DSBP[2,7]	Sharesave[3]	
Joe Vorih[4,7]	133,194 (87% of salary)	766,660	54,271	8,144	–
Tim Pullen[4]	8,750 (9% of salary)	173,829	7,476	–	–
Kevin Boyd	80,000	–	–	–	–
Lisa Scenna	14,966	–	–	–	–
Louise Brooke-Smith	–	–	–	–	–
Shatish Dasani	27,500	–	–	–	–
Bronagh Kennedy	950	–	–	–	–

Notes to the table

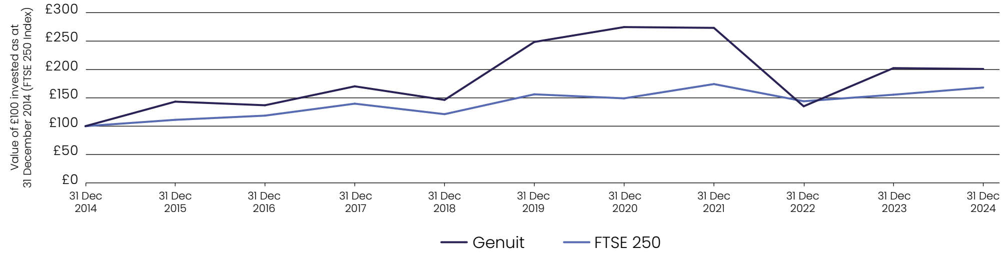
1. This relates to shares awarded under the LTIP.
2. This relates to shares awarded under the DSBP.
3. This relates to share options granted under the Sharesave Plan.
4. For the purposes of determining the value of Executive Director shareholdings for Joe Vorih and Tim Pullen, the annual salary for 2024 and the share price as at 31 December 2024 has been used (£3.895 per share).
5. During the year, Joe Vorih exercised nil-cost options relating to his 2021 Spectris replacement awards over 29,935 buyout awards, and these shares are included in the 'Shares owned outright' column. The aggregate gain for Joe Vorih in the year from the exercise of his buyout awards was £134,707.50, based on the market price on the date of exercise.
6. All shares within the 'Shares owned outright' column include those held by connected persons.
7. All outstanding LTIP and DSBP interests are in the form of nil-cost options.

Unaudited information

The information provided in this section of the Directors' Remuneration Report is not subject to audit.

Performance graph and CEO remuneration table

The chart below compares the Total Shareholder Return performance of the Company over the last 10 financial years, relative to the FTSE 250 Index. This index has been chosen because it is a recognised equity market index of which the Company is a member. The table below summarises the CEO single figure for total remuneration, annual bonus payouts and long-term incentive vesting levels as a percentage of maximum opportunity over this period.



The table below summarises the CEO single figure total remuneration, annual bonus payouts and long-term incentive vesting levels as a percentage of maximum opportunity over this period.

	2015	2016	2017[1,3]	2017[2,3]	2018[4]	2019[4]	2020[4]	2021[4]	2022[5,7]	2022[4,6]	2023[7]	**2024[4]**
CEO single figure of remuneration £'000	919	948	717	218	1,014	944	717	1,390	666	135	1,611	**1,398**
Annual bonus payout (as a % of maximum opportunity)	68.2%	69.4%	66.8%	66.8%	48.9%	24.8%	n/a	93%	13.36%	13.36%	65.38%	**57.24%**
LTIP vesting out-turn (as a % of maximum opportunity)	n/a	n/a	n/a	n/a	87.8%	54.5%	25%	25%	n/a	0%	n/a	**8.33%**

1. This reflects the remuneration received by David Hall, CEO for the period from 1 January 2017 to 1 October 2017.
2. This reflects the remuneration received by Martin Payne, who was appointed as CEO on 2 October 2017, following the retirement of David Hall.
3. The first LTIP award was granted in 2014 and so no LTIPs were due to vest between 2014 and 2017.
4. The LTIP vesting out-turn percentages show the payout as a percentage of the maximum of the LTIP award for which the three financial years over which performance is measured ends on 31 December of the year being reported on. Therefore, the 2024 figure shows the payout for the 2022 LTIP award.
5. This reflects the remuneration received by Joe Vorih, CEO from 28 February 2022.
6. This reflects the remuneration received by Martin Payne, CEO from 1 January 2022 to 28 February 2022.
7. Joe Vorih received his first grant under the LTIP in April 2022. Therefore, no LTIP awards were eligible to vest in 2022 and 2023.

Average percentage change in the remuneration of the Directors (audited)

The table below sets out the percentage change in base salary, value of taxable benefits and bonus for all the Directors compared with the average percentage change for employees.

	Average percentage change 2023/24			Average percentage change 2022/23			Average percentage change 2021/22			Average percentage change 2020/21			Average percentage change 2019/20		
	Salary/ fees	**Taxable benefits**	**Annual bonus**	Salary/ fees	Taxable benefits	Annual bonus	Salary/ fees	Taxable benefits	Annual bonus	Salary/ fees	Taxable benefits	Annual bonus	Salary/ fees	Taxable benefits	Annual bonus
Executive Directors															
Joe Vorih	**3.5%**	**-19.3%**	**-9.4%**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tim Pullen[1]	**210.5%**	**353.3%**	**176.8%**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Non-Executive Directors															
Kevin Boyd	**4.0%**	**n/a**	**n/a**	135.3%	n/a	n/a	49.1%	n/a	n/a	2.2%	n/a	n/a	n/a	n/a	n/a
Lisa Scenna[2]	**5.6%**	**n/a**	**n/a**	31.5%	n/a	n/a	10.2%	n/a	n/a	2.2%	n/a	n/a	3.0%	n/a	n/a
Shatish Dasani	**25.0%**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bronagh Kennedy[2]	**103.7%**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Louise Brooke-Smith	**6.6%**	**n/a**	**n/a**	2.2%	n/a	n/a	5.3%	n/a	n/a	2.2%	n/a	n/a	3.0%	n/a	n/a
Employee average	**4.0%**	**0%**	**54.3%**	5.7%	0%	100%	3.0%	0%	-4.4%	2.2%	0%	100%	3.0%	0%	2.4%

Notes:

1. Tim Pullen was appointed to the Board on 1 November 2023.
2. Bronagh Kennedy was appointed to the Board on 3 July 2023.

Explanations for large increases in prior years are provided in previous Annual Reports.

CEO pay ratio

The table below illustrates the ratio between CEO pay for 2024 (as shown in the single figure table on page 146) and the indicative full-time equivalent total remuneration for employees ranked at the lower quartile, median and upper quartile.

CEO pay ratio	2019	2020	2021	2022	2023	**2024**
Method	A	B	B	B	B	**B**
Upper quartile	28:1	19:1	40:1	21:1	41:1	**31:1**
Median	37:1	24:1	54:1	29:1	55:1	**40:1**
Lower quartile	44:1	29:1	65:1	36:1	61:1	**49:1**

For 2024, in line with the relevant legislation, the analysis has been completed using Option B, given the availability of data and in order that a direct comparison can be shown against last year.

Gender pay has been calculated in line with the guidance, and details can be found in the Gender Pay Gap Report published on our website.

One UK employee with the relevant annual salary was then chosen for each quartile, and the single total remuneration figure was calculated to compare to the CEO. Using gender pay data ensures that these individuals are reasonably representative of pay levels at the 25th, 50th and 75th percentile, as the single total remuneration figure for these individuals is similar to other employees with a similar annual salary. Pay has been calculated for the period 1 January 2024 to 31 December 2024.

In FY 2020, the CEO voluntarily waived 20% of salary between the months of April and August, due to the impact of the Covid-19 pandemic. In addition, the Committee made the decision not to operate the annual bonus plan for the Executive Directors in 2020. This resulted in a drop in the CEO pay ratio. As the CEO received his full salary in FY 2021, the bonus was reinstated and the LTIP vested; this resulted in a subsequent increase in the CEO pay ratio. In FY 2022, no LTIP vested and the bonuses were lower than in the prior year, resulting in a decrease in the ratio. For FY 2022, the ratio included the remuneration for Joe Vorih and Martin Payne during the periods that these individuals undertook the role of CEO. In FY 2023, the CEO received his full salary and the bonus was higher than in the prior year. In addition, Mr Vorih received buyout awards on joining the Company to compensate for awards forfeited on leaving employment at Spectris. As a result, the pay ratio increased. In FY 2024, the pay ratio decreased as certain benefits ceased during the year and the bonus was lower than in the prior year.

The ratio is considered to be within the expected range for the Company and is consistent with the pay and reward policies for our UK employees overall.

The salary and total pay for the individuals identified at the Lower quartile, Median and Upper quartile positions in 2024 are set out below:

	Salary	**Total Pay**
CEO single figure	596,988	**1,397,937**
Upper quartile	41,203	**45,720**
Median	33,525	**35,271**
Lower quartile	27,598	**28,685**

Relative importance of the spend on pay

The charts below illustrate the total expenditure on pay for all of the Group's employees compared to dividends payable to shareholders.

Employee remuneration costs £m

Dividends £m

Shareholder voting on remuneration resolutions

Details of the votes cast in relation to our remuneration resolutions in 2024 are summarised below:

	Votes for	Votes against	Votes withheld
Approval of the Remuneration Policy – 2024 AGM	215,964,006 (96.97%)	6,750,027 (3.03%)	10,729
Approval of the Annual Report on Remuneration – 2024 AGM	214,572,915 (96.34%)	8,142,118 (3.66%)	9,729

External board appointments

Executive Directors are not normally entitled to accept a Non-Executive Director appointment outside the Company without the prior approval of the Board. Following Board approval, Joe Vorih was appointed as a Non-Executive Director of Senior plc on 1 January 2024, and retains the fees from that appointment.

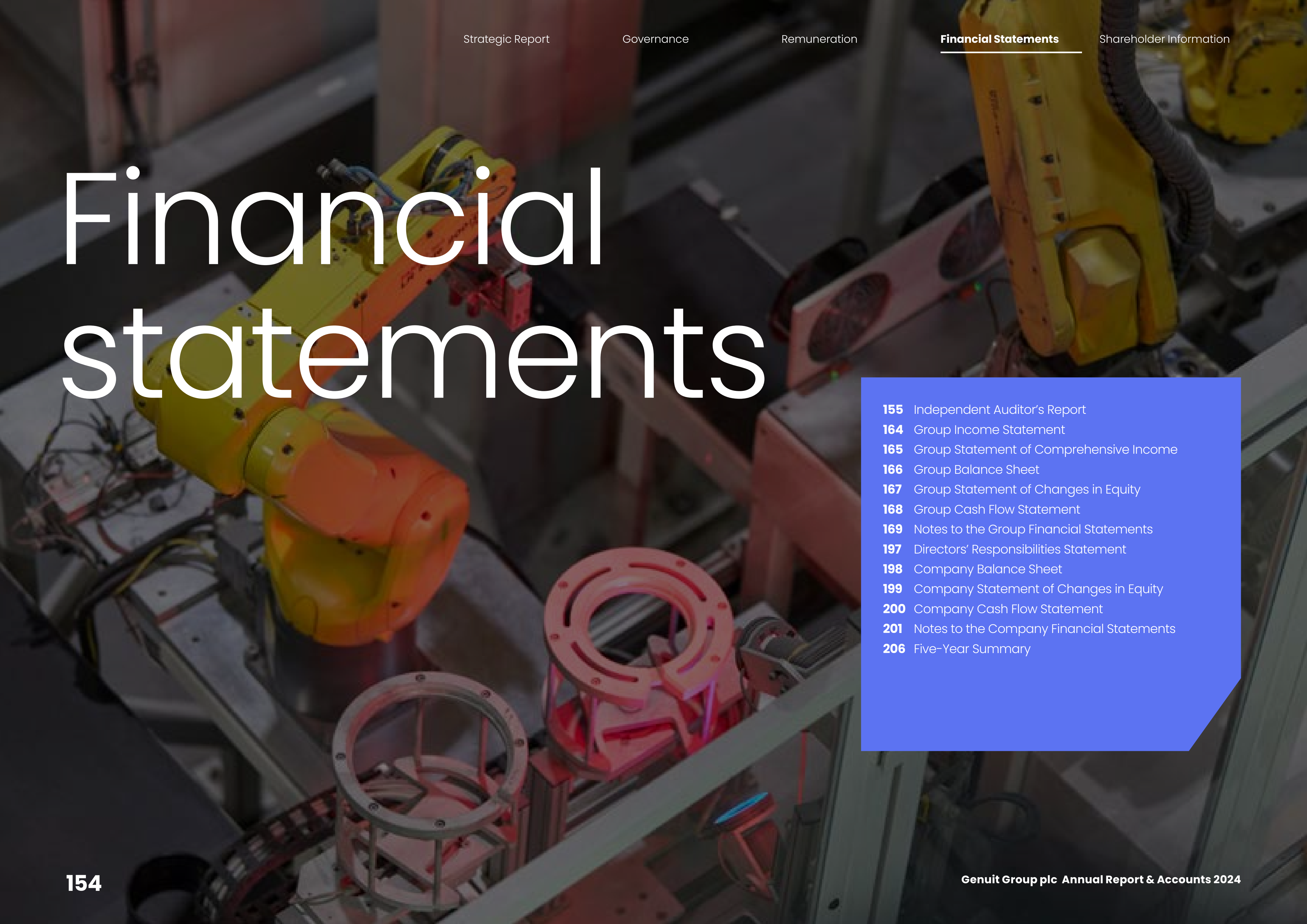
Annual General Meeting

This Annual Report on Remuneration will be subject to an advisory shareholder vote at our AGM, scheduled to be held on 19 May 2025.

By order of the Board.

Lisa Scenna
Chair of the Remuneration Committee

11 March 2025



Financial statements

Independent Auditor's Report to the Members of Genuit Group plc

Opinion

In our opinion:

– Genuit Group plc's Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;

– the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;

– the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and

– the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Genuit Group plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise:

Group	Parent Company
Group Balance Sheet as at 31 December 2024	Company Balance Sheet as at 31 December 2024
Group Income Statement for the year then ended	Company Statement of Changes in Equity for the year then ended
Group Statement of Comprehensive Income for the year then ended	Company Cash Flow Statement for the year then ended
Group Statement of Changes in Equity for the year then ended	Related notes 1 to 9 to the financial statements including material accounting policy information
Group Cash Flow Statement for the year then ended	
Related notes 1 to 29 to the financial statements, material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

– Performing a walkthrough of the Group's financial close process to confirm our understanding of Management's going concern assessment process and engaging with Management to ensure all key risk factors we identified were considered in their assessment.

– Obtaining Management's going concern assessment including the cash flow forecasts and covenant calculations for the going concern period which covers the 21-month period to 31 December 2026 and performing procedures to evaluate the clerical accuracy and appropriateness of the underlying model.

– Obtaining the Group's revolving credit facility and agreeing the level of facilities available, the applicable covenants, and the documentation evidencing the extension of the maturity date to August 2027, to Management's assessment.

– Assessing the Group's base case scenario for consistency with budgets and cash flow forecasts approved by the Board of Directors and those used by the Group in other accounting estimates such as the goodwill impairment assessment.

– Challenging the appropriateness of the base case assumptions relating to future levels of demand and cost, including the impact of climate change. Our procedures included analysis of external market data to consider any contradictory sector forecasts, considerations of the current macro-economic climate and the disclosed climate change commitments of the Group.

– Reviewing and reperforming Management's stress test of their cash flow forecasts and covenant calculations in order to quantify and then consider the plausibility of the downside scenarios required to exhaust the Group's forecast liquidity or breach the Group's covenant ratios. We specifically considered the quantum of revenue reduction required to exhaust liquidity and breach the Group's covenant ratios.

– Considering the impact and feasibility of potential mitigating activities that are within control of Management, such as reducing capital expenditure and dividend payments.

– Reviewing the Group's going concern disclosures included in the Annual Report in order to assess its completeness and conformity with the reporting standards.

Our key observations:

– The directors' assessment forecasts that the Group will maintain sufficient liquidity throughout the going concern assessment period in the base case scenario.

– The directors have modelled downside scenarios including a loss of production, loss of a major customer, product failure, changes to macro-economic and political conditions and increases in raw material prices. In all scenarios, the Going Concern basis remains appropriate, with no breach of covenant or shortfall of liquidity in the Going Concern period.

– The Group has a committed borrowing facility of £350m, of which £228.6m was undrawn at the balance sheet date. The facility is available until August 2027 subject to a reduction of £40m in the available facility from August 2026.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period to 31 December 2026.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	We performed an audit of the complete financial information of eight components and audit procedures on specific balances for a further seven components and central procedures on financial statement line items as detailed in the 'Tailoring the scope' section below.
Key audit matters	Risk of inappropriate revenue recognition arising from manual adjustments.
	Risk of inappropriate revenue recognition arising through inaccurate accounting for customer rebates within Building Products.
	Risk of an unrecognised impairment of goodwill within the Adey Cash Generating Unit.
Materiality	Overall Group materiality of £3.2m which represents 5% of profit before tax adjusted for certain non-recurring items.

An overview of the scope of the Parent Company and group audits

Tailoring the scope

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures to identify and assess risks of material misstatement of the Group financial statements and identify significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the potential impact of climate change, the applicable financial framework, the Group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

We determined that centralised audit procedures would be performed on non-underlying items, corporation tax, intangible assets and goodwill, leases, intercompany and long-term debt. We also centrally tested the cash balances in components that did not form part of the overall scoping assessment outlined below, to the extent that the total amounts not tested across the Group were immaterial.

We then identified eight components as individually relevant to the Group due to materiality or financial size of the components relative to the Group.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the Group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the Group significant financial statement account balance.

We then considered whether the remaining Group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements. We selected seven components of the Group to include in our audit scope to address these risks.

Of the 15 components selected, we designed and performed audit procedures on the entire financial information of eight components ("full scope components"). For seven components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ("specific scope components"). For the 41 remaining components, we performed specified audit procedures to obtain evidence for one or more relevant assertions.

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Climate change

Stakeholders are increasingly interested in how climate change will impact Genuit Group plc. The Group has determined that the most significant future impacts from climate change on their operations relate to potential disruption to the supply chain and transition risks relating to carbon taxes and also the market opportunities it presents through the development of low emission and climate resilient products and services. These are explained on pages 42-53 in the required Task Force On Climate Related Financial Disclosures and on pages 75-85 in the principal risks and uncertainties. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained how climate change has been reflected in the financial statements in note 2.2 and note 17, stating that there is no material adverse impact of climate change in the short to medium term. The 'Other Information' within the Annual Report includes Management's assessment of how their long-term climate Net Zero aspirations align with the Paris Agreement to achieve net zero emissions by 2050. There are no significant judgements or estimates relating to climate change in the notes to the financial statements as Management has not identified any material short-term impacts from climate change. Note 17 explains that the long-term impact of climate change risks and opportunities are uncertain and as such the degree of certainty of all these changes means that they cannot be taken into account when assessing future cash flows under the requirements of UK adopted International Accounting Standards but will continue to be monitored by Management.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating Management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 47-53 and whether these have been appropriately reflected in asset values where these are impacted by future cash flows. This was relevant for the impairment testing of goodwill following the requirements of UK adopted International Accounting Standards. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, whilst we have not identified the impact of climate change on the financial statements to be a standalone key audit matter, we have considered the impact on the following key audit matters: Risk of an unrecognised impairment in the Adey Cash Generating Unit. Details of the impact, our procedures and findings are included in our explanation of key audit matter below.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Inappropriate revenue recognition arising from manual adjustments. *Refer to the Audit Committee Report (page 116); Accounting policies (page 169); and Note 3.1.2 of the Consolidated Financial Statements (page 175).* The Group has reported revenue of £561.3m (2023: £586.5m). Revenue is stated net of rebates payable which are considered in the subsequent key audit matter. The timing of revenue recognition is relevant to the reported performance of the Group as a whole and also to the completeness of the rebate expense and related year end liabilities. Through manual adjustments, there is the opportunity to misstate revenue between periods in order to influence reported results. We consider the significant risk to be primarily associated with those components contributing more than 5% of the Group's revenue as any potential error could result in a material misstatement of the Group financial statements. For the remaining components whilst we consider there to be a risk of management override of controls to misstatement revenue, we do not consider any individual component to represent a significant risk of material misstatement. There has been no change in our assessment of this risk when compared to the prior year.	We obtained an understanding of the process and controls in place over the recognition of revenue including approval of manual adjustments recorded as part of the financial statement close process. We obtained an understanding of the IT systems and the role of IT in initiating, recording and reporting revenue transactions within the Group's accounting systems. Of the 8 individually relevant (full scope) components, 5 components recorded revenue that was material to the Group and are specifically impacted by the identified fraud risk. For the individually relevant (full scope) and additionally relevant (specific scope) components, representing 88% of the Group's revenues, we used data analytics to analyse the full populations of revenue transactions by correlating sales postings with receivables and cash throughout the year to identify any unusual transactions. Through this, we identified revenue recognised through manual adjustments or manual journals for targeted testing. We performed analysis by month to identify unusual trends in revenue and gross margin that could indicate inappropriate revenue recognition. For the remaining component covering 4% of revenue where data analytics has not been used, we performed tests of detail over revenue recognised in the year by agreeing a representative sample of sales to supporting documentation including proof of delivery and testing related cash receipts throughout the year. We also performed procedures to identify and assess the appropriateness of manual adjustments. For all full scope components, we inspected a sample of pre and post year-end sales invoices to assess whether they relate to completed deliveries and have been recognised in the correct period. For the remaining revenue recorded within Components not subject to direct testing we have performed analytical review procedures and data analytics procedures. We have reviewed Genuit's Group revenue recognition policy against the requirements of IFRS 15 with a focus on ensuring the performance obligations are appropriately reflected in the Group's approach to recognising revenue. We assessed the adequacy of the disclosure of revenue within the Annual Report and accounts.	Through our procedures performed we have not identified any misstatements associated with the manual adjustments identified. We concluded that revenue recognised in the year is appropriate and found no evidence of management bias.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Inappropriate revenue recognition arising through inaccurate accounting for customer rebates within Building Products. *Refer to the Audit Committee Report (page 116); Accounting policies (page 169); and Note 3.1.2 of the Consolidated Financial Statements (page 175).* The total value of customer rebates recognised in the year and accrued for at the balance sheet date is material for the Building Products Component. The Group's pricing structure includes rebate arrangements with customers. Many of these arrangements are relatively straightforward, being based on agreed percentages of sales made to direct customers during the period. A proportion of the Group's rebate agreements are with indirect customers and estimation is required when determining the rebate accrual at the balance sheet date. This is particularly the case for indirect rebates within the Sustainable Business Solutions operating segment (Building Products business) where the rebate is driven by claims which may not have been received or verified at the time when the liabilities are recognised. These claims are made on the basis of installations in line with specification rather than purchases from the Group. There has been no change in our assessment of this risk when compared to the prior year.	We obtained an understanding of Management's process and controls in place over recognition and recording of rebates, including key assumptions such as volumes and related targets and claim compliance rates for Developers. We obtained an understanding of the IT systems and the role of IT in initiating, recording and reporting rebate transactions within the Group's accounting systems. We reviewed significant, new and existing rebate agreements and tested a sample of payments made during the year in order to validate the charges incurred and settled during the year. We utilised data analytics to identify unusual transactions recorded in rebate accounts that could indicate management override of controls. For Developer rebates, we reviewed external information to develop our own point estimate of the year-end rebate. We tested the accuracy of quarterly estimates made by Management against actual claim amounts. We tested the compliance rates of actual claims received to understand the value of claims that were subsequently paid out during the year. For Merchant rebates, we developed an independent expectation of the annual rebate charge and year end liability, including any charge associated with targeted rebate clauses, and compared this to Management's annual charge and year end liability. We used a custom automated data analytics tool to perform holistic analysis over the merchant rebate model and sales data and to perform a recalculation of the entire rebate charge for the year. This was supported by sample testing over the inputs to the model back to rebate agreements. For Merchant rebates, we compared the 2024 charge from the December 2024 schedule to the 2024 charge from the January 2025 schedule to understand changes to the rebate charge that were made subsequent to the year-end. For all, we performed completeness procedures on the year end rebate liability by comparing a sample of customers who claimed during the year to the rebate charge and closing balance. We reviewed material post year end bank payments and claims received and compared these to Management's year end estimates. We compared the prior year accrual to the actual claims verified and paid in the year to understand the historical accuracy of Management's estimation.	We concluded that Management's judgements were materially consistent with our expectations and recalculations based on external sources, post year end claim activity and historic settlement rates. We concluded that the rebate expense recognised during the year and the liability at the period end is appropriate.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Risk of an unrecognised impairment of goodwill within the Adey Cash Generating Unit (CGU) *Refer to the Audit Committee Report (page 116); Accounting policies (page 169); and Note 3.2.1 of the Consolidated Financial Statements (page 175).* There is a risk that there is an unrecognised impairment against goodwill within the Adey CGU. The forecasts in the CGU are highly sensitive to key assumptions including the revenue growth rates, margin assumptions, long term growth rates and discount rate.	We assessed the appropriateness of the individual CGU's identified in line with IAS 36. We walked through and understood Management's approach to the goodwill impairment assessment and walked through the Group's budgeting process to understand the key assumptions made in the budget. This included confirming the underlying cash flows are consistent with the Board approved business plan. We obtained an understanding of the role of IT in the goodwill impairment assessment process, including the source of underlying data. We assessed whether the model is prepared in accordance with IAS 36 and we utilised our valuation specialists to support in our assessment of the appropriateness of Management's discount rate and methodology. We challenged the long-term growth rate within the discounted cash flow calculations and the impact of risks and opportunities generated by climate change. We understood and challenged Management's forecast future cash flows, to assess key inputs and to compare these against industry expectations. We challenged the assumptions underpinning the growth rates, including the expected recovery following recent market decline and how the medium to longer-term risks and opportunities were factored in to future cash flows. This included assessment of how Management incorporated the opportunities presented by climate change in the long-term growth rates. We challenged the forecast cost assumptions and the reasons for any margin improvement to assess whether the forecasts were reasonable and in line with IAS 36. We have performed audit procedures over the disclosures in accordance with IAS 36 and IAS 1, including the requirement for sensitivity disclosures.	We consider that Management's assessment appropriately reflects the requirements of IAS 36 and captures the risks to future cash flows. We concluded that the carrying value of the goodwill recognised relating to the Adey Cash Generating Unit was recoverable.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £3.2 million (2023: £3.3 million), which is 5% (2023: 5%) of Profit before tax adjusted for certain non-recurring items. We believe that adjusting Profit before tax provides us with a consistent basis for calculating materiality as it excludes the impact of one-off items that are not related to the underlying operations of the Group.

We determined materiality for the Parent Company to be £2.7 million (2023: £3.1 million), which is 1% (2023: 1%) of total equity.

Starting basis	– Group profit before tax – £46.3m
Adjustments	– Adjusted for certain non-recurring items excluding amortisation of acquired intangible assets (£18.6m)
Materiality	– Totals £64.9m Group adjusted profit before tax – Materiality of £3.2m (5% of Group adjusted profit before tax)

During the course of our audit, we reassessed initial materiality with the only change in the final materiality from our original assessment, being to reflect the actual reported performance of the Group in the year.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely £2.4m (2023: £2.5m). We have set performance materiality at this percentage due to our assessment of the control environment and assessment that there is a lower likelihood of misstatements.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the Group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.5m to £2m (2023: £0.5m to £2.2m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.2m (2023: £0.2m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 153 other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the company's corporate governance statement and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent company and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the Strategic Report or the Directors' Report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Statement has not been prepared by the company.

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 123;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 123;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 123;
- Directors' statement on fair, balanced and understandable set out on page 119;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 75-85;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 99; and
- The section describing the work of the Audit Committee set out on pages 116 to 122.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 126, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and Parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and Management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK adopted international accounting standards, the Companies Act 2006 and UK Corporate Governance Code). In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements including the relevant tax compliance regulations in the UK and those laws and regulations relating to health and safety and employee matters.
- We understood how Genuit Group plc is complying with those frameworks by making enquiries of Group and Component Management, as well as those charged with governance. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee. Further, through our detailed audit procedures we have considered whether any evidence has been identified that indicates non-compliance with the relevant laws and regulations has occurred.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by understanding the Group's performance against market expectations; understanding the Group's performance against internal key performance indicators used when calculating Management's variable remuneration; identifying key judgements and estimates including rebate accounting that can materially impact the financial statements; and understanding the controls and processes in place for the prevention and detection of fraudulent activity and financial reporting.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved those outlined in the revenue and rebate key audit matters above, as well as testing manual journals recorded at the component and consolidation level and understanding unusual and one-off transactions. Where relevant, we have corroborated the basis of accounting judgements and estimates with employees and specialists outside of the finance functions such as the Company Secretary, the Group IT function, the Group Legal function, commercial Management and through reading any correspondence with regulatory bodies.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit committee, we were appointed by the company in 2012 to audit the Group's financial statements for the year ending 31 December 2012 and subsequent financial periods. In 2014, upon the Group's listing on the London Stock Exchange the Group became subject to the rotation requirements under the UK Corporate Governance Code, Competition and Markets Authority and the EU Audit Directive.
- The period of total uninterrupted engagement since the Group was subject to these rotation requirements is 11 years. In total the period of uninterrupted engagement including previous renewals and reappointments is 13 years, covering the years ending 31 December 2012 to 31 December 2024.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Morritt (Senior statutory auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
Leeds

11 March 2025

Group Income Statement

For the year ended 31 December 2024

	Notes	2024 Underlying £m	2024 Non-underlying† £m	2024 Total £m	2023 Underlying £m	2023 Non-underlying† £m	2023 Total £m
Revenue	5	**561.3**	**–**	**561.3**	586.5	–	586.5
Cost of sales	6, 8	**(311.5)**	**1.0**	**(310.5)**	(338.7)	(2.0)	(340.7)
Gross profit		**249.8**	**1.0**	**250.8**	247.8	(2.0)	245.8
Selling and distribution costs		**(75.2)**	**–**	**(75.2)**	(73.5)	(1.0)	(74.5)
Administration expenses	8	**(81.7)**	**(7.2)**	**(88.9)**	(79.4)	(11.8)	(91.2)
Amortisation of intangible assets	8	**(0.7)**	**(14.4)**	**(15.1)**	(0.8)	(14.8)	(15.6)
Impairment of intangible assets	8	**–**	**–**	**–**	–	(2.5)	(2.5)
Impairment of goodwill	8	**–**	**(12.4)**	**(12.4)**	–	–	–
Operating profit	5, 6	**92.2**	**(33.0)**	**59.2**	94.1	(32.1)	62.0
Finance costs	8, 11	**(12.9)**	**–**	**(12.9)**	(13.6)	–	(13.6)
Profit before tax	5	**79.3**	**(33.0)**	**46.3**	80.5	(32.1)	48.4
Income tax	8, 12	**(18.2)**	**5.4**	**(12.8)**	(17.9)	8.0	(9.9)
Profit for the year attributable to the owners of the parent company		**61.1**	**(27.6)**	**33.5**	62.6	(24.1)	38.5
Basic earnings per share (pence)	13			**13.5**			15.5
Diluted earnings per share (pence)	13			**13.3**			15.4
Dividend per share (pence) – interim	14			**4.1**			4.1
Dividend per share (pence) – final	14			**8.4**			8.3
	14			**12.5**			12.4

† Non-underlying items are presented separately. The definition of non-underlying items is included in the Group Accounting Policies on page 1689. Non-underlying items are detailed in Note 8 to the consolidated financial statements.

Group Statement of Comprehensive Income

For the year ended 31 December 2024

	2024 £m	2023 £m
Profit for the year	**33.5**	38.5
Other comprehensive income:		
Items which may be reclassified subsequently to the income statement:		
Effective portion of changes in fair value of forward foreign currency derivatives	**(0.3)**	0.1
Effective portion of changes in fair value of interest rate derivatives	**0.1**	–
Exchange differences on translation of foreign operations	**(0.1)**	(0.1)
Other comprehensive income for the year net of tax	**(0.3)**	–
Total comprehensive income for the year	**33.2**	38.5

Group Balance Sheet

At 31 December 2024

	Notes	2024 £m	2023 £m
Non-current assets			
Property, plant and equipment	15	**183.7**	176.4
Right-of-use assets	16	**27.0**	22.9
Intangible assets	17	**580.2**	596.8
Total non-current assets	5	**790.9**	796.1
Current assets			
Inventories	21	**73.5**	69.2
Trade and other receivables	22	**81.8**	73.9
Income tax receivable		**3.2**	5.4
Cash and cash equivalents	23	**43.6**	17.0
Derivative financial instruments	29	**–**	0.1
Assets held-for-sale	19	**–**	17.1
Total current assets		**202.1**	182.7
Total assets	5	**993.0**	978.8
Current liabilities			
Trade and other payables	26	**(128.2)**	(114.8)
Lease liabilities	16, 27	**(7.4)**	(5.0)
Liabilities held-for-sale	19	**–**	(2.8)
Deferred and contingent consideration	18	**–**	(8.2)
Total current liabilities		**(135.6)**	(130.8)

	Notes	2024 £m	2023 £m
Non-current liabilities			
Loans and borrowings	27	**(145.2)**	(142.9)
Lease liabilities	16, 27	**(20.2)**	(18.4)
Deferred income tax liabilities	12	**(49.0)**	(50.1)
Total non-current liabilities		**(214.4)**	(211.4)
Total liabilities	5	**(350.0)**	(342.2)
Net assets	5	**643.0**	636.6
Capital and reserves			
Equity share capital	24	**0.2**	0.2
Share premium	24	**93.6**	93.6
Capital redemption reserve	24	**1.1**	1.1
Hedging reserve	24	**(0.1)**	0.1
Foreign currency retranslation reserve	24	**(0.2)**	(0.1)
Other reserves	24	**116.5**	116.5
Retained earnings		**431.9**	425.2
Total equity		**643.0**	636.6

The consolidated financial statements were approved for issue by the Board of Directors and signed on its behalf by:

Joe Vorih
Director

11 March 2025

Tim Pullen
Director

11 March 2025

Company Registration No. 06059130

Group Statement of Changes in Equity

For the year ended 31 December 2024

	Equity share capital £m	Share premium £m	Capital redemption reserve £m	Own shares £m	Hedging reserve £m	Foreign currency retranslation reserve £m	Other reserves £m	Retained earnings £m	Total equity £m
At 31 December 2022	0.2	93.6	1.1	–	–	–	116.5	415.7	627.1
Profit for the year	–	–	–	–	–	–	–	38.5	38.5
Other comprehensive income	–	–	–	–	0.1	(0.1)	–	–	–
Total comprehensive income for the year	–	–	–	–	0.1	(0.1)	–	38.5	38.5
Dividends paid	–	–	–	–	–	–	–	(30.5)	(30.5)
Share-based payments charge	–	–	–	–	–	–	–	2.1	2.1
Share-based payments settled	–	–	–	–	–	–	–	0.3	0.3
Share-based payments excess tax benefit	–	–	–	–	–	–	–	(0.9)	(0.9)
At 31 December 2023	0.2	93.6	1.1	–	0.1	(0.1)	116.5	425.2	636.6
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**33.5**	**33.5**
Other comprehensive income	**–**	**–**	**–**	**–**	**(0.2)**	**(0.1)**	**–**	**–**	**(0.3)**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(0.1)**	**(0.1)**	**–**	**33.5**	**33.2**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(30.8)**	**(30.8)**
Share-based payments charge	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2.9**	**2.9**
Share-based payments settled	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0.8**	**0.8**
Share-based payments excess tax benefit	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0.3**	**0.3**
At 31 December 2024	**0.2**	**93.6**	**1.1**	**–**	**(0.1)**	**(0.2)**	**116.5**	**431.9**	**643.0**

Group Cash Flow Statement

For the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Operating activities			
Profit before tax		**46.3**	48.4
Finance costs	11	**12.9**	13.6
Operating profit		**59.2**	62.0
Non-cash items:			
Profit on disposal of property, plant and equipment (underlying)	6	**–**	(0.4)
Research and development expenditure credit	6	**(1.5)**	(1.5)
Software supplier dispute (underlying)		**(0.9)**	–
Employment matters (underlying)		**(0.5)**	–
Non-underlying items:			
– impairment of goodwill arising on business combinations	8, 17	**12.4**	–
– impairment of intangible assets arising on business combinations	8, 17	**–**	2.5
– amortisation of intangible assets arising on business combinations	8, 17	**14.4**	14.8
– provision for acquisition costs	8	**1.1**	2.2
– provision for restructuring costs	8	**1.8**	14.1
– provision for restructuring costs – depreciation of property, plant and equipment	8	**–**	1.2
– Workday configuration (SaaS)	8	**1.1**	1.2
– employment matters	8	**(1.1)**	2.0
– provision for product liability claim	8	**0.1**	(1.2)
– profit on disposal of assets held-for-sale	8	**(1.1)**	(4.7)
– Supplier software dispute	8	**4.3**	–
Depreciation of property, plant and equipment (underlying)	5, 15	**19.2**	19.1
Depreciation of right-of-use assets	5, 16	**7.1**	5.6
Amortisation of internally generated intangible assets	17	**0.7**	0.8
Share-based payments	25	**2.9**	2.1
Cash items:			
– Settlement of acquisition costs	18	**(7.6)**	(0.4)
– Settlement of restructuring costs		**(2.2)**	(10.9)
– Settlement of net product liability claim		**–**	(1.7)
– Settlement of other exceptional costs		**(2.9)**	(1.2)
Operating cash flows before movement in working capital		**106.5**	105.6
Movement in working capital:			
Receivables		**(5.1)**	(6.9)
Payables		**11.0**	(9.9)
Inventories		**3.1**	20.9
Cash generated from operations		**115.5**	109.7
Income tax paid		**(10.4)**	(12.1)
Net cash flows from operating activities		**105.1**	97.6
Investing activities			
Acquisition of businesses net of cash at acquisition	18	**(5.2)**	–
Settlement of deferred and contingent consideration		**(1.6)**	(1.6)
Proceeds from disposal of assets held for sale	19	**4.9**	–
Proceeds from disposal of property, plant and equipment		**0.7**	7.6
Purchase of property, plant and equipment		**(25.6)**	(32.8)
Development expenditure		**(1.1)**	(1.7)
Net cash flows from investing activities		**(27.9)**	(28.5)
Financing activities			
Drawdown of bank loan		**69.4**	50.0
Repayment of bank loan		**(68.0)**	(100.9)
Interest paid		**(11.4)**	(13.4)
Dividends paid	14	**(30.8)**	(30.5)
Proceeds from exercise of share options		**0.8**	0.3
Settlement of lease liabilities	16	**(10.6)**	(7.6)
Net cash flows from financing activities		**(50.6)**	(102.1)
Net change in cash and cash equivalents		**26.6**	(33.0)
Cash and cash equivalents at 1 January	23	**17.0**	50.0
Net foreign exchange difference		**–**	–
Cash and cash equivalents at 31 December	23	**43.6**	17.0

Notes to the Group Financial Statements

For the year ended 31 December 2024

1. Authorisation of financial statements

The consolidated financial statements of the Group for the year ended 31 December 2024 were authorised for issue by the Board of Directors on 11 March 2025 and the balance sheet was signed on the Board's behalf by Joe Vorih and Tim Pullen.

Genuit Group plc is a public limited company incorporated and domiciled in England and Wales. The principal activity of the Group is the provision of sustainable water and climate management solutions for the built environment.

2. Summary of material accounting policies

The basis of preparation and accounting policies used in preparing the consolidated historical financial information for the year ended 31 December 2024 are set out below. These accounting policies have been consistently applied in all material respects to all the periods presented.

2.1 Basis of preparation and statement of compliance with IFRSs

The Group's consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards (UK-adopted IAS).

The accounting policies which follow set out those policies which apply in preparing the consolidated financial statements for the year ended 31 December 2024.

The Group's consolidated financial statements have been prepared on a historical cost basis except for derivative financial instruments and deferred and contingent consideration that have been measured at fair value. The consolidated financial statements are presented in Pounds Sterling and all values are rounded to one decimal place of a million (£m) unless otherwise indicated.

2.2 Going concern

The Directors have made enquiries into the adequacy of the Group's financial resources, through a review of the Group's budget and medium-term financial plan, including cash flow forecasts. The Group has modelled a range of scenarios, with the base forecast being one in which, over the 24 months ending 31 December 2026, sales volumes grow in line with or moderately above external construction industry forecasts.

In addition, the Directors have considered several downside scenarios, including adjustments to the base forecast, a period of significantly lower like-for-like sales, profitability and cash flows. Consistent with our Principal Risks and Uncertainties these downside scenarios included, but were not limited to, loss of production, loss of a major customer, product failure, recession, increases in interest rates and increases in raw material prices. Downside scenarios also included a combination of these risks, and reverse stress testing.

The financial impact of the climate-related risks disclosed within the Task Force on Climate-Related Financial Disclosures Report on pages 47 to 53 of the Strategic Report continue to be assessed. The Directors conclude that there is no material adverse impact of climate change in the short to medium term, and hence have not included any impacts in either the base case or downside scenarios of the going concern assessment. The Group has not experienced material adverse disruption during periods of adverse or extreme weather in recent years and do not expect this to occur to a material level over the period of the going concern assessment.

At 31 December 2024, the Group had available £228.6m of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. These borrowing facilities are available until at least August 2027, subject to covenant headroom. At August 2026 the borrowing facility will reduce from £350m to £310m until August 2027. The Directors are satisfied that the Group has sufficient liquidity and covenant headroom to withstand reasonable variances to the base forecast, as well as the downside scenarios. In addition, the Directors have noted the range of possible additional liquidity options available to the Group, should they be required.

As a result, the Directors have satisfied themselves that the Group has adequate financial resources to continue in operational existence for a period of at least the next 21 months. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Group holds 100% of the equity and controls 100% of the voting rights in all subsidiaries, with the exception of Equaflow Ltd, Sustainable Water and Drainage Systems BV, Sustainable Water and Drainage Systems Limited and Water Management Solutions LLC (which has not traded since incorporation in Qatar in 2015).

The treatment of non-controlling interests or any other non-voting right factors in respect of control is not material to the consolidated financial statements.

2. Summary of material accounting policies continued

2.4 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the total of the consideration transferred, measured at acquisition fair value. Acquisition costs incurred are expensed and included in administration expenses in the income statement.

Identifiable intangible assets, meeting either the contractual-legal or separability criterion are recognised separately from goodwill.

2.4.1 Goodwill

Goodwill arises on business combinations and represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired.

After initial recognition, goodwill is stated at cost less any accumulated impairment losses (see Note 2.13).

Goodwill has specific characteristics for impairment and is tested annually (at 31 December) or when circumstances indicate that the carrying amount may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (CGU) to which the goodwill relates. Each CGU or group of CGUs to which goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than an operating segment before aggregation. An impairment loss is recognised if the carrying amount of a CGU is determined to be greater than its recoverable amount. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value-in-use. If an impairment is identified, the carrying value of the goodwill is written down immediately through the income statement and this is not subsequently reversed.

2.4.2 Other intangible assets

Intangible assets arising on business combinations are initially measured at fair value. Following initial recognition, intangible assets are carried at cost or fair value less accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over their expected useful life and are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation of intangible assets is provided over the following expected useful lives:

Patents and brand names	10 to 20 years
Customer relationships and customer order book	5 to 20 years
Licences	10 years
Development costs	4 to 10 years

2.5 Foreign currency translation

The Group's consolidated financial statements are presented in Pounds Sterling, which is also the Parent Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured in that functional currency.

Transactions in foreign currencies are initially recognised by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency spot rate of exchange at the balance sheet date. All differences arising on settlement or translation are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The assets and liabilities of foreign operations are translated into Pounds Sterling at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at average exchange rates prevailing. The resulting exchange differences are recognised in other comprehensive income.

2.6 Revenue from contracts with customers and interest income

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods. The disclosure of significant accounting judgements and estimates relating to revenue from contracts with customers is provided in Note 3.

2.6.1 Sale of goods

i) Performance obligations

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Our most commonly used standard payment terms are 30 days net end of month.

The main source of variable consideration in our contracts with customers relates to volume rebates. More information on the accounting for rebates is provided at (ii) and (iii) below. The Group's contracts do not typically include a significant financing component. Non-cash consideration is not a feature of the Group's contractual arrangements.

ii) Variable consideration

If the consideration in a sales contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some sales contracts provide customers with sales volume rebates. The sales volume rebates give rise to variable consideration.

iii) Sales volume rebates

The Group provides retrospective sales volume rebates to certain customers once, amongst other matters, the quantity of goods purchased during a predetermined period exceeds thresholds specified in the sales contract. To estimate the variable consideration for these expected future rebates, the Group applies the most likely amount method for sales contracts with a single-volume threshold and the expected value method for sales contracts with more

2. Summary of material accounting policies continued

iii) Sales volume rebates continued
than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the sales contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates. Sales volume rebate liabilities, both estimated and actual, are netted off against the associated trade receivables to the extent of the individual customer trade receivable balance and where they are net settled. Any remaining credit balances are included in trade and other payables. Developer rebate liabilities are presented in trade and other payables.

2.7 Interest income

Interest income is recognised as interest accrues on cash balances using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

2.8 Income taxes

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authorities, based on income tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred income tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, with the following exceptions:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

For deductible temporary differences associated with investments in subsidiaries it must additionally be probable that the temporary differences will reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are only offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same tax authority and that authority permits the Group to make a single net payment.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the income tax rates that are expected to apply when the asset is realised or the liability is settled, based on income tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are charged or credited directly to equity. Otherwise, income tax is recognised in the income statement.

2.9 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on the cost less residual value of property, plant and equipment, and is on a straight-line basis over its expected useful life as follows:

Freehold land	Nil
Freehold buildings	Over expected useful life not exceeding 50 years
Plant and other equipment	4 to 15 years

The carrying amounts of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying amount may not be recoverable, and are written down immediately to their recoverable amount. Useful lives, residual values and depreciation methods are reviewed at each financial year end, and where adjustments are required, these are made prospectively.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or where no future economic benefits are expected to arise from the continued use of the asset. Any profit or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

2.10 Software as a Service (SaaS)

Under Software as a Service arrangements the Group does not currently control the underlying software used in the agreement. These arrangements are accounted for as a service contract and expensed in the Group Income Statement over the contract term, unless the Group has both a contractual right to take possession of the software at any time, and the ability to run the software independently of the host vendor. In such cases, the licence agreement is capitalised as software within intangible assets.

The Group's policy in relation to costs incurred to configure or customise the software to specific requirements is as follows:

- where costs incurred result in the creation of a separately identifiable resource controlled by the Group, and where the Group has the power to obtain the future economic benefit flowing from the underlying resource, such costs are capitalised as software within intangible assets;

2. Summary of material accounting policies continued

- where costs incurred do not result in the recognition of an intangible asset then the costs are expensed as incurred. Costs are included within non-underlying items in the income statement if they relate to significant strategic projects and are considered to meet the Group's definition of non-underlying items.

2.11 Research and development costs

Research costs are expensed as incurred. Development expenditures on individual projects are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Other internally generated intangible assets are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

2.12 Assets classified as held-for-sale

Assets classified as held-for-sale are measured at the lower of carrying amount and fair value, less costs to sell. Assets are classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, expected to be completed within one year from the date of classification, the asset is available for immediate sale in its present condition and accordingly included in current assets with the associated liabilities being included in current liabilities.

2.13 Impairment of non-financial assets

The Group assesses at each balance sheet date whether there are any indicators that an asset may be impaired.

If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. The recoverable amount of an asset or CGU is the higher of its fair value less costs to sell and its value-in-use, and it is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future pre-tax cash flows are mid-year discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculations on detailed budgets and industry forecast calculations which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and industry forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

2.14 Leasing

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its expected useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

2. Summary of material accounting policies continued

The Group has the option, under some of its leases, to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group re-assesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

2.15 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not recognised at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group's financial assets include cash and cash equivalents and trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification. The Group does not currently hold any fair value through other comprehensive income financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

– the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes cash and cash equivalents and trade receivables.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all financial assets not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract, and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each balance sheet date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, lease liabilities or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, lease liabilities, deferred and contingent consideration, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Derivative financial instruments are classified as FVTPL unless they are designated as effective hedging instruments. Gains and losses on such derivatives are recognised in the income statement. However, in the current and prior period all derivatives have been designated as hedging instruments in effective hedging relationships. Further information on their accounting is provided at 2.16 below. As such, the only financial liability at FVTPL is the deferred and contingent consideration (see Note 18).

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Profits and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised in finance revenues and finance costs, respectively.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts, together with any costs or fees incurred, is recognised in the income statement.

2. Summary of material accounting policies continued

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.16 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to hedge its foreign currency risks and interest rate risk through forward foreign currency exchange contracts and interest rate swaps. The Group does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

Cash flow hedge

Cash flow hedging matches the cash flows of hedged items against the corresponding cash flows of the derivative. The effective part of any profit or loss on the derivative is recognised directly in other comprehensive income and the hedged item is accounted for in accordance with the policy for that financial instrument. Any ineffective part of any profit or loss is recognised immediately in the income statement. Amounts taken to other comprehensive income are transferred to the income statement when the hedged transaction affects profit or loss, such as when a forecast sale or purchase occurs.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative profit or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative profit or loss recognised in equity is transferred to the income statement for the period.

Note 29 sets out the details of the fair values of the derivative financial instruments used for hedging purposes.

2.17 Fair values

The Group measures financial instruments, such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of financial instruments that are traded in active markets at the balance sheet date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis; or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 29.

2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- Raw materials – purchase cost on a first in, first out basis.
- Work in progress and finished goods – cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

2.19 Cash and short-term deposits

Cash and short-term deposits consist of cash at bank and in hand.

2.20 Pensions

The Group operates defined contribution pension plans. Contributions payable in the year are charged to the income statement. The assets are held separately from those of the Group in an independently administered fund. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2.21 Non-underlying items

The Group presents amortisation and impairment of intangible assets arising on business combinations, the un-wind of inventory fair value adjustments resulting from acquisitions, significant profit on disposal of property, plant and equipment, restructuring costs, non-recurring operating costs and tax, as non-underlying items on the face of the income statement. These are items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, the Directors consider merit separate presentation to provide a better and more consistent indication of the Group's underlying financial performance and a more meaningful comparison with prior and future periods to assess trends in financial performance. The tax effect of the above is also included.

2. Summary of material accounting policies continued

2.22 Share-based payments

In the case of equity-settled schemes, the fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at the date of grant and spread over the period during which the employees become unconditionally entitled to the options. The value of the options is measured using the Black–Scholes and Monte Carlo models, taking into account the terms and conditions (including market and non-vesting conditions) upon which the options were granted. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.23 Cash dividend

The Group recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Group. Under UK company law a distribution is authorised when it is approved by the shareholders. A corresponding amount is then recognised directly in equity.

2.24 Own shares

The Group operates an Employee Benefit Trust (EBT). The Group and/or the EBT, holds Genuit Group plc shares for the granting of Genuit Group plc shares to employees and Directors. These shares are recognised at cost and presented in the balance sheet as a deduction from equity. No profit or loss is recognised in the income statement on the purchase, sale, issue or cancellation of these shares. No dividends are earned on these shares, and they are ignored for the purposes of calculating the Group's earnings per share.

2.25 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate time line, and the employees affected have been notified of the plan's main features.

3. Judgements and key sources of estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions in applying the Group's accounting policies to determine the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis, with revisions to accounting estimates applied prospectively.

3.1 Critical accounting judgements

Critical judgements, apart from those involving estimations, that are applied in the preparation of the consolidated Group financial statements in the years ended 31 December 2024 and 2023 are discussed below:

3.1.1 Business combinations

The measurement of fair values on a business combination requires the recognition and measurement of the identifiable assets, liabilities and contingent liabilities. The key judgements involved are the identification of which intangible assets meet the recognition criteria as set out in IAS 38, the fair values attributable to those intangible assets, and the useful lives of individual intangible assets. The Group has applied judgement in determining whether amounts contingently payable to previous owners of the businesses we have acquired should be recognised as a remuneration cost in the income statement, or within total consideration that is allocated to the fair value of assets and liabilities included in the balance sheet.

3.1.2 Revenue recognition and customer rebates

The Group's pricing structure involves rebate arrangements with several of its direct and indirect customers. These can be complex in nature and involve estimation in determining the required level of provision for rebate liabilities, particularly where the Group is reliant on information from customers which may not be available at the time the liabilities are assessed.

3.2 Key sources of estimation uncertainty

The key assumptions about the future, and other key sources of estimation uncertainty at the reporting period end, that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

3.2.1 Impairment of non-financial assets

Non-financial assets include goodwill, other intangible assets and property, plant and equipment. In accordance with IFRS, the Group considers whether there are any indicators of impairment of these assets. Where indicators of impairment are identified, the Group tests the asset for impairment. Goodwill is tested for impairment annually (at 31 December) or more frequently when circumstances indicate that the carrying amount may be impaired.

3. Judgements and key sources of estimation uncertainty continued

The Group's impairment test for goodwill is based on a value-in-use calculation, using a cash flow model with mid-year discounting applied. The aim of the test is to ensure that goodwill is not carried at a value greater than the recoverable amount. The cash flows are derived from the budgets and forecasts for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the asset or the CGU. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs are further explained in Note 17.

3.2.2 Contingent consideration

The Directors assess the likelihood that financial targets will be achieved in order to trigger the contingent consideration to the previous owners of the businesses we have acquired, to quantify the possible range of that contingent consideration, and to how that contingent consideration should be calculated and disclosed in the consolidated financial statements. Due to the inherent uncertainty in this process, actual liabilities may be different from those originally estimated.

3.3 Climate change

In preparing the consolidated financial statements the Group has considered the impact of both physical and transition climate change risks as well as its plans to mitigate against those risks on the current valuation of its assets and liabilities. The Group does not believe that there is a material impact on the financial reporting judgements and estimates arising from our considerations and as a result the valuations of our assets or liabilities have not been significantly impacted by these risks as at 31 December 2024.

In coming to this conclusion, the Group has reviewed the balance sheet and identified those line items that have the potential to be significantly impacted by climate-related risks and the plans to mitigate against these risks. The line items that have the potential to be significantly impacted have then been reviewed in detail to confirm:

- The growth rates and projected cash flows, used in assessing whether the goodwill and indefinite-life intangibles are impaired, are consistent with the climate-related risk assumptions and the actions being taken to mitigate against those risks.

4. New and amended accounting standards and interpretations

Accounting standards or interpretations which have been adopted in the year

There were no accounting standards or interpretations that have become effective in the year which had an impact on disclosures, financial position or performance.

Accounting standards or interpretations issued but not yet effective

The new and amended accounting standards and interpretations that are issued, but not yet effective and applicable to the Group, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. The Group does not expect that the adoption of the Standards listed above will have a material impact on the consolidated financial statements of the Group in future periods.

5. Segment information

IFRS 8, Operating Segments, requires operating segments to be identified on the basis of the internal financial information reported to the Chief Operating Decision Maker (CODM). The Group's CODM is deemed to be the Board of Directors, which is primarily responsible for the allocation of resources to segments and the assessment of performance of the segments.

From 1 January 2023, reporting segments have been aligned with the Group's Sustainable Solutions for Growth strategy and re-organised into three strategic Business Units – Climate Management Solutions (CMS), Water Management Solutions (WMS) and Sustainable Building Solutions (SBS). The reporting segments are organised based on the nature of the end markets served. Inter-segment sales are on an arm's length basis in a manner similar to transactions with third parties. Other segments relates to Polypipe Italia SRL, which is currently not reported as part of the Group's strategic Business Units.

	2024				
	Climate Management Solutions £m	Water Management Solutions £m	Sustainable Building Solutions £m	Other £m	Total £m
Segmental revenue	164.8	183.3	252.7	7.8	608.6
Inter-segment revenue	(3.2)	(22.4)	(21.0)	(0.7)	(47.3)
Revenue	161.6	160.9	231.7	7.1	561.3
Underlying operating profit*	24.0	13.6	54.4	0.2	92.2
Non-underlying items – segmental	(24.9)	(0.2)	(1.7)	(–)	(26.8)
Non-underlying items – Group					(6.2)
Segmental operating profit	(0.9)	13.4	52.7	0.2	59.2
Finance costs					(12.9)
Profit before tax					46.3

5. Segment information continued

	2023				
	Climate Management Solutions £m	Water Management Solutions £m	Sustainable Building Solutions £m	Other £m	Total £m
Segmental revenue	169.2	193.9	268.0	8.4	639.5
Inter-segment revenue	(3.3)	(23.5)	(25.2)	(1.0)	(53.0)
Revenue	165.9	170.4	242.8	7.4	586.5
Underlying operating profit*	22.7	17.7	53.1	0.6	94.1
Non-underlying items – segmental	(15.0)	(11.3)	(1.4)	(0.3)	(28.0)
Non-underlying items – Group					(4.1)
Segmental operating profit	7.7	6.4	51.7	0.3	62.0
Finance costs					(13.6)
Profit before tax					48.4

* Underlying operating profit is stated before non-underlying items as defined in the Group Accounting Policies on page 174 and is the measure of segment profit used by the Group's CODM. Details of the non-underlying items of £33.0m (2023: £32.1m) are set out below at non-underlying items before tax.

Property, plant and equipment additions

	2024 £m	2023 £m
Climate Management Solutions	**3.2**	2.7
Water Management Solutions	**8.3**	10.6
Sustainable Building Solutions	**12.6**	17.6
Other	**1.5**	1.9
Total – Group	**25.6**	32.8

Right-of-use asset additions

	2024 £m	2023 £m
Climate Management Solutions	**0.8**	2.1
Water Management Solutions	**5.9**	2.1
Sustainable Building Solutions	**5.0**	2.3
Other	**1.3**	1.4
Total – Group	**13.0**	7.9

Depreciation of property, plant and equipment

	2024 £m	2023 £m
Climate Management Solutions	**2.7**	3.1
Water Management Solutions	**3.9**	6.6
Sustainable Building Solutions	**12.2**	10.6
Other	**0.4**	–
Total – Group	**19.2**	20.3

Depreciation of right-of-use assets

	2024 £m	2023 £m
Climate Management Solutions	**1.6**	1.2
Water Management Solutions	**2.2**	1.4
Sustainable Building Solutions	**2.9**	2.1
Other	**0.4**	0.9
Total – Group	**7.1**	5.6

5. Segment information continued

Non-underlying items before tax

	2024 £m	2023 £m
Climate Management Solutions:		
Impairment of goodwill	**12.4**	–
Amortisation of intangible assets	**12.2**	12.2
Restructuring costs	**0.2**	1.7
Employment matters	**–**	0.7
Acquisition costs	**0.4**	0.4
Profit on disposal of property, plant and equipment	**(0.3)**	–
Water Management Solutions:		
Impairment of intangible assets	**–**	2.5
Amortisation of intangible assets	**0.5**	0.9
Restructuring costs	**0.9**	7.3
Acquisition costs	**–**	1.8
Product liability claim	**0.1**	(1.2)
Profit on disposal of property, plant and equipment	**(1.3)**	–
Sustainable Building Solutions:		
Amortisation of intangible assets	**1.7**	1.7
Restructuring costs	**0.9**	3.1
Employment matters	**(1.2)**	1.3
Profit on disposal of property, plant and equipment	**–**	(4.7)
Other	**0.3**	–
Total – segmental	**26.8**	27.7
Other – restructuring costs	**0.1**	0.3
Group – restructuring costs	**0.9**	4.1
Group – acquisition costs	**0.6**	–
Group – loss on disposal of property, plant and equipment	**0.3**	–
Group – supplier software dispute	**4.3**	
Total – Group	**33.0**	32.1

Geographical analysis

Revenue by destination	2024 £m	2023 £m
UK	**499.3**	519.1
Rest of Europe	**32.9**	33.4
Rest of World	**29.1**	34.0
Total – Group	**561.3**	586.5

Non-current assets	31 December 2024 £m	31 December 2023 £m
UK	**781.3**	790.4
Rest of Europe	**9.6**	5.7
Total – Group	**790.9**	796.1

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, goodwill and other intangible assets.

The Group had one customer (2023: none) which individually accounted for more than 10% of the Group's total revenue during 2024. This amounted to 10.8% of total Group revenue. This customer trades with the SBS and WMS segments.

6. Operating profit

	2024 £m	2023 £m
Income statement charges		
Depreciation of property, plant and equipment (owned)	**19.2**	20.3
Depreciation of right-of-use assets	**7.1**	5.6
Cost of inventories recognised as an expense	**251.1**	287.9
Research and development costs expensed	**7.4**	9.0
Income statement credits		
Research and development expenditure credit	**1.5**	1.5
Profit on disposal of property, plant and equipment	**–**	0.4

7. Auditor's remuneration

The Group paid the following amounts to the Company's auditor in respect of the audit of the consolidated financial statements and for other services provided to the Group.

Auditor's remuneration for audit services:

	2024 £m	2023 £m
Audit of the Company's annual financial statements	**–**	–
Audit of the Company's subsidiaries	**0.8**	0.8
Total audit fees	**0.8**	0.8

The Group paid the Company's auditor £0.2m for audit-related assurance services (2023: £0.2m).

8. Non-underlying items

Non-underlying items comprised:

	2024			2023		
	Gross £m	Tax £m	Net £m	Gross £m	Tax £m	Net £m
Cost of sales:						
Restructuring costs – inventory write down	**–**	**–**	**–**	1.5	(0.3)	1.2
Restructuring costs	**–**	**–**	**–**	0.4	(0.1)	0.3
Employment matters	**(1.1)**	**0.1**	**(1.0)**	1.3	(0.2)	1.1
Product liability claim	**0.1**	**–**	**0.1**	(1.2)	(0.1)	(1.3)
Selling and distribution costs:						
Restructuring costs	**–**	**–**	**–**	1.0	(0.2)	0.8
Administration expenses:						
Restructuring costs	**1.8**	**(0.5)**	**1.3**	12.4	(2.3)	10.1
Acquisition costs – acquisition and other M&A activity	**1.1**	**–**	**1.1**	2.2	(0.1)	2.1
IT configuration (SaaS)	**1.1**	**(0.3)**	**0.8**	1.2	(0.3)	0.9
Employment matters	**–**	**–**	**–**	0.7	(0.1)	0.6
Software supplier dispute	**4.3**	**(1.1)**	**3.2**	–	–	–
Profit on disposal of property, plant and equipment	**(1.1)**	**–**	**(1.1)**	(4.7)	–	(4.7)
Amortisation of intangible assets	**14.4**	**(3.6)**	**10.8**	14.8	(3.7)	11.1
Impairment of intangible assets	**–**	**–**	**–**	2.5	(0.6)	1.9
Impairment of goodwill	**12.4**	**–**	**12.4**	–	–	–
Total non-underlying items	**33.0**	**(5.4)**	**27.6**	32.1	(8.0)	24.1

Restructuring costs incurred in both periods are in relation to the re-organisation of the Group, which was announced in 2022 and, whilst plans were finalised in 2023, the remaining activity was concluded during 2024, with a cumulative cost over the restructuring period of £26.4m. This included the sale of two properties which were classed as held-for-sale at 31 December 2023 and subsequently sold in 2024, which accounts for the profit on disposal.

IT configuration (SaaS) relates to the design and configuration of software projects that are significant and support the Group's medium-term strategy.

8. Non-underlying items continued

Acquisition costs in the year ended 31 December 2024 relate to the two acquisitions completed during the year as well as costs associated with other merger and acquisition activity. In the year ended 31 December 2023, the amount predominantly related to a £1.8m charge arising in connection with contingent consideration treated as remuneration in respect of the acquisition of Plura, which was paid in 2024.

At 31 December 2023, a £1.4m provision associated with employment matters, relating to a one-off regulatory claim, was recognised in non-underlying items. During 2024, the matter was resolved and the unutilised provision released.

The Group incurred a one-off cost of £4.3m in respect of a dispute with a third party back-office software supplier that was settled in the year ended 31 December 2024.

Amortisation charged in both periods relates to intangible assets arising on business combinations. Impairment of goodwill of £12.4m relates to a 2021 acquisition (see note 18).

9. Staff costs

Staff costs (including Directors) comprised:

	2024 £m	2023 £m
Wages and salaries	**131.3**	127.2
Social security costs	**13.3**	13.4
Other pension costs	**6.3**	5.4
	150.9	146.0

The average monthly number of persons employed by the Group by segment was as follows:

	2024	2023
Sustainable Building Solutions	**1,435**	1,500
Water Management Solutions	**730**	737
Climate Management Solutions	**907**	939
Other	**149**	120
Total – Group	**3,221**	3,296

10. Directors' remuneration

Details of the Directors' remuneration are set out below:

	2024 £m	2023 £m
Fees	**0.5**	0.5
Emoluments	**2.2**	2.9
	2.7	3.4

Further details of Directors' remuneration are provided in the Annual Report on Remuneration. The aggregate amount of gains made by the Directors on the exercise of share options during the year was £0.4m (2023: £0.6m).

11. Finance costs

	2024 £m	2023 £m
Interest on bank loan	**10.4**	11.6
Debt issue cost amortisation	**0.9**	0.8
Un-wind of discount on lease liabilities	**1.6**	1.2
	12.9	13.6

12. Income tax

(a) Tax expense reported in the income statement

	2024 £m	2023 £m
Current income tax:		
UK income tax	**13.8**	11.0
Overseas income tax	**0.1**	0.2
Current income tax	**13.9**	11.2
Adjustment in respect of prior years	**(0.3)**	(0.4)
Total current income tax	**13.6**	10.8
Deferred income tax:		
Origination and reversal of temporary differences	**(0.7)**	(1.9)
Effects of changes in income tax rates	**–**	0.1
Deferred income tax	**(0.7)**	(1.8)
Adjustment in respect of prior years	**(0.1)**	0.9
Total deferred income tax	**(0.8)**	(0.9)
Total tax expense reported in the income statement	**12.8**	9.9

Details of the non-underlying tax credit of £5.4m (2023: £8.0m) are set out in Note 8.

(b) Reconciliation of the total tax expense

A reconciliation between the tax expense and the product of accounting profit multiplied by the UK standard rate of income tax for the years ended 31 December 2024 and 2023 is as follows:

	2024 £m	2023 £m
Accounting profit before tax	**46.3**	48.4
Accounting profit multiplied by the UK standard rate of income tax of 25.0% (2023: 23.52%)	**11.6**	11.4
Expenses not deductible for income tax	**2.6**	1.6
Non-taxable income	**–**	(2.2)
Adjustment in respect of prior years	**(0.4)**	0.5
Effects of patent box	**(1.1)**	(1.1)
Effects of changes in income tax rates	**–**	0.1
Effects of deferred tax not recognised	**(0.8)**	–
Effects of super deduction	**–**	(0.1)
Effects of other tax rates/credits	**0.9**	(0.3)
Total tax expense reported in the income statement	**12.8**	9.9

The effective rate for the full year was 27.6% (2023: 20.5%). If the impact of non-underlying items is excluded, the underlying income tax rate would be 23.0% (2023: 22.2%).

(c) Deferred income tax

The deferred income tax included in the Group balance sheet is as follows:

	2024 £m	2023 £m
Deferred income tax liabilities/(assets)		
Short-term timing differences:		
– DTL arising on acquired intangible assets	**29.9**	32.9
– Other short-term timing differences	**–**	(1.5)
Capital allowances in excess of depreciation	**25.5**	23.0
Share-based payments	**(2.5)**	(1.3)
Tax losses	**(3.9)**	(3.0)
	49.0	50.1

12. Income tax continued

The Group offsets tax assets and liabilities if, and only if, it has a legally enforceable right to set off current income tax assets and current income tax liabilities and the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same tax authority.

(d) Change in corporation tax rate

On 24 May 2021, legislation was passed which substantively enacted an increase in UK corporation tax rate from 19% to 25% from April 2023. Deferred income tax on the balance sheet at 31 December 2024 was measured at 25%.

(e) Unrecognised tax losses

No deferred income tax has been recognised on non-trading losses and other timing differences of £0.3m (2023 £3.4m) as the Directors do not consider that they will be utilised in the foreseeable future.

13. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to the owners of the Parent Company by the weighted average number of ordinary shares outstanding during the year. The diluted earnings per share amounts are calculated by dividing profit for the year attributable to the owners of the Parent Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of potential ordinary shares that would be issued on the conversion of all the dilutive share options into ordinary shares.

The calculation of basic and diluted earnings per share is based on the following:

	2024	2023
Weighted average number of ordinary shares for the purpose of basic earnings per share	**248,459,018**	248,182,934
Effect of dilutive potential ordinary shares	**2,480,464**	1,024,432
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**250,939,482**	249,207,366

Underlying earnings per share is based on the result for the period after tax excluding the impact of non-underlying items of £27.6m (2023: £24.1m). The Directors consider that this measure provides a better and more consistent indication of the Group's underlying financial performance and more meaningful comparison with prior and future periods to assess trends in the Group's financial performance. The underlying earnings per share is calculated as follows:

	2024	2023
Underlying profit for the year attributable to the owners of the Parent Company (£m)	**61.1**	62.6
Underlying basic earnings per share (pence)	**24.6**	25.2
Underlying diluted earnings per share (pence)	**24.3**	25.1

14. Dividend per share

	2024 £m	2023 £m
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2023 of 8.3p per share (2022: 8.2p)	**20.6**	20.3
Interim dividend for the year ended 31 December 2024 of 4.1p per share (2023: 4.1p)	**10.2**	10.2
	30.8	30.5
Proposed final dividend for the year ended 31 December 2024 of 8.4p per share (2023: 8.3p)	**20.9**	20.6

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these consolidated financial statements.

15. Property, plant and equipment

	Freehold land and buildings £m	Plant and other equipment £m	Total £m
Cost			
At 1 January 2023	63.2	203.4	266.6
Additions	6.2	26.6	32.8
Disposals	(4.6)	(10.6)	(15.2)
Transfer to assets held-for-sale	(3.6)	(0.3)	(3.9)
Exchange adjustment	–	(0.1)	(0.1)
At 31 December 2023	61.2	219.0	280.2
Additions	**2.7**	**22.9**	**25.6**
Disposals	**(0.2)**	**(14.3)**	**(14.5)**
Transfer from assets held-for-sale	**–**	**6.5**	**6.5**
Acquisitions	**–**	**0.5**	**0.5**
Exchange adjustment	**–**	**(0.3)**	**(0.3)**
At 31 December 2024	**63.7**	**234.3**	**298.0**
Depreciation and impairment losses			
At 1 January 2023	10.8	85.9	96.7
Provided during the year	2.0	18.3	20.3
Disposals	(2.6)	(10.1)	(12.7)
Transfer to assets held-for-sale	(0.3)	(0.4)	(0.7)
Exchange adjustment	–	0.2	0.2
At 31 December 2023	9.9	93.9	103.8
Provided during the year	**1.8**	**17.4**	**19.2**
Disposals	**(0.1)**	**(13.1)**	**(13.2)**
Transfer from assets held-for-sale	**–**	**4.3**	**4.3**
Exchange adjustment	**–**	**0.2**	**0.2**
At 31 December 2024	**11.6**	**102.7**	**114.3**
Net book value			
At 31 December 2024	**52.1**	**131.6**	**183.7**
At 31 December 2023	51.3	125.1	176.4

Included in freehold land and buildings is non-depreciable land of £16.2m (2023: £16.2m).

Capital commitments

At 31 December 2024, the Group had commitments of £5.0m (2023: £7.1m) relating to plant and equipment purchases.

16. Right-of-use assets and lease liabilities

	Right-of-use assets				Lease liabilities
	Freehold land and buildings £m	Plant and other equipment £m	Motor vehicles £m	Total £m	£m
At 1 January 2023	12.9	8.7	0.7	22.3	(23.1)
Additions	1.8	2.2	3.9	7.9	(7.9)
Disposals	(1.2)	(1.5)	(0.6)	(3.3)	1.2
Depreciation of right-of-use assets	(1.9)	(2.5)	(1.2)	(5.6)	–
Depreciation on disposal of right-of-use assets	–	1.2	0.4	1.6	–
Un-wind of discount on lease liabilities	–	–	–	–	(1.2)
Settlement of lease liabilities	–	–	–	–	7.6
At 31 December 2023	11.6	8.1	3.2	22.9	(23.4)
Additions	**1.7**	**5.7**	**5.6**	**13.0**	**(13.0)**
Disposals	**(3.8)**	**(3.7)**	**(0.6)**	**(8.1)**	**–**
Depreciation of right-of-use assets	**(2.0)**	**(3.0)**	**(2.1)**	**(7.1)**	**–**
Depreciation on disposal of right-of-use assets	**2.8**	**3.0**	**0.4**	**6.2**	**–**
Transfer from assets held-for-sale	**–**	**0.2**	**–**	**0.2**	**(0.2)**
Exchange adjustment	**–**	**(0.1)**	**–**	**(0.1)**	**–**
Un-wind of discount on lease liabilities	**–**	**–**	**–**	**–**	**(1.6)**
Settlement of lease liabilities	**–**	**–**	**–**	**–**	**10.6**
At 31 December 2024	**10.3**	**10.2**	**6.5**	**27.0**	**(27.6)**

17. Intangible assets

	Goodwill £m	Patents £m	Brand names £m	Customer relationships £m	Licences £m	Development costs £m	Total £m
Cost							
At 1 January 2023	467.4	40.0	66.5	114.3	0.8	4.3	693.3
Additions	–	0.4	–	–	–	1.3	1.7
Disposals	–	–	–	–	–	(0.6)	(0.6)
Transfer to assets held-for-sale	(1.3)	–	–	–	–	–	(1.3)
At 31 December 2023	466.1	40.4	66.5	114.3	0.8	5.0	693.1
Additions	**5.3**	**0.5**	**–**	**–**	**–**	**0.6**	**6.4**
Transfer from assets held-for-sale	**4.5**	**–**	**–**	**–**	**–**	**–**	**4.5**
At 31 December 2024	**475.9**	**40.9**	**66.5**	**114.3**	**0.8**	**5.6**	**704.0**
Amortisation and impairment losses							
At 1 January 2023	12.0	18.8	24.3	22.3	0.4	0.4	78.2
Charge for the year	–	3.3	5.1	6.4	0.1	0.7	15.6
Impairment losses	–	1.0	0.9	0.6	–	–	2.5
At 31 December 2023	12.0	23.1	30.3	29.3	0.5	1.1	96.3
Charge for the year	**–**	**3.4**	**5.0**	**6.1**	**0.1**	**0.5**	**15.1**
Impairment losses	**12.4**	**–**	**–**	**–**	**–**	**–**	**12.4**
At 31 December 2024	**24.4**	**26.5**	**35.3**	**35.4**	**0.6**	**1.6**	**123.8**
Net book value							
At 31 December 2024	**451.5**	**14.4**	**31.2**	**78.9**	**0.2**	**4.0**	**580.2**
At 31 December 2023	454.1	17.3	36.2	85.0	0.3	3.9	596.8

Brand names and customer relationships which arise from business combinations are amortised over their estimated useful lives of 5 to 20 years. There are two existing brands that have a significant carrying value, Nuaire (£1.5m) and Adey (£21.2m), with an estimated useful life of 10 and 11 years respectively. Customer relationships that have a significant carrying value are Adey's relationships with key customers (£68.5m) with an estimated useful life of between 11 and 20 years, and Manthorpe's (£5.3m), with an estimated useful life of 15 years.

Impairment testing of goodwill cash generating units (CGUs)

Goodwill is not amortised but is subject to annual impairment testing. Goodwill has been allocated for impairment testing purposes to a number of CGUs which represent the lowest level in the Group at which goodwill is monitored for internal management purposes. The carrying amount of goodwill allocated to each of the CGUs is as follows:

CGU	31 December 2024 £m	31 December 2023 £m
Building Services & International	**33.6**	29.1
Infrastructure & Landscape	**45.9**	43.6
Residential Systems	**169.6**	169.6
Climate & Ventilation	**93.7**	93.7
Nu-Heat	**20.3**	17.3
Adey	**83.1**	95.5
Others	**5.3**	5.3
	451.5	454.1

During the year the acquisition of Sky Garden has been allocated to the Infrastructure & Landscape CGU and the goodwill on Genuit UFH has been allocated to the Nu-Heat CGU. Polypipe Italia SRL was declassified as held-for-sale during the year and has been reallocated back to the Building Services & International CGU, and the 2023 comparative has been restated.

From 1 January 2023, reporting segments have been aligned with the Group's Sustainable Solutions for Growth strategy and reorganised into three segments – CMS, WMS and SBS. Adey, Nu-Heat and Climate & Ventilation CGUs have been allocated into CMS, Residential Systems and Building Services & International CGUs are allocated into SBS, and Infrastructure & Landscape and Ulster CGUs are now reported as WMS.

Key assumptions used for value-in-use calculations:

The recoverable amount of all CGUs are determined from value-in-use calculations, being the net present value of future pre-tax cash flows, discounted at a mid-year position, covering a five-year period. These pre-tax cash flows are based on budgeted cash flows information for a period of one year, and the Board approved management's forecast of growth between 4.0% to 31.2% for years 2 to 5 (2023: 1.6% to 7.3%). Terminal growth rates between 2.0% to 2.4% (2023: 2.0% to 2.4%) have been applied beyond this, based on historical macroeconomic performance and projections of the sector served by the CGUs.

A pre-tax discount rate of 13.8% (2023: 13.9%) has been applied in determining the recoverable amounts of CGUs. The pre-tax discount rate is estimated based on the Group's risk adjusted cost of capital.

17. Intangible assets continued

When assessing for impairment of goodwill, management has considered the impact of climate change, particularly in the context of the risks and opportunities identified within the Task Force on Climate-Related Financial Disclosures Report on pages 47 to 53 of the Strategic Report, and have not identified any material short-term impacts from climate change that would impact the carrying value of goodwill. Over the longer term, the risks and opportunities are more uncertain, and management will continue to assess the quantitative impact of risks at each balance sheet date.

Recoverable amounts and sensitivities:

The Group has applied sensitivities to assess whether any reasonably possible changes in assumptions could cause an impairment that would be material to these consolidated financial statements and is satisfied that there is sufficient headroom against the carrying value of the all CGUs, other than the Adey CGU, so no further sensitivity analysis has been performed.

Due to the ongoing softness in the boiler filter and chemicals market and a delay to recovery in volumes, related to a suppressed RMI market, there has been a reduction in the value-in-use of the Adey CGU, which resulted in an impairment charge of £12.4m being recognised in the first half of the year to reflect that the discounted present value of future pre-tax cash flows did not support the full carrying value of the asset.

At 31 December 2024 the estimated recoverable amount of the CGU exceeded its carrying value by £4.6m. Detailed sensitivity analysis indicates that the following changes in each of these key assumptions would result in a reduction in the recoverable amount and an additional impairment charge being recognised:

- A reduction in the long-term growth rate to 1.9% from that used in the value-in-use calculations of 2.4% would give rise to an impairment charge of £1.1m.
- The pre-tax discount rate increasing to 14.1% from that used in the value-in-use calculations of 13.8%. would give rise to an impairment charge of £0.3m.
- Average revenue growth rates declining by 1.1 percentage points from that used in the value-in-use calculations would give rise to an impairment charge of £16.3m.
- Gross margin efficiencies not being achieved by 2029 and margin declining by 1.9 percentage points from that used in the value-in-use calculations would give rise to an impairment charge of £12.5m.

Management has reviewed the forecasts associated with the CGU, noting the assumptions used, the sensitivity analysis performed and the ability of the business to adapt to challenging economic environments in which they operate, and is satisfied that no further impairments are necessary at 31 December 2024.

18. Acquisitions

Deferred and contingent consideration recognised on the balance sheet at 31 December in relation to past business combinations comprised:

	31 December 2024 £m	31 December 2023 £m
Deferred and contingent consideration on Plura acquisition	**–**	8.2
	–	8.2

Acquisition-related cash flows comprised:

	2024 £m	2023 £m
Operating cash flows – settlement of acquisition costs		
Sky Garden	**0.3**	–
Genuit UFH	**0.1**	–
Plura	**6.5**	–
Other	**0.7**	–
	7.6	–

18. Acquisitions continued

	2024 £m	2023 £m
Investing cash flows – Settlement of deferred and contingent consideration		
Keytec	–	0.6
Plura	**1.6**	1.0
	1.6	1.6

	2024 £m	2023 £m
Investing cash flows – acquisition of businesses net of cash at acquisition		
Sky Garden	**2.2**	–
Genuit UFH	**3.0**	–
	5.2	–

Sky Garden

On 5 August 2024, the Group acquired 100% of the voting rights and shares of Sky Garden Limited and Grey2Green Limited for a cash consideration of £2.6m, which included an amount for net cash and working capital commitments on completion. Sky Garden is a leader in green roof technologies, providing design, supply, installation and maintenance services for green and bio-solar roofs, podium decks and green walls. The business will join WMS and extend the Group's blue-green roof offering. It complements Permavoid's geo-cellular roofing solutions business ,and creates synergies with Keytec's water management installation business.

Details of the acquisition were as follows:

	Fair value £m
Property, plant and equipment (Including right-of-use assets)	0.7
Inventories	0.9
Trade and other receivables	1.8
Cash and cash equivalents	0.4
Trade and other payables	(2.0)
Debt factoring	(1.0)
Lease Liabilities	(0.5)
Net identifiable assets	**0.3**
Goodwill on acquisition	2.3
Total cash consideration	**2.6**

No material intangible assets have been identified. The goodwill arising on the acquisition primarily represented the assembled workforce, synergies of companies offering both supply and install services, and market share in markets Genuit currently does not operate in. The goodwill is allocated entirely to the Infrastructure & Landscape CGU, which is now the Water Management Solutions segment.

Acquisition-related costs of £0.2m have been recognised in non-underlying items.

Post-acquisition Sky Garden contributed £3.3m revenue and £0.1m underlying operating loss, which were included in the Group Income Statement. If Sky Garden had been acquired on 1 January 2024, the Group's results for the 12 months ended 31 December 2024 would have shown revenue of £562.7m and underlying operating profit of £92.5m.

18. Acquisitions continued

Omnie & Timoleon (Genuit UFH)

On 6 August 2024, the Group acquired the trade and assets from the group operating the Omnie & Timoleon businesses for a cash consideration of £2.7m. As part of the acquisition, the Group also acquired 100% of Timoleon Sp.zo.o. The assets and liabilities of Timoleon Sp.zo.o are included as part of the table below. The trade and assets acquired met the definition of a business under IFRS 3, and as such the acquisition has been accounted for as a business combination. Omnie & Timoleon are leaders in underfloor heating (UFH) board technologies and providers of full UFH system design and supply. The businesses operate and manufacture in Exeter, Devon and Lomza, Poland. The brands will complement and enhance the Group's UFH offering and will be part of CMS. Omnie serves direct customers and the merchant channel whilst Timoleon supplies OEM customers.

Details of the acquisition were as follows:

	Fair value £m
Property, plant and equipment	0.3
Inventories	0.2
Trade and other receivables	0.2
Trade and other payables	(1.1)
Net identifiable liabilities	**(0.4)**
Goodwill on acquisition	3.1
Total cash consideration	**2.7**

No material intangible assets have been identified. The goodwill arising on the acquisition primarily represented the assembled workforce and technical expertise and synergies of companies offering UFH solutions. The goodwill is allocated entirely to the Nu-Heat CGU.

Acquisition-related costs of £0.2m have been recognised in non-underlying items.

Post-acquisition Genuit UFH contributed £2.5m revenue and £0.6m underlying operating loss which were included in the Group Income Statement.

19. Assets held-for-sale

The following major class of assets and liabilities that have been classified as held-for-sale at the balance sheet date are as follows:

	2024 Fair value £m	2023 Fair value £m
Property, plant and equipment	–	5.5
Right-of-use assets	–	0.3
Goodwill	–	4.5
Trade and other receivables	–	2.8
Inventories	–	4.0
Assets held-for-sale	–	17.1
Trade and other payables	–	2.6
Finance lease liabilities	–	0.2
Liabilities held-for-sale	–	2.8

At December 2023, the total carrying value of assets held-for-sale was £17.1m which comprised:

- £3.3m in relation to freehold land and buildings, one within the CMS segment and one within the WMS segment. During 2024 both the freehold land and buildings have been disposed of for an amount of £4.8m generating a profit on disposal of £1.5m.
- £13.8m in relation to the assets of the Group's business in Italy, which included Property, plant and equipment, right-of-use assets, goodwill, trade and other receivables, inventories, trade and other payables and finance lease liabilities.

Although the Group has continued to seek a buyer for the Italian business, it has not yet been sold, and having considered the criteria in IFRS 5, the Group has determined that these assets no longer qualify as held-for-sale because the Group has decided to no longer proactively market the company for sale and the Group will seek to improve the Polypipe Italia SRL business through deployment of the Genuit Business System. As a result of the assets ceasing to be classified as held-for-sale, the assets have been reclassified to the appropriate line items in the Statement of Financial Position in the year. As is required under IFRS 5 when non-current assets cease to be classified as held-for-sale, comparative information has not been restated.

20. Investments

Details of Group undertakings

Details of the investments in which the Group holds 20% or more of the nominal value of any class of share capital at 31 December 2024 are set out in Note 4 to the Parent Company financial statements.

21. Inventories

	31 December 2024 £m	31 December 2023 £m
Raw materials	**20.3**	22.5
Work in progress	**8.7**	7.9
Finished goods	**44.5**	38.8
	73.5	69.2

All inventories are carried at cost less a provision to take account of slow-moving and obsolete items. The provision at 31 December 2024 was £10.5m (2023: £13.9m).

22. Trade and other receivables

	31 December 2024 £m	31 December 2023 £m
Trade receivables	**68.6**	66.2
Prepayments	**13.0**	6.8
Other receivables	**0.2**	0.9
	81.8	73.9

Trade receivables are non-interest bearing and are generally settled on 30 days' credit.

Expected credit losses

The Group maintains a substantial level of credit insurance covering a significant proportion of its trade receivables which mitigates against expected credit losses. Therefore, such credit losses are not significant.

The ageing of trade receivables at the balance sheet date was as follows:

	31 December 2024			31 December 2023		
	Gross £m	**Allowance for expected credit losses £m**	**Net £m**	Gross £m	Allowance for expected credit losses £m	Net £m
Not past due	**26.9**	**(0.2)**	**26.7**	25.8	–	25.8
Past due 1 to 30 days	**38.1**	**(0.1)**	**38.0**	34.5	–	34.5
Past due 31 to 90 days	**3.6**	**(0.1)**	**3.5**	5.1	(0.1)	5.0
Past due more than 90 days	**0.8**	**(0.4)**	**0.4**	1.5	(0.6)	0.9
	69.4	**(0.8)**	**68.6**	66.9	(0.7)	66.2

The movements in the allowance for expected credit losses of trade receivables comprised:

	£m
At 31 December 2022	0.6
Charged to the income statement during the year	0.4
Utilised during the year	(0.3)
At 31 December 2023	0.7
Charged to the income statement during the year	**0.7**
Utilised during the year	**(0.6)**
At 31 December 2024	**0.8**

23. Cash and cash equivalents

Cash and cash equivalents comprised:

	31 December 2024 £m	31 December 2023 £m
Cash at bank and in hand	**43.6**	17.0

Cash at bank earns interest at variable rates based on daily bank deposit rates. The Group only deposits cash surpluses with banks that have as a minimum a single A credit rating.

24. Share capital and reserves

Share capital

	31 December 2024		31 December 2023	
	Number*	**£**	Number*	£
Authorised, allotted, called up and fully paid share capital:				
Ordinary shares of £0.001 each	**249**	**249,170**	249	249,170

* Millions of shares.

The ordinary shares are voting non-redeemable shares and rank equally as to dividends, voting rights and any return of capital on winding up.

Share premium

On 11 February 2021, the Group conducted a non-pre-emptive placing of 18,704,085 new ordinary shares at £5.15 per share generating gross proceeds of £96.3m with issue costs of £2.7m. Net proceeds in excess of the nominal value of £93.6m have been credited to the share premium account. A further £0.1m of listing fees have been incurred and charged to the Income Statement in 2021.

Capital redemption reserve

Following the consolidation and subdivision of shares in 2014 the Company's deferred shares were cancelled. In order to maintain the Company's capital, a transfer was made from retained earnings to a capital redemption reserve at that time.

Own shares

Own shares represent the cost of Genuit Group plc shares purchased in the market and held by the Company, and/or the Employee Benefit Trust (EBT), to satisfy the future exercise of options under the Group's share option schemes.

During the year the Group issued no shares (2023: no shares) to the EBT at the nominal value of £0.001.

At 31 December 2024 the Group held 375 (2023: 375) of its own shares at an average cost of £4.20 (2023: £4.20) per share. The market value of these shares at 31 December 2024 was less than £0.1m (2023: less than £0.1m). The nominal value of each share is £0.001.

The EBT held 608,370 shares at 31 December 2024 (2023: 921,482) at an average cost of 0.1p (2023: 0.1p) per share. The market value of these shares at 31 December 2024 was £2.4m (2023: £3.7m). The nominal value of each share is £0.001.

Hedging reserve

The hedging reserve contains the effective portion of the cash flow hedge relationships entered into by the Group in respect of interest rate swaps and forward foreign currency derivatives as discussed in Note 29.

Foreign currency retranslation reserve

The foreign currency retranslation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Other reserves

On 7 May 2020, the Group conducted a non-pre-emptive placing of 26,966,300 new ordinary shares at £4.45 per share generating gross proceeds of £120.0m. The placing was undertaken using a cashbox structure. As a result, the Group was able to take relief under Section 612 of the Companies Act 2006 from crediting share premium and instead transfer the net proceeds in excess of the nominal value to other reserves. Advisers' fees of £3.5m have been netted off against the gross proceeds.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains an appropriate capital structure to support its business objectives and maximise shareholder value. The Group regards shareholders' equity and net debt as its capital. The Group's net debt is defined as cash and cash equivalents, loans and borrowings, and lease liabilities.
At 31 December 2024, the Group had bank debt of £121.5m (2023: £120.0m), an undrawn committed revolving credit facility of £228.6m (2023: £230.0m), cash of £43.6m (2023: £17.0m), an uncommitted accordion facility of £50.0m (2023: £50.0m), private placement loan notes of £25.0m (2023: £25.0m) with a maturity date of August 2029 and lease liabilities of £27.6m (2023: £23.5m). A key objective of the Group is to maintain sufficient liquidity (cash and committed bank facilities) in order to meet its cash commitments including interest payments due on that debt. No changes were made to the objectives, policies or processes during the years ended 31 December 2024 and 31 December 2023.

25. Share-based payments

Share options were granted by the Company under its various share option schemes as detailed in the table below:

	Exercise price £	31 December 2023 Number	Granted Number	Dividend Accrual	Exercised Number	Lapsed/ forfeited Number	**31 December 2024 Number**	Date first exercisable	Expiry date
2014 Sharesave (granted 2020)	3.45	286,611	–	–	(218,536)[1]	(68,075)	**–**	01 December 2023	30 April 2024
2014 Sharesave (granted 2021)	5.78	160,392	–	–	–	(79,891)	**80,501**	01 December 2024	31 May 2025
2014 Sharesave (granted 2022)	2.21	3,501,675	–	–	(16,761)[2]	(318,817)	**3,166,097**	01 December 2025	31 May 2026
2014 Sharesave (granted 2023)	2.60	1,044,829	–	–	(153)[3]	(166,490)	**878,186**	01 December 2026	31 May 2027
2014 Sharesave (granted 2024)	3.90	–	665,266	–	–	(14,464)	**650,802**	01 December 2027	31 May 2028
2014 LTIP (granted 10 May 2016)	Nil	86,205	–	–	–	–	**86,205**	10 May 2019	10 May 2026
2014 LTIP (granted 2 May 2017)	Nil	12,574	–	–	–	–	**12,574**	2 May 2020	2 May 2027
2014 LTIP (granted 30 April 2019)	Nil	27,117	–	–	–	–	**27,117**	30 April 2022	30 April 2029
2014 LTIP (granted 20 May 2021)	Nil	418,193	–	–	(35,186)[4]	(373,626)	**9,381**	20 May 2024	20 May 2031
2014 LTIP (granted 22 April 2022)	Nil	573,907	–	–	–	(11,573)	**562,334**	22 April 2025	22 April 2032
2014 LTIP (granted 13 July 2022)	Nil	11,973	–	–	–	–	**11,973**	13 July 2025	13 July 2032
2014 LTIP (granted 21 April 2023)	Nil	1,023,051	–	–	–	(19,751)	**1,003,300**	21 April 2026	21 April 2033
2014 LTIP (granted 18 May 2023)	Nil	15,173	–	–	–	(15,173)	**–**	18 May 2026	18 May 2033
2014 LTIP (granted 22 May 2023)	Nil	21,795	–	–	–	–	**21,795**	22 May 2026	22 May 2033
2014 LTIP (granted 08 April 2024)	Nil	–	891,257	–	–	(31,684)	**859,573**	08 April 2027	08 April 2034
Deferred share awards (granted 22 March 2022)	Nil	133,846	–	–	(29,935)[5]	(103,911)	**–**	22 March 2024	22 March 2032
Deferred share awards (granted 01 December 2023)	Nil	36,734	–	–	–	–	**36,734**	01 December 2025	31 May 2026
Deferred share awards (granted 01 December 2023)	Nil	284,850	–	–	–	(37,473)	**247,377**	01 December 2025	31 May 2026
Deferred share awards (granted 01 November 2024)	Nil	–	26,886	–	–	–	**26,886**	01 November 2026	30 April 2027
DSBP (granted 22 April 2022)	Nil	84,952	–	1,153	(42,476)[6]	–	**43,629**	22 April 2024	22 April 2032
DSBP (granted 21 April 2023)	Nil	26,007	–	706	–	–	**26,713**	21 April 2025	21 April 2033
DSBP (granted 08 April 2024)	Nil	–	50,381	1,370	–	–	**51,751**	08 April 2026	08 April 2034
		7,749,884	1,633,790	3,229	(343,047)	(1,240,928)	**7,802,928**		

1. The weighted average share price at the date of exercise of these options was £4.27.
2. The weighted average share price at the date of exercise of these options was £4.38.
3. The weighted average share price at the date of exercise of these options was £4.26.
4. The weighted average share price at the date of exercise of these options was £4.63.
5. The weighted average share price at the date of exercise of these options was £4.61.
6. The weighted average share price at the date of exercise of these options was £4.81.

25. Share-based payments continued

At 31 December 2024, 215,778 (2023: 449,475) share options were exercisable at a weighted average exercise price of £2.16 (2023: £2.20) per share.

Sharesave Plan

Sharesave Plan options were granted to eligible employees on 15 October 2024 at an exercise price of £3.90 per share, a 20% discount to the average share price over the three business days preceding the offer. Participating employees can exercise their options to purchase the shares acquired through their savings plans at the option price after three years. These options have an exercise date of 2027 to 2028.

Long-Term Incentive Plan (LTIP)

LTIP options were awarded to a number of senior managers on 8 April 2024. These options have an exercise date of 2027 to 2034. The vesting of each award is subject to the satisfaction of certain performance criteria, of which 25% is based on cash conversion (the cash conversion element), 25% is based on sustainability performance (the sustainability element) and 50% is based on earnings per share (the EPS element). Further details of the scheme are provided in the Annual Report on Remuneration.

Deferred Share Bonus Plan (DSBP)

On 8 April 2024, the Executive Directors received an award of shares under the DSBP relating to the 2023 annual bonus.

All these equity-settled, share-based payments are measured at fair value at the date of grant. The fair value determined at the date of grant of the equity-settled, share-based payments is expensed to the income statement on a straight-line basis over the vesting period, based on the Group's estimates of shares that will eventually vest, with a corresponding adjustment to equity. Fair value for the Sharesave Plan options is measured by use of a Black-Scholes model. Fair value of the LTIP options is measured by use of a Monte Carlo model. The expected life used in the models has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

Deferred Share Award (DSA)

On 1 December 2023 and 1 November 2024, several colleagues received deferred share awards in relation to contributions to key strategic projects across the Group. The vesting of each award is based upon continuous employment with the Group for the two-year vesting period. These options have an exercise date of 2025 to 2027.

The assumptions used for each share-based payment were as follows:

	2014 LTIP options granted 08 April 2024	Deferred Share options granted 01 November 2024	2014 Sharesave options granted 2024
Share price at the date of grant	4.36	4.70	4.82
Exercise price	Nil	Nil	3.90
Shares under option	891,257	26,886	665,266
Vesting period (years)	3.00	2.00	3.25
Expected volatility	34.3%	30.0%	16.5%
Median volatility of the comparator group	30.7%	n/a	n/a
Expected life (years)	3.00	2.00	3.25
Risk free rate	4.1%	4.2%	4.0%
Dividend yield	2.8%	3.0%	2.6%
TSR performance of the Company at the date of grant	16.1%	n/a	n/a
Median TSR performance of the comparator group at the date of grant	5.7%	n/a	n/a
Correlation (median)	39.2%	n/a	n/a
Fair value per option	4.57	4.43	1.20

25. Share-based payments continued

	2014 LTIP options granted 21 April 2023	2014 LTIP options granted 18 May 2023	2014 LTIP options granted 22 May 2023	2014 Sharesave options granted 2023
Share price at the date of grant	£2.76	£3.03	£3.21	£3.06
Exercise price	£Nil	£Nil	£Nil	2.60
Shares under option	1,288,711	15,173	21,795	1,092,575
Vesting period (years)	3.00	3.00	3.00	3.25
Expected volatility	36.7%	36.7%	36.7%	39.3%
Median volatility of the comparator group	34.9%	34.9%	34.9%	n/a
Expected life (years)	3.00	3.00	3.00	3.25
Risk free rate	3.8%	3.9%	4.0%	4.0%
Dividend yield	4.5%	3.6%	3.7%	4.0%
TSR performance of the Company at the date of grant	1.0%	1.0%	1.0%	n/a
Median TSR performance of the comparator group at the date of grant	5.05%	5.05%	5.05%	n/a
Correlation (median)	35.9%	35.9%	35.9%	n/a
Fair value per option	£2.15	£2.63	£2.55	£1.07

The expected volatility is based on historical share price movements. The Directors anticipate it is possible the performance criteria in relation to the LTIP options may not be met.

	2024 £m	2023 £m
Share-based payments charge for the year	**2.9**	2.1

26. Trade and other payables

	31 December 2024 £m	31 December 2023 £m
Trade payables	**88.5**	73.9
Other taxes and social security costs	**15.6**	13.6
Accruals	**24.1**	27.3
	128.2	114.8

Trade payables are non-interest bearing and generally settled on 30-to-60 day terms.

27. Financial liabilities

	31 December 2024 £m	31 December 2023 £m
Non-current loans and borrowings:		
Bank loan		
– principal	**121.5**	120.0
– unamortised debt issue costs	**(1.3)**	(2.1)
Private placement loan notes	**25.0**	25.0
Total non-current loans and borrowings	**145.2**	142.9
Cash at bank and in hand	**(43.6)**	(17.0)
Net debt excluding lease liabilities	**101.6**	125.9

	31 December 2024 £m	31 December 2023 £m
Other financial liabilities:		
Trade and other payables	**128.2**	114.8
Lease liabilities	**27.6**	23.4
Deferred and contingent consideration	**–**	8.2
	155.8	146.4

27. Financial liabilities continued

Bank loan

On 10 August 2022, the Group renewed its banking facilities and entered a Sustainability-Linked Loan revolving credit facility agreement for £350.0m with a £50.0m uncommitted accordion facility expiring in August 2027 and a separate agreement for private placement loan notes of £25.0m with an uncommitted £125.0m shelf facility repayable in August 2029. The Group incurred debt issue costs of £3.1m, in respect of entering into both agreements, which have been capitalised and are being amortised to the income statement over the whole term of each facility, respectively.

Interest is payable on the bank loan at SONIA plus an interest margin ranging from 0.90% to 2.75% which is dependent on the Group's ESG targets and the Group's leverage (net debt excluding lease liabilities as a multiple of pro-forma EBITDA) and reduces as the Group's leverage reduces. The interest margin at 31 December 2024 was 1.63% (2023: 1.65%). Pro-forma EBITDA for the year was £112.7m (2023: £114.9m) and is defined as pre-IFRS 16 underlying operating profit before depreciation, amortisation and share-based payment charges, for the 12 months preceding the balance sheet date adjusted where relevant to include a full year of EBITDA from acquisitions made during those 12 months.

Interest is payable semi-annually on the loan notes and is fixed at 4.44% per annum for the period of the loan term.

	2024 £m	2023 £m
Pro-forma EBITDA (12 months preceding the balance sheet)		
Underlying operating profit	**92.2**	94.1
Depreciation of property, plant and equipment	**19.2**	19.1
Amortisation of intangible assets arising on business combinations	**0.7**	0.8
Un-wind of discount on lease liabilities	**(1.6)**	(1.2)
Share-based payments charge	**2.9**	2.1
	113.4	114.9
EBITDA from acquisitions	**(0.7)**	–
	112.7	114.9

At 31 December 2024, the Group had available, subject to covenant headroom, £228.6m (2023: £230.0m) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

The Group is subject to a number of covenants in relation to its bank loan which, if breached, would result in the bank loan becoming immediately repayable. These covenants specify certain maximum limits in terms of net debt, excluding lease liabilities, as a multiple of pro-forma EBITDA and interest cover. Both covenants are tested at the end of each quarter and at 31 December 2024, the Group was not in breach of any bank covenants. The covenant position was as follows:

Covenant	Covenant Requirement	**Position at 31 December 2024**
Interest cover (underlying operating profit: finance costs excluding debt issue cost amortisation)	>4.0:1	8.3:1
Leverage (net debt excluding lease liabilities: pro-forma EBITDA)	<3.0:1	0.9:1

The interest cover and leverage covenants remain at 4.0:1 and 3.0:1 respectively, throughout the remaining term of the revolving credit facility to August 2027, though there exists the option to apply to extend the leverage covenant to 3.5:1 for a limited period of time if the Group makes an acquisition.

Reconciliation of liabilities arising from financing activities

	2024 £m	2023 £m
At 1 January	**142.9**	193.1
Borrowings repaid	**(68.0)**	(100.9)
Borrowings drawn down	**69.4**	50.0
Debt issue costs	**0.9**	0.7
At 31 December	**145.2**	142.9

28. Related party transactions

Compensation of key management personnel (including Directors):

	2024 £m	2023 £m
Short-term employee benefits	**4.4**	4.4
Share-based payments	**0.6**	1.0
	5.0	5.4

Key management personnel comprise the Executive Directors, Non-Executive Directors and other key managers in the Group.

29. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, deferred and contingent consideration, lease liabilities, derivative financial instruments and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has trade and other receivables and cash that are derived directly from its operations.

The Group is exposed to interest rate cash flow, foreign currency exchange, credit and liquidity risk.

The Group's senior management oversees the mitigation of these risks which are summarised as follows:

Interest rate risk

The interest rate on the Group's £350.0m Sustainability-Linked Loan is variable, being payable at SONIA plus a margin. The Group manages its long-term borrowings policy centrally and operates weekly cash flow forecasting to manage its net debt position to ensure exposure to changes in interest rates are minimised where possible.

Interest rate sensitivity

The table below demonstrates the sensitivity to a change in 100 basis point in interest rates on the majority of the Group's borrowings, which remain unhedged. The analysis assumes all other variables remain constant and the change in rates takes place at the beginning of the financial year and held constant throughout the reporting period, the Group's profit after tax is affected through the impact on interest rate borrowings as follows:

Change in interest rate	Effect on profit after tax £m
2024	
Increase of 100 basis points	**(0.9)**
Decrease of 100 basis points	**0.9**
2023	
Increase of 100 basis points	(0.8)
Decrease of 100 basis points	0.8

Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair value of a financial instrument or future cash flows will fluctuate because of changes in foreign currency exchange rates. The Group's exposure to the risk of changes in foreign currency exchange rates relates primarily to the Group's operating activities where the revenue or expense is denominated in a currency other than the functional currency of the entity undertaking the transaction.

The Group enters into forward foreign currency exchange contracts for the purchase and sale of foreign currencies in order to manage its exposure to fluctuations in currency rates, primarily in respect of US Dollar and Euro receipts and payments.

Foreign currency exchange sensitivity

The table below demonstrates the sensitivity to a 10% change in the Euro exchange rate versus Pounds Sterling, the presentational currency of the Group used for translation purposes, on the net assets and profit after tax of the Group. The Group's exposure to foreign currency exchange rate changes for all other currencies is not material.

Change in exchange rate	Effect on net assets £m	Effect on profit after tax £m
2024		
10% strengthening of Pounds Sterling: against Euro	**(1.4)**	**–**
10% weakening of Pounds Sterling: against Euro	**1.6**	**–**
2023		
10% strengthening of Pounds Sterling: against Euro	(1.2)	–
10% weakening of Pounds Sterling: against Euro	1.4	–

29. Financial risk management objectives and policies continued

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including cash deposits with banks.

Trade receivables

Customer credit risk is managed by each subsidiary subject to the Group's established policy, procedures, and controls relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major export customers are generally covered by letters of credit or other forms of credit insurance.

The requirement for impairment is analysed at each balance sheet date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on actually incurred historical data, adjusted for forward-looking information. The maximum exposure to credit risk at the balance sheet date is the carrying amount of each class of financial assets as disclosed in Note 22.

The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low. At 31 December 2024, 48.1% (2023: 44.3%) of net trade receivables were covered by credit insurance which is subject to the normal policy deductibles.

Financial instruments and cash deposits

The Group maintains strong liquidity through cash balances and deposits of £43.6m and its undrawn committed revolving credit facility £228.6m at 31 December 2024, which matures in August 2027 (with one further uncommitted annual renewal through to November 2028 possible).

Credit risk arising from cash deposits with banks is managed in accordance with the Group's established treasury policy, procedures and controls. Deposits of surplus funds are made only with banks that have as a minimum a single A credit rating. The Group's maximum exposure to credit risk for the components of the balance sheet at 31 December 2024 and 31 December 2023 is the carrying amounts as illustrated in Note 23.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

31 December 2024	**< 3 months £m**	**3 to 12 months £m**	**1 to 5 years £m**	**> 5 years £m**	**Total £m**
Bank loan – principal	**2.4**	**7.2**	**147.0**	**–**	**156.6**
Private placement loan notes	**–**	**1.1**	**28.3**	**–**	**29.4**
Other financial liabilities:					
Trade and other payables	**128.2**	**–**	**–**	**–**	**128.2**
Forward foreign currency derivatives	**0.2**	**–**	**–**	**–**	**0.2**
Lease liabilities	**2.0**	**6.4**	**22.7**	**3.2**	**34.3**
	132.8	**14.7**	**198.0**	**3.2**	**348.7**

The interest payments on the Sustainability-Linked Loan would be £9.6m per year if the interest rate plus margin remained at 6.4% and the level of debt did not change from the balance sheet date.

31 December 2023	< 3 months £m	3 to 12 months £m	1 to 5 years £m	> 5 years £m	Total £m
Bank loan – principal	2.6	7.4	155.0	–	165.0
Private placement loan notes	–	1.1	4.4	25.0	30.5
Other financial liabilities:					
Trade and other payables	114.8	–	–	–	114.8
Deferred and contingent consideration	8.2	–	–	–	8.2
Forward foreign currency derivatives	1.4	–	–	–	1.4
Lease liabilities	1.7	4.7	17.8	6.4	30.6
	128.7	13.2	177.2	31.4	350.5

29. Financial risk management objectives and policies continued

Fair values of financial assets and financial liabilities

The book value of trade and other receivables, trade and other payables, cash balances, bank loan and other liabilities equates to fair value.

The table below sets out the Group's accounting classification of its other financial liabilities and their carrying amounts and fair values:

	Carrying value £m	Fair value £m
Forward foreign currency derivatives (designated as hedging instruments)	**0.2**	**0.2**
Interest-bearing loans and borrowings due after more than one year (designated as financial liabilities measured at amortised cost)	**145.2**	**145.2**
Lease liabilities (designated as financial liabilities measured at amortised cost)	**27.6**	**27.6**
Total at 31 December 2024	**173.0**	**173.0**

	Carrying value £m	Fair value £m
Forward foreign currency derivatives (designated as hedging instruments)	–	–
Interest-bearing loans and borrowings due after more than one year (designated as financial liabilities measured at amortised cost)	142.9	142.9
Deferred and contingent consideration (designated as financial liabilities at FVTPL)	8.2	8.2
Lease liabilities (designated as financial liabilities measured at amortised cost)	23.4	23.4
Total at 31 December 2023	174.5	174.5

The fair values were determined as follows by reference to:

– Forward foreign currency derivatives: quoted exchange rates.

– Lease liabilities: present value of lease payments to be made over the lease terms.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recognised fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recognised fair value that are not based on observable market data.

The fair values disclosed above, with the exception of deferred and contingent consideration which is categorised as Level 3, all relate to items categorised as Level 2.

There have been no transfers in any direction between Levels 1, 2 or 3 in the years ended 31 December 2024 and 2023.

Directors' Responsibilities Statement

In relation to the Parent Company financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable UK law and regulations.

UK Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK-Adopted International Accounting Standards (IFRSs).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state whether IASs in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Company Balance Sheet

At 31 December 2024

	Notes	31 December 2024 £m	31 December 2023 £m
Non-current assets			
Investments	4	**250.3**	248.1
Amounts owed by subsidiary undertakings and other receivables	5	**191.0**	190.5
Current assets			
Amounts owed by subsidiary undertakings and other receivables	5	**0.1**	1.2
Total assets		**441.4**	439.8
Current liabilities			
Amounts owed to subsidiary undertakings and other payables	6	**(156.1)**	(122.9)
Net assets		**285.3**	316.9
Capital and reserves			
Equity share capital	7	**0.2**	0.2
Share premium	7	**93.6**	93.6
Capital redemption reserve	7	**1.1**	1.1
Own shares	7	**–**	–
Other reserves	7	**116.5**	116.5
Retained earnings		**73.9**	105.5
Total equity		**285.3**	316.9

Included in retained earnings is a loss for the year of £4.8m (2023: £6.1m loss).

The financial statements were approved for issue by the Board of Directors and signed on its behalf by:

Joe Vorih
Director

11 March 2025

Tim Pullen
Director

11 March 2025

Company Registration No. 06059130

Company Statement of Changes in Equity

For the year ended 31 December 2024

	Equity share capital £m	Share premium £m	Capital redemption reserve £m	Own shares £m	Other reserves £m	Retained earnings £m	Total equity £m
At 31 December 2022	0.2	93.6	1.1	–	116.5	139.8	351.2
Loss for the year	–	–	–	–	–	(6.1)	(6.1)
Total comprehensive income for the year	–	–	–	–	–	(6.1)	(6.1)
Dividends paid	–	–	–	–	–	(30.5)	(30.5)
Share-based payments charge	–	–	–	–	–	2.1	2.1
Share-based payments settled	–	–	–	–	–	0.3	0.3
Share-based payments excess tax benefit	–	–	–	–	–	(0.1)	(0.1)
At 31 December 2023	0.2	93.6	1.1	–	116.5	105.5	316.9
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(4.8)**	**(4.8)**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**(4.8)**	**(4.8)**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(30.8)**	**(30.8)**
Share-based payments charge	**–**	**–**	**–**	**–**	**–**	**2.9**	**2.9**
Share-based payments settled	**–**	**–**	**–**	**–**	**–**	**0.8**	**0.8**
Share-based payments excess tax benefit	**–**	**–**	**–**	**–**	**–**	**0.3**	**0.3**
At 31 December 2024	**0.2**	**93.6**	**1.1**	**–**	**116.5**	**73.9**	**285.3**

Company Cash Flow Statement

For the year ended 31 December 2024

	31 December 2024 £m	31 December 2023 £m
Operating activities		
Operating loss	**(4.8)**	(6.1)
Non-cash items: Share-based payments	**0.7**	0.9
Operating cash flows before movement in working capital	**(4.1)**	(5.2)
Movement in working capital:		
Receivables	**0.8**	(1.1)
Payables	**(0.2)**	0.1
Inter-group balances	**33.5**	36.4
Net cash flows from operating activities	**30.0**	30.2
Financing activities		
Dividends paid	**(30.8)**	(30.5)
Proceeds from exercise of share options	**0.8**	0.3
Net cash flows from financing activities	**(30.0)**	(30.2)
Net change in cash and cash equivalents	**–**	–
Cash and cash equivalents at 1 January	**–**	–
Cash and cash equivalents at 31 December	**–**	–

Notes to the Company Financial Statements

For the year ended 31 December 2024

1. Authorisation of financial statements

The parent company financial statements of Genuit Group plc (formerly Polypipe Group plc) (the 'Company') for the year ended 31 December 2024 were authorised for issue by the Board of Directors on 11 March 2025 and the balance sheet was signed on the Board's behalf by Joe Vorih and Tim Pullen.

Genuit Group plc is a public limited company incorporated and domiciled in England and Wales. The principal activity of the Company is that of a holding company.

2. Summary of material accounting policies

The basis of preparation and accounting policies used in preparing the historical financial information for the year ended 31 December 2024 are set out below. These accounting policies have been consistently applied in all material respects to all the periods presented.

2.1 Basis of preparation and statement of compliance with IFRSs

The Company financial statements have been prepared in accordance with UK-adopted International Accounting Standards (UK-adopted-IAS).

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2024.

The Company's financial statements have been prepared on a historical cost basis. The financial statements are presented in Pounds Sterling and all values are rounded to one decimal place of a million (£m) unless otherwise indicated. No income statement or statement of comprehensive income is presented by the Company as permitted by Section 408 of the Companies Act 2006. The results of Genuit Group plc are included in the consolidated financial statements of Genuit Group plc.

2.2 Going concern

The accounting policy for going concern is consistent with that of the Group as detailed on page 169 in note 2.2.

2.3 Investments

Investments in subsidiary undertakings are held at historical cost less any applicable provision for impairment.

2.4 Share-based payments

The accounting policy for share based payments is consistent with that of the Group as detailed on page 175 in note 2.22.

Where the Company is settling an equity settled share based payment transaction in which one of its subsidiaries is the entity receiving the goods or service, the parent company accounts for the cost as an addition to the cost of its investment in the employing subsidiary.

2.5 Cash dividend

The accounting policy for cash dividend is consistent with that of the Group as detailed on page 175 in note 2.23.

2.6 Own shares

The Company operates an employee benefit trust (EBT). The Company, and/or the EBT, holds Genuit Group plc shares for the granting of Genuit Group plc shares to employees and Directors. These shares are recognised at cost and presented in the balance sheet as a deduction from equity. No profit or loss is recognised in the income statement on the purchase, sale, issue or cancellation of these shares. No dividends are earned on these shares.

2.7 Financial instruments

The accounting policy for financial instruments is consistent with that of the Group, as detailed on page 173 in note 2.15. Expected credit loss (ECL) calculations are considered annually for amounts owed by subsidiary undertakings, using the general approach required under IFRS 9. ECLs are a probability weighted estimate of credit losses based on the Company's historical credit loss experience adjusted for debt specific and forward-looking factors. Under the general approach ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk, 12-month ECLs are recognised. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life (lifetime ECLs).

3. Dividend per share

Please refer to note 14 on page 182 of the Group financial statements for reference to the Dividend per share.

4. Investments

	Shares in subsidiary undertakings £m
Cost	
At 1 January 2023	246.9
Additions – share-based payments	1.2
At 31 December 2023	248.1
Additions – share-based payments	**2.2**
At 31 December 2024	**250.3**
Net book value	
At 31 December 2024	**250.3**
At 31 December 2023	248.1
At 1 January 2023	246.9

In 2024, an adjustment in respect of share-based payments of £2.2m (2023: £1.2m) was made to shares in subsidiary undertakings, representing the financial effects of awards by the Company of options over its equity shares to employees of subsidiary undertakings. The total contribution to date was £11.1m (2023: £8.9m).

Notes to the Company Financial Statements continued

4. Investments continued

The companies in which the Company had an interest at 31 December 2024 are shown below:

Name of company	Country of incorporation	Holding	Proportion of voting rights and shares held
AAA Holdings Limited[1]	England & Wales	Ordinary £1	100%*
Adey Commercial Limited[2 †]	England & Wales	Ordinary £1	100%*
Adey Holdings (2008) Limited[2 †]	England & Wales	Ordinary £1	100%*
Adey Innovation Limited[2]	England & Wales	Ordinary £1	100%*
Adey Innovation LLC[3]	United States of America	n/a	100%*
Adey Innovation SAS[4]	France	Ordinary €1	100%*
Adey Innovation (Shanghai) Water Treatment Technology Co. Ltd[5]	China	Ordinary £1	100%*
Alderburgh Limited[1]	England & Wales	Ordinary £1	100%*
Alderburgh Ireland Limited[6]	Republic of Ireland	Ordinary €1	100%*
Alpha Scientific Ltd[2 †]	England & Wales	Ordinary £0.01	100%*
Environmental Sustainable Solutions Ltd[1]	England & Wales	Ordinary £1	100%*
Equaflow Ltd[1]	England & Wales	Ordinary £1	50%*
Genuit Limited[15]	England & Wales	Ordinary £1	100%*
Genuit UFH Limited[1 †]	England & Wales	Ordinary £1	100%*
Grey2Green Ltd[1 †]	England & Wales	Ordinary £1	100%*
Hamsard 3774 Limited[1 †]	England & Wales	Ordinary £1	100%*
Infra Green Limited[1]	England & Wales	Ordinary £1	100%*
Keytec Geomembranes Limited[1 †]	England & Wales	Ordinary £1	100%*
Keytec Installation Services Limited[1]	England & Wales	Ordinary £1	100%*
Living Roof Supplies Limited[1]	England & Wales	Ordinary £1	100%*
London Bidco Limited[2 †]	England & Wales	Ordinary £1	100%*
London Finco Limited[2]	England & Wales	Ordinary £1	100%*
London Green Roof Company Limited[1]	England & Wales	Ordinary £1	100%*
London Topco Limited[2 †]	England & Wales	Ordinary £0.01 – £1	100%*

Name of company	Country of incorporation	Holding	Proportion of voting rights and shares held
Manthorpe Building Products Holdings Limited[1]	England & Wales	Ordinary £1	100%*
Manthorpe Building Products Limited[1]	England & Wales	Ordinary £1	100%*
New Urban Standard B.V.[7]	The Netherlands	Ordinary €10	100%*
Nuaire Limited[1]	England & Wales	Ordinary £1	100%*
Nu-Heat (Holdings) Limited[1]	England & Wales	Ordinary £0.01	100%*
Nu-Heat UK Limited[1]	England & Wales	Ordinary £1	100%*
Nu-Oval Acquisitions 1 Limited[15]	England & Wales	Ordinary £1	100%*
Nu-Oval Acquisitions 2 Limited[15]	England & Wales	Ordinary £1	100%*
Nu-Oval Acquisitions 3 Limited[15]	England & Wales	Ordinary £1	100%*
Oracstar Limited[15]	England & Wales	Ordinary £1	100%*
Permavoid B.V.[7]	The Netherlands	Ordinary €100	100%*
Permavoid Limited[1 †]	England & Wales	Ordinary £1	100%*
Permavoid Technologies Limited[1 †]	England & Wales	Ordinary £1	100%*
Permavoid Technologies (USA) Limited[1]	England & Wales	Ordinary £1	100%*
Permavoid Technologies (USA) LLC[9]	United States of America	Ordinary $1	100%*
Pipe Holdings plc[1]	England & Wales	Ordinary £1	100%*
Pipe Holdings 1 plc[1]	England & Wales	Ordinary £1	100%*
Pipe Holdings 2 Limited[1]	England & Wales	Ordinary £1	100%*
Pipe Luxembourg Sarl[10]	Luxembourg	Ordinary £1	100%
Plura Composites Ltd[1 †]	England & Wales	Ordinary £1	100%*
Pocket Bed Limited[1]	England & Wales	Ordinary £1	100%*
Polydeck Limited[1 †]	England & Wales	Ordinary £1	100%*
Polypipe Limited[1]	England & Wales	Ordinary £0.1	100%*
Polypipe Building Products Limited[1]	England & Wales	Ordinary £1	100%*
Polypipe Civils Limited[1]	England & Wales	Ordinary £1	100%*
Polypipe Group 1 Limited[15]	England & Wales	Ordinary £0.01	100%*
Polypipe (Ireland) Ltd[16]	Northern Ireland	Ordinary £1	100%*
Polypipe Italia SRL[11]	Italy	Ordinary €0.52	100%*

4. Investments continued

Name of company	Country of incorporation	Holding	Proportion of voting rights and shares held
Polypipe Middle East FZE[12]	United Arab Emirates	Ordinary 1m UAE Dirhams	100%*
Polypipe Middle East Water Technology LLC[13]	United Arab Emirates	Ordinary 1,000 UAE Dirhams	100%*
Polypipe Terrain Holdings Limited[15]	England & Wales	Ordinary £1	100%*
Polypipe Terrain Limited[15]	England & Wales	Ordinary £1	100%*
Polypipe Trading Limited[15]	England & Wales	Ordinary £1	100%*
Polypipe (Ulster) Limited[8]	Northern Ireland	Ordinary £1	100%*
Polypipe Ventilation Limited[15]	England & Wales	Ordinary £1	100%*
Robimatic Limited[1 †]	England & Wales	Ordinary £1	100%*
Sky Garden Limited[1 †]	England & Wales	Ordinary £0.1	100%*
Solutek Environmental Limited[1]	England & Wales	Ordinary £1	100%*
Surestop Limited[1 †]	England & Wales	Ordinary £1	100%*
Sustainable Water and Drainage Systems B.V.[7]	The Netherlands	Ordinary €1	50%*
Sustainable Water and Drainage Systems Limited[1]	England & Wales	Ordinary £1	50%*
Timoleon Sp z.o.o[17]	Poland	Ordinary PLN50	100%*
Water Management Solutions LLC[14]	Qatar	Ordinary 1,000 Qatari Riyals	49%*

All the companies operate principally in their country of registration and in the same class of business as the Group.

Registered offices of subsidiaries:

1. 4 Victoria Place, Holbeck, Leeds, LS11 5AE.
2. Unit 2 Indurent Park Gloucester, Haresfield, Stonehouse, England, GL10 3EZ.
3. c/o CT Corporation, 1209 Orange Street, Wilmington, Newcastle 19801, Delaware, United States of America.
4. 119B Rue de Colombes, 92600 Asnieres Sur Seine, France.
5. Room 308-18, No. 998, South Shen Bin Road, Min Hang District, Shanghai, China.
6. Ballybrack, Kilmacthomas, Co. Waterford.
7. Kattenburgerstraat 5, 1018, JA, Amsterdam, The Netherlands.
8. Dromore Road, Lurgan, Co. Armagh, BT66 7HL.
9. 251 Little Falls Drive, Wilmington, Delaware, 19808-1674, United States of America.
10. 15 Boulevard F.W. Raiffeisen, L-2411 Luxembourg.
11. Localita Pianmercato 5C-D-H, 16044 Cicagna, Genova, Italy.
12. PO Box 18679, Showroom A2 SR 07, First Al Khail Street, Jebel Ali Free Zone, Dubai, United Arab Emirates.
13. Arenco Tower – Office 908, Dubai Media City, Dubai, United Arab Emirates.
14. Level 15, Commercial Bank Plaza, West Bay, Doha, Qatar.
15. C/O Teneo Financial Advisory Limited The Colmore Building, 20 Colmore Circus Queensway, Birmingham, B4 6AT (companies dissolved post year end on 2 February 2025).
16. C/O Teneo Financial Advisory Limited C/O A&L Goodbody Northern Ireland Llp, 42-46 Fountain Street, Belfast, BT1 5EB (companies dissolved post year end on 26 February 2025).
17. Łomży 18-400, przy ul. Poznańska 149, Poland.

* The shares in the undertakings marked with an asterisk are held by subsidiary undertakings.

† These companies are exempt from the requirements of the Companies Act 2006 relating to the audit of their individual accounts by virtue of the subsidiary exemption from audit by parent guarantee, under Section 479A of the Companies Act 2006.

5. Amounts owed by subsidiary undertakings and other receivables

	31 December 2024 £m	31 December 2023 £m
Amounts falling due within one year:		
Deferred income tax assets	**–**	–
Prepayments	**0.1**	1.2
	0.1	1.2
Amounts falling due after one year:		
Deferred income tax assets	**1.1**	0.6
Amounts owed by subsidiary undertakings	**189.9**	189.9
	191.0	190.5

No material allowance for expected credit losses is deemed necessary in respect of amounts owed by subsidiary undertakings.

6. Amounts owed to subsidiary undertakings and other payables

	31 December 2024 £m	31 December 2023 £m
Amounts owed to subsidiary undertakings	**155.1**	121.5
Other payables	**1.0**	1.4
	156.1	122.9

7. Share capital and reserves

Please refer to note 24 of on page 189 of the Group Financial statements for reference to Share capital and reserves.

8. Profit for the financial year

Genuit Group plc has not presented its own Income Statement as permitted by Section 408 of the Companies Act 2006. The loss for the year dealt with in the financial statements of the Company was £4.8m (2023: £6.1m loss for the year).

The only employees remunerated by the Company were the Directors of the Company. Remuneration paid to the Directors is disclosed in Note 10 to the Group's consolidated financial statements.

Amounts paid to the Company's auditor in respect of the audit of the financial statements of the Company are disclosed in Note 7 to the Group's consolidated financial statements.

Fees paid to the auditor for non-audit services to the Company itself are not disclosed in the individual financial statements of the Company because the Group's consolidated financial statements are required to disclose such fees on a consolidated basis. These are disclosed in Note 7 to the Group's consolidated financial statements.

9. Related party transactions

The following table provides the analysis of transactions that have been entered into with related parties:

	31 December 2024		31 December 2023	
	Recharges from related parties £m	**Amounts owed to related parties £m**	Recharges to related parties £m	Amounts owed to related parties £m
Polypipe Limited	**33.6**	**(155.1)**	36.5	(121.5)

	Loan advanced £m	**Amounts owed by related parties £m**	Loan advanced £m	Amounts owed by related parties £m
Pipe Holdings 1 plc:				
Eurobonds	**–**	**64.9**	–	64.9
Preference shares	**–**	**18.3**	–	18.3
Other	**–**	**0.9**	–	0.9
Pipe Holdings 2 Limited	**–**	**6.4**	–	6.4
Pipe Holdings plc	**–**	**99.4**	–	99.4
	–	**189.9**	–	189.9

Other related party transactions are disclosed in Note 28 to the Group's consolidated financial statements.

Five-Year Summary

(Unaudited)

Underlying performance[1]	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Revenue	**561.3**	586.5	622.2	594.3	398.6
Operating profit					
Reported	**59.2**	62.0	53.4	67.1	30.4
Underlying	**92.2**	94.1	98.2	95.3	42.2
Operating margin					
Reported	**10.5%**	10.6%	8.6%	11.3%	7.6%
Underlying	**16.4%**	16.0%	15.8%	16.0%	10.6%
Profit after tax					
Reported	**33.5**	38.5	36.6	41.0	18.5
Underlying	**61.1**	62.6	76.5	75.1	29.4
Non underlying items					
Reported	**(33.0)**	(32.1)	(45.5)	(28.2)	(11.9)
Tax	**5.4**	8.0	5.2	(5.9)	1.0
Non-underlying profit after tax	**(27.6)**	(24.1)	(40.3)	(34.1)	(10.9)
Basic EPS (pence)					
Reported	**13.5**	15.5	14.7	16.7	8.5
Underlying	**24.6**	25.2	30.8	30.6	13.5
Diluted EPS (pence)					
Reported	**13.3**	15.4	14.6	16.5	8.4
Underlying	**24.3**	25.1	30.5	30.2	13.3
Cash flow from operations[2]					
Reported cash generated from operations	**115.5**	109.7	93.9	84.4	61.5
Adjusted for:					
• Non-underlying cash items	**12.7**	14.2	9.6	6.9	2.3
• Capital expenditure net of underlying disposal proceeds	**(26.0)**	(33.8)	(40.9)	(34.1)	(24.5)
• Lease payments	**(10.6)**	(7.6)	(6.2)	(5.1)	(4.0)
Underlying cash generated from operations	**91.6**	82.5	56.4	52.1	35.3
Underlying operating cash conversion (%)	**99.3%**	87.7%	57.4%	54.6%	83.6%

Leverage[3]	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Net debt					
Loans and borrowings	**146.5**	145.0	195.9	198.0	60.0
Unamortised deal costs	**(1.3)**	(2.1)	(2.8)	(0.6)	(1.1)
IFRS 16	**27.6**	23.4	23.1	20.6	12.9
Cash	**(43.6)**	(17.0)	(50.0)	(52.3)	(44.1)
Reported net debt	**129.2**	149.3	166.2	165.7	27.7
Underlying net debt (**excluding effect of IFRS 16**)	**101.6**	125.9	143.1	145.1	14.8
Pro-forma EBITDA[4]					
Underlying operating profit:	**92.2**	94.1	98.2	95.3	42.2
Adjusted for:					
• Depreciation of owned assets (underlying)	**19.2**	19.5	19.4	18.3	16.4
• Amortisation (underlying)	**0.7**	0.8	0.2	0.1	–
• Un-wind of discount on IFRS 16	**(1.6)**	(1.2)	(0.8)	(0.7)	(0.5)
• Share based payments charge	**2.9**	2.1	2.9	2.5	1.6
	113.4	115.3	119.9	115.5	59.7
EBITDA from acquisitions (full 12 months)	**(0.7)**	–	0.2	2.3	–
Pro-forma EBITDA	**112.7**	115.3	120.1	117.8	59.7
Leverage	**0.9**	1.1	1.2	1.2	0.2

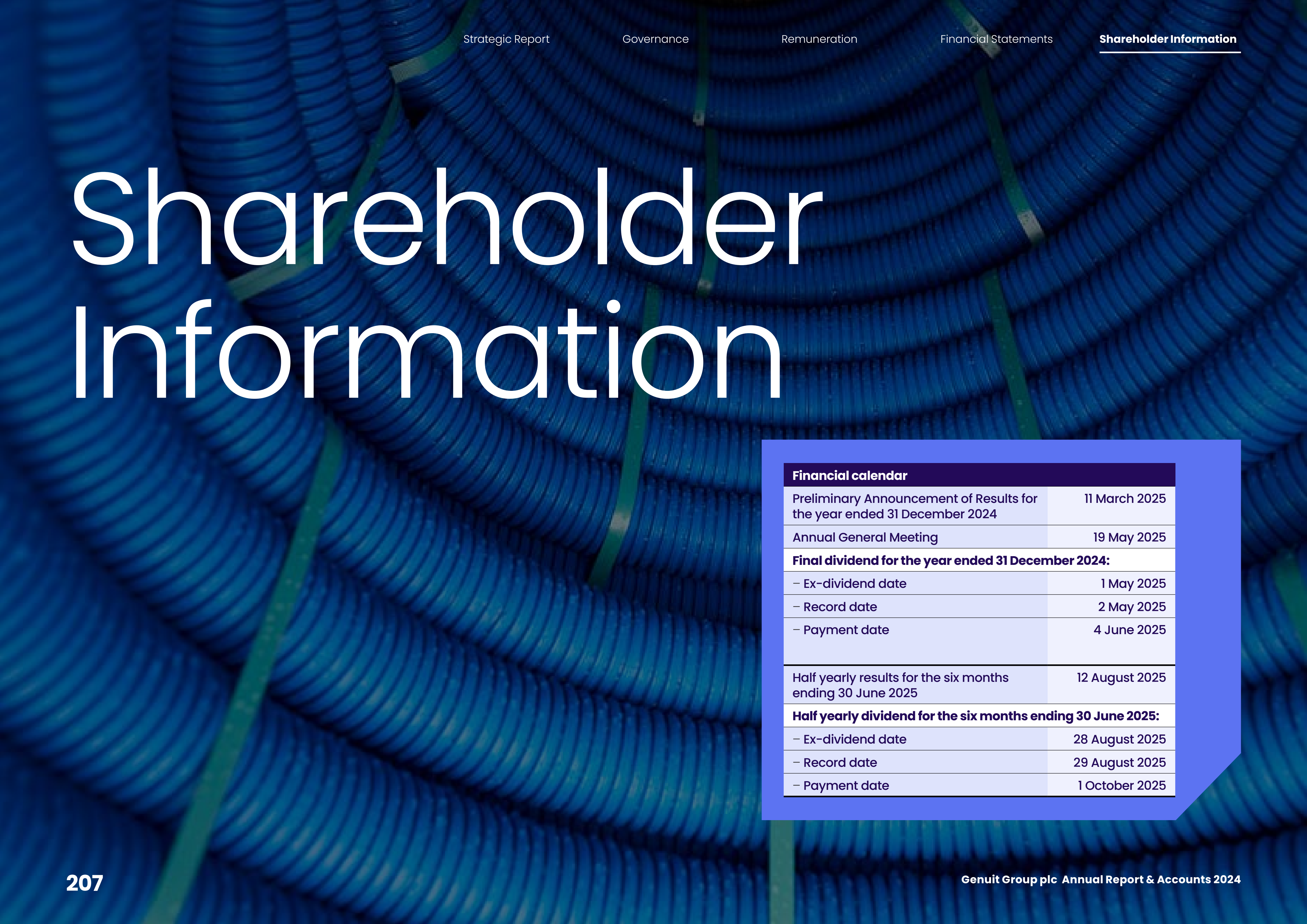
Key Performance Indicators[5]	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Return on Capital Employed (ROCE)					
Underlying operating profit	**92.2**	94.1	98.2	95.3	42.2
Adjusted-for-acquisitions (full 12 months)	**(0.7)**	–	0.2	2.3	–
Underlying operating profit	**91.5**	94.1	98.4	97.6	42.2
Net assets	**643.0**	636.6	627.1	617.7	500.9
Add back:					
• Underlying net debt	**101.6**	125.9	143.2	145.1	14.8
• Net tax	**45.8**	44.7	47.9	47.4	10.2
• Net assets held-for-sale	**–**	(14.3)	(8.1)	–	–
	790.4	792.9	810.1	810.2	525.9
Return on Capital Employed (ROCE)	**11.6%**	11.9%	12.1%	12.0%	8.0%

Alternative Performance Measures

1. Underlying performance
   Underlying profit and earnings measures exclude certain non-underlying items (which are detailed in Note 8) and, where relevant, the tax effect of these items. The Directors consider that these measures provide a better and more consistent indication of the Group's underlying financial performance and more meaningful comparison with prior and future periods to assess trends in the Group's financial performance.
2. Underlying operating cash conversion
   Underlying operating cash conversion is defined as cash generated from operations, adjusted for non-underlying cash items, after movement in net working capital and capital expenditure net of underlying proceeds from disposals of property, plant and equipment and leases divided by underlying operating profit.
3. Leverage
   Leverage is defined as net debt divided by pro forma EBITDA (both are reconciled in Note 11). Net debt within the leverage calculation is defined as loans and borrowings net of unamortised issue costs less cash and cash equivalents, excluding the effects of IFRS 16.
4. Pro-forma EBITDA
   Pro-forma EBITDA is defined as pre-IFRS 16 underlying operating profit before depreciation, amortisation and share-based payment charges, for the 12 months preceding the balance sheet date, adjusted where relevant, to include a full year of EBITDA from acquisitions made during those 12 months.

Key Performance Indicators

5. Return on Capital Employed
   Return on capital employed is the ratio of underlying operating profit, adjusted for the full year benefit from acquisitions during the year, where relevant, to net assets excluding loans and borrowings, cash and cash equivalents and taxation.



Shareholder Information

Financial calendar	
Preliminary Announcement of Results for the year ended 31 December 2024	11 March 2025
Annual General Meeting	19 May 2025
Final dividend for the year ended 31 December 2024:	
– Ex-dividend date	1 May 2025
– Record date	2 May 2025
– Payment date	4 June 2025
Half yearly results for the six months ending 30 June 2025	12 August 2025
Half yearly dividend for the six months ending 30 June 2025:	
– Ex-dividend date	28 August 2025
– Record date	29 August 2025
– Payment date	1 October 2025

Registrar services

Our shareholder register is managed and administered by MUFG Corporate Markets.

MUFG Corporate Markets should be able to help you with most questions you have in relation to your holding in Genuit Group plc shares.

MUFG Corporate Markets can be contacted at:
MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds
LS1 4DL

www.mpms.mufg.com

Shareholder helpline for information relating to your shares call:
+44 (0) 371 664 0300

Website helpline for information on using this website call:
+44 (0) 371 664 0391

Calls to 0371 are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate.

We are open between 09:00–17:30, Monday to Friday excluding public holidays in England and Wales.

e-mail: shareholderenquiries@cm.mpms.mufg.com
In addition, MUFG Corporate Markets offers a range of other services to shareholders including a share dealing service and a share portal to manage your holdings.

Share dealing service

A share dealing service is available to existing shareholders to buy or sell the Company's shares via MUFG Corporate Markets.

Online and telephone dealing facilities provide an easy to access and simple to use service.

For further information on this service, or to buy or sell shares, please go to sharedeal.cm.mpms.mufg.com for online dealing, call +44 (0) 371 664 0445 for telephone dealing, or email info.uk@cm.mpms.mufg.com.

Please note that the Directors of the Company are not seeking to encourage shareholders to either buy or sell their shares. Shareholders in any doubt as to what action to take are recommended to seek financial advice from an independent financial adviser authorised by the Financial Services and Markets Act 2000.

Electronic communications

The Company is committed to reducing its environmental impact, and continually improving environmental performance is an integral part of its strategy. We therefore encourage shareholders to consider receiving their communications from the Company electronically.
This will enable you to receive such communications more quickly and securely, whilst supporting our sustainability commitment by communicating in a more environmentally friendly and cost-effective manner. Registration for electronic communications is available via the shareholder portal at www.signalshares.com or by contacting MUFG Corporate Markets as detailed above.

Dividends

As previously notified, the Company no longer pays dividends by cheque, so it is important that shareholders complete a dividend mandate, otherwise there will be a delay in payment of dividends until such time as bank account details are provided. To register your bank account details, visit www.signalshares.com, or contact MUFG Corporate Markets as detailed above. Details of the historic dividend payments made by the Company are set out below for information.

	2024	2023	2022	2021	2020
Interim	**4.1p**	4.1p	4.1p	4.0p	No dividend (Covid)
Final	**8.4p**	8.3p	8.2p	8.2p	4.8p
Total	**12.5p**	12.4p	12.3p	12.2p	4.8p

Principal Group businesses

UK

Polypipe Building Products
Broomhouse Lane
Edlington
Doncaster
South Yorkshire
DN12 1ES

Neale Road
Doncaster
South Yorkshire
DN2 4PG

Polypipe Ulster
Dromore Road
Lurgan
Co. Armagh
BT66 7HL

Polypipe Civils and Green Urbanisation
Charnwood Business Park
North Road
Loughborough
LE11 1LE

Holmes Way
Horncastle
LN9 6JW

Polypipe Building Services
New Hythe Business Park
College Road
Aylesford
Kent
ME20 7PJ

Nuaire
Western Industrial Estate
Caerphilly
CF83 1NA

Unit 5
Pantglas Industrial Estate
Bedwas
CF83 8DR

Manthorpe Building Products
Brittain Drive
Codnor Gate Business Park
Ripley
DE5 3ND

Keytec Installation Services
Royle House
Cowm Top Business Park
Rochdale
OL11 2PU

Unit 6
Plover Close
Interchange Park
Newport Pagnell
Milton Keynes
MK16 9PS

Nu-Heat
Heathpark House
Devonshire Road
Heathpark Industrial Estate
Honiton
Devon
EX14 1SD

Adey Innovation
Unit 2
Indurent Park
Haresfield
Stonehouse
Gloucestershire
GL10 3EZ

Polydeck
Unit 14
Burnett Industrial Estate
Cox's Green
Wrington
Bristol
BS40 5QP

Mason Pinder
Coulman St
Thorne
Doncaster
DN8 5JS

Sky Garden
Unit 3 Miller Court
Severn Drive
Tewkesbury
GL20 8DN

Omnie
The Otter Building
Exeter Business Park
Grenadier Road
Exeter
EX1 3LH

Mainland Europe

Timoleon
Łomży 18-400
przy ul.
Poznańska
149
Poland

Łomży
18-400 przy ul.
Szkolna 2A/1
Poland

Polypipe Italia
Localita Pianmercato 5C-D-H
16044 Cicagna, Genova
Italy

Permavoid
Kattenburgerstraat 5
1018, JA
Amsterdam
The Netherlands

Middle East

Polypipe Middle East Water Technology LLC
Arenco Tower
Office 908
Dubai Media City
Dubai
United Arab Emirates

Contact details and advisers

Company registration number and registered office

06059130

4 Victoria Place
Holbeck
Leeds
LS11 5AE

Independent auditor
Ernst & Young LLP
12 Wellington Place
Leeds
LS1 4AP

Principal bankers

Lloyds
Sheffield

NatWest
Leeds

Santander
Leeds

Citibank
London

Danske Bank
Belfast

Bank of Ireland
Manchester

Registrar and transfer office
MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds
LS1 4DL

Corporate brokers
Deutsche Numis

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