SIG plc
Annual Report and
Accounts 2024

Leading specialist building product distribution across Europe

SIG is a leading pan-European supplier of specialist insulation and sustainable construction products and solutions.

We connect over 75,000 customers across Europe with thousands of products for better buildings.

SIG strives to be the first choice for roofing, interiors and construction products among our specialist building contractor customers. With a deep product range, on site delivery, expert knowledge and fabrication services, we help our customers get the products they need to deliver better buildings across Europe.

Highlights

Revenue

£2,611.8m
2023: £2,761.2m

Like-for-like ("LFL") sales decline*

(4)%
2023: (2)%

Underlying operating profit margin*

1.0%
2023: 1.9%

Underlying operating profit*

£25.1m
2023: £53.1m

Statutory loss before tax

£(44.8)m
2023: £(31.9)m

Net debt

£497.3m
2023: £458.0m

Lost time injury frequency rate ('LTIFR')*

8.0
2023: 8.4

Greenhouse gas ('GHG') per £m of revenue*

16.9 metric tonnes
2023: 17.1 metric tonnes

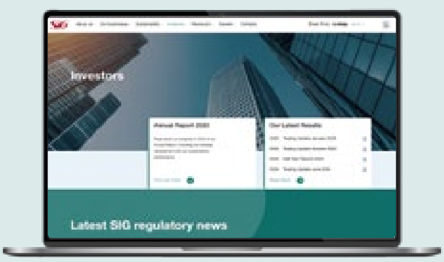
*Refer to pages 52 to 53 for definitions.

What's inside

Strategic report

Governance

Financials



To find out more please go to **sigplc.com**

Our pan-European presence

SIG operates across six European geographies. Our portfolio of businesses includes established national specialist distribution brands in some of our markets, including France and Germany, whilst we trade under the SIG brand in others.

Across our businesses we are differentiated by our specialist focus, our end-markets and our product mix.

Ireland

- **No. 1** Insulation
- **Top 3** Other interiors

£104m **Revenue** FY2024

11 **Branches**

Benelux

- **No. 1** Interiors & ceilings (NL)
- **Top 3** Technical Insulation

£104m **Revenue** FY2024

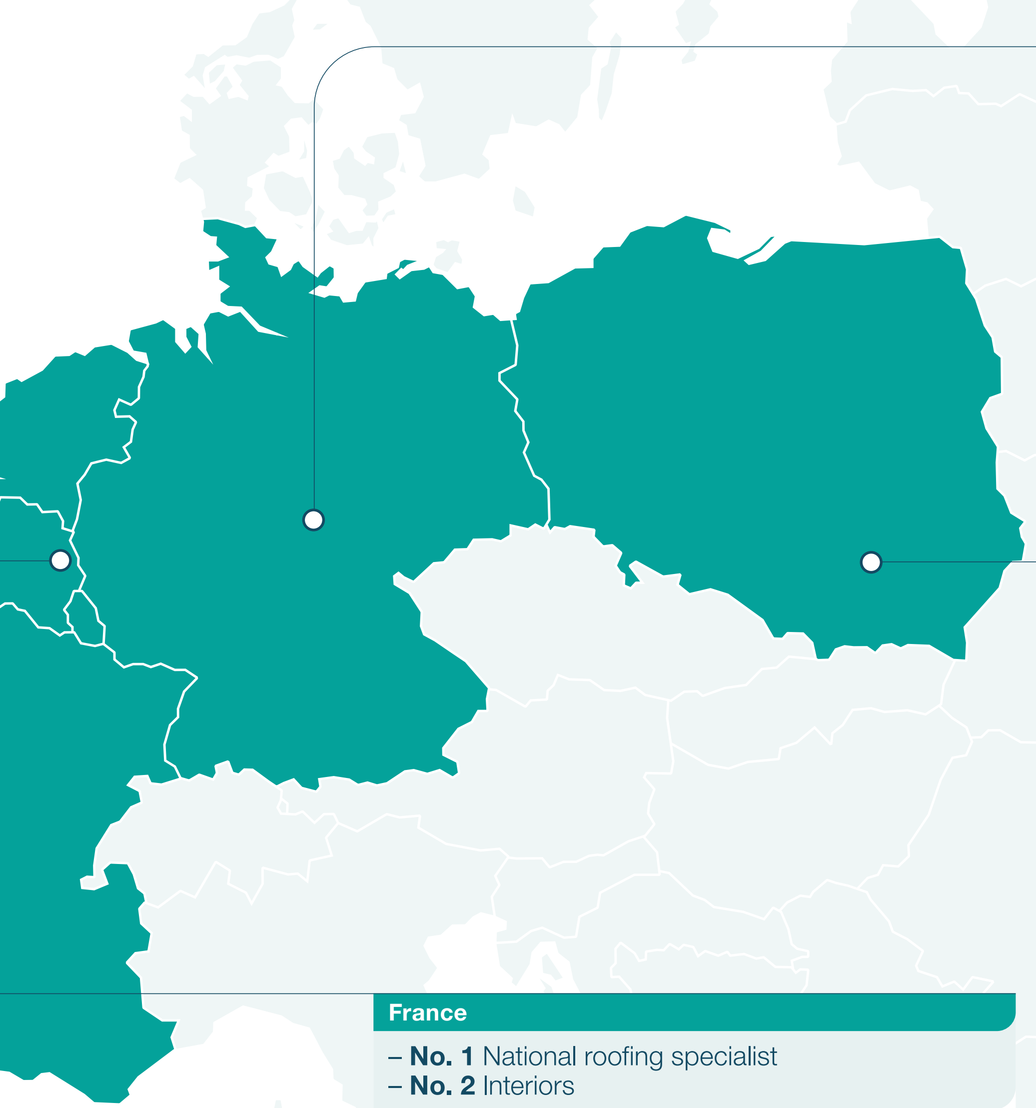
5 **Branches**

6,700+ **Employees**

c.430 **European sites**

c.1,100 **Delivery fleet**

75k+ **Customers**



United Kingdom

- **No. 1** National roofing specialist
- **No. 2** Insulation and dry lining

SIG Interiors
£495m Revenue FY2024
30 Branches

SIG Roofing
£381m Revenue FY2024
111 Branches

SIG Specialist Markets
£238m Revenue FY2024
29 Branches

Germany

- **Top 3** Dry lining, ceilings & insulation
- **No. 1** Flooring

wego vti
£438m Revenue FY2024
50 Branches

Poland

- **No. 1** Insulation
- **No. 2** Other interiors

SIG
£241m Revenue FY2024
50 Branches

France

- **No. 1** National roofing specialist
- **No. 2** Interiors

LiTT Des spécialistes à votre service
£200m Revenue FY2024
40 Branches

Lariviere
£410m Revenue FY2024
100 Branches

Our products

Market-leading construction product specialisms

SIG is a differentiated supplier of leading products and brands for the interiors, roofing and construction of buildings.

We are the partner of choice for specialist building contractors, connecting over 75,000 customers with a deep range of products needed for the construction and renovation of commercial and residential buildings and, increasingly, infrastructure.

Revenue mix by product[1]

Interiors	63%
Roofing	30%
Construction products	7%

Roofing

Key products


Tiles, slates and membranes


Batten for pitched roofs


Solar and PV products


Flat roofing


Facades


Industrial roofing

Key suppliers

BMI

VM Building Solutions

Edilians

Wienerberger

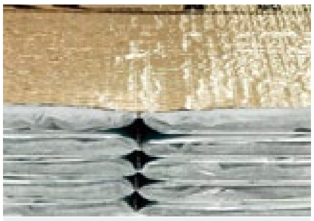
Velux

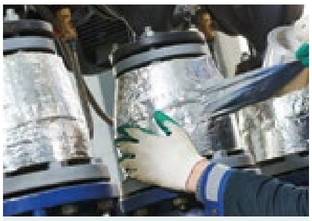
Terreal

1. Revenue by product as set out in revenue and segmental information and adjusted to show the construction accessories and building solutions businesses within UK Specialist Markets separately here as Construction products.

Interiors

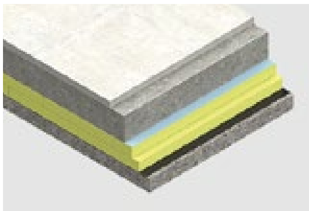
Key products


Structural insulation


Technical insulation


Ceiling tiles and grids


Partition walls and doorsets


Floor coverings

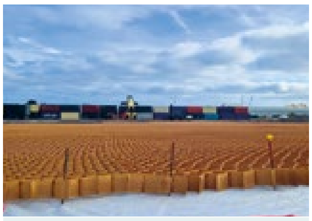

Drylining

Key suppliers

ROCKWOOL
siniat
Gyproc
KNAUF
SAINT-GOBAIN
British Gypsum

Construction products

Key products


Construction accessories


Metal fabrication

Key suppliers

VISQUEEN
FOSROC

Products for better buildings

Our products are used by our customers to build a wide range of new buildings, from commercial buildings to residential housing, and public infrastructure. Our products are also used to transform and improve existing buildings into modern buildings with better energy efficiency, durability, acoustics, safety, and overall sustainability and design.

Over 80% of our products support the wider building envelope. From the latest innovations in roofing materials to new fire proofing products, customised high performance technical insulation to sound and vibration proof flooring, SIG delivers products for better performing buildings to cities and towns across Europe.

Roofing

Notre-Dame Cathedral

Paris, France

SIG supplied
Sheet lead for roofing

Restoration of iconic cathedral roof

After the Notre-Dame cathedral was gutted by fire in 2019, Larivière, our French Roofing business, has sourced and procured specialist roofing materials required for the rebuilding of the cathedral's medieval features, including nearly 200 tonnes of meticulously shaped lead in the rebuilding of the centuries-old lead roof.

Construction products

Hinkley Point

UK

SIG supplied
Groundwork and waterproofing products and materials

New UK energy infrastructure construction

SIG supplies construction products to major national infrastructure projects including the new Hinkley Point energy project in the UK. Our construction accessories business has supplied materials to support the groundworks, including waterproofing, membranes, geotextiles, and a range of other products.

Interiors

Luxury Hotel
Luxembourg

SIG supplied
Drylining, insulation, ceilings

Luxury hotel redevelopment

A former post office is being converted to house a 5-star hotel in the heart of Luxembourg. LiTT, our French Interiors business, is providing interiors materials such as acoustic, waterproof and standard drylining, insulation and ceilings. This project will turn an underutilised ageing building into a stylish, modernised building with a new purpose and with improved thermal efficiency.

Liverpool Street Station
London, UK

SIG supplied
Technical insulation

New construction and improvements for Crossrail station

Building changes and improvements were needed at Liverpool Street station to accommodate the new Elizabeth Line (Crossrail project). This created very specific passive fire protection material requirements due to the location being 34 metres below the heart of the City of London. Some of the construction was completed using offsite solutions and a Design for Manufacture and Assembly (DfMA) approach. Our UK Interiors business was able to work with the contractors to provide specialist technical insulation to their requirements.

Grand Tower
Frankfurt, Germany

SIG supplied
Drylining and technical Insulation

High rise residential development

With a height of over 180 metres, Frankfurt's EuropaCenter Grand Tower is Germany's tallest residential building and renowned for its modern design and engineering. We supplied bespoke drylining and technical insulation products to this modern urban living landmark.

Battersea Power Station
London, UK

SIG supplied
Technical insulation

Remodelling with technical insulation

As an imposing feature of London industrial architecture, the Grade II listed Battersea Power Station required significant renovation to turn it into a vibrant multipurpose complex. This included specialist technical insulation and bespoke engineering to meet the fire strategy requirements of its conversion from a disused 1930's industrial build. It now features over 2 million sq ft of leisure, retail and office space and homes.

Ongoing progress despite challenging markets

> As a specialist distributor of building products, we play a central role in the building and construction supply chain".

Andrew Allner
Chairman

Dear Shareholder,

2024 was notable for the sustained challenging trading conditions that pertained throughout the European construction markets in which the Group operates. This led to lower profitability for the Group compared to the prior year, a free cash outflow, and a deterioration in balance sheet metrics, notably leverage. The Board is of course not happy or in any way complacent about these results and trends. However, I am pleased to report that the year was also notable for the significant work of our people to strengthen the underlying fundamentals of our business and our operating model. Whilst many of these activities revolved around managing our cost base to adapt to the lower level of market demand across our network, our teams have also maintained a strong focus on our customers and on improving the way we do business.

Furthermore, during 2024 the Group again traded well relative to its markets. The levels of engagement amongst both our customers and our employees remain high, and in our view these are inextricably linked. They are a testament to both the quality of service our employees are providing and the strong relationships we have with our customers.

As a specialist distributor of building products, we play a central role in the building and construction supply chain. We provide a route to market for leading suppliers and manufacturers and their products, across a fragmented local customer base.

As one of the leading providers of specialist insulation in our European end-markets, we are also helping to bring to market products that do and will address the decarbonisation of the built environment. Our business model and the value we bring to our suppliers and customers is set out in further detail on page 24.

Refinancing

In October 2024 the Group successfully completed the refinancing of both its €300m Eurobond and its £90m revolving credit facility ("RCF"), well ahead of their maturity dates. We were able to execute these transactions thanks to strong support and participation from both existing and new investors in the new bond, and ongoing support from our syndicate of banks in the RCF.

Our new facilities mature in 2029, providing us with good long-term financing arrangements and continued robust liquidity to support the Group's needs. The coupon rate on the bond of 9.75% is 4.5% higher than the rate on our old bond, but to be expected given movements in base rates since late 2021.

Strategic progress

2024 was another year of strategic progress for the Group, despite a very tough market backdrop.

We are focused on growing in niche, specialist businesses and in the higher value segments in which we operate across our various geographies.

Our performance has been shaped by our focus on operational excellence, which includes a number of self-help initiatives under our 'GEMS' strategy (Grow, Execute, Modernise, Specialise).

This manifested most clearly in efficiency initiatives and cost reductions, but also around product sales mix and margin management. Further restructuring was undertaken to drive permanent cost reductions in central and operating company overheads. Total operating cost savings in 2024 were £42m, before inflation.

Continued focus on cost efficiency, as well as rigorous management of working capital, will remain key priorities for the Group.

We have made good progress in the modernisation of our operations, most notably with the launch of a new e-commerce platform in Germany during the year and the commencement of the development of the same in our French Interiors business, both of which will enhance future profitability and elevate the customer experience.

The Board continues to believe that the right approach to e-commerce rollout is incremental adoption of technologies by geography, allowing for those deployed to be tailored to the strategic development and geographic need of each country.

Our strategic growth framework, and the key actions we are taking under this, are set out in further detail later in this report.

Sustainability

We are committed to growing sustainably. The Board believes that this goes beyond strong and sustainable financial performance, albeit the latter remains of paramount importance. We take very seriously the positive impact we can have on our employees, customers, suppliers, and communities.

In 2024 we made good progress on our five long-term ESG commitments, including the goal of delivering zero waste to landfill by 2025. Our carbon emissions reduced by 6% compared to 2023 as we have focused on improving energy efficiency savings across branches and the successful transition of certain assets to electric alternatives. Further details of these initiatives and more can be found on pages 28 to 31.

On health and safety, the Board was pleased to see that the 'Everyone Safe, Every Day' strategy launched in 2023 is producing good results, and further details on this can be found on pages 36 to 37.

Group performance

The Group like-for-like revenue decline of 4% reflects persistently weak levels of end-market demand and consequently lower sales volumes, together with some sales price deflation. Good trading momentum and commercial execution in our businesses helped offset some of these market headwinds and enabled us to outperform the market in the majority of our businesses.

We reported an underlying operating profit of £25m (2023: £53m), and an underlying loss before tax of £14m (2023: £17m profit). The Group generated a statutory loss before tax of £45m (2023: £32m loss).

As a result of the operating profit performance, the Group reported a free cash outflow of £39m for the year. Year-end net debt was £497m (2023: £458m) which included net lease liabilities of £321m.

No dividend is proposed for 2024. We will continue to focus on profitability and free cash flow generation and delivering progress toward our leverage target, which has slowed in the weaker market of the last two years. The Board remains committed to returning to paying a dividend when we sensibly can, as part of our wider capital allocation policy.

Governance and Board

We believe that good corporate governance comes from an effective Board that provides strong leadership to the Group and engages well with both management and stakeholders.

The Board firmly believes it is important for Directors to engage directly with employees to gain first-hand insight into their challenges and views. During the year, I am pleased to report that our nominated Board member Simon King continued to deliver our Board Workforce Engagement programme, meeting face-to-face with a broad cross-section of employees. You can read more about this on page 75.

Chairman's statement continued

During the year, one of the continuing areas of focus for the Board was on development and succession planning for the ELT and senior management, to ensure that the Group has a diverse pipeline of future leaders. Further information on talent and succession planning can be found in the Nominations Committee Report on page 84. I believe we have a strong and experienced executive team in place, and this gives me and the Board confidence for the future.

My colleagues and I believe the Board continues to perform effectively. Details of our 2024 internal review of the Board and its Committees' performance and effectiveness can be found in the Corporate Governance Report from page 68.

People and culture

I, along with the rest of the Board, would like to thank our people for their efforts and achievements during the year. We remain cognisant of the economic climate and its impact on individuals and their families, particularly the cost of living, and we work hard to implement appropriate initiatives and plans to mitigate its impact on our employees.

Our people strategy continued to progress well during the year – the employee survey made it clear that they feel safe, valued, and proud to work for SIG. We are really encouraged by the focus on cultivating the talent across our business through a variety of career development and further learning opportunities, all of which also help to encourage the positive culture of the Group.

Our culture is built on employee engagement and plays a core part in building the solid foundations that any business needs to succeed. Our annual survey allows us to directly engage with employees and gain valuable insights from a range of perspectives, helping to shape suitable strategies and policies at the Board level. The Board was pleased to see continued progress in a number of areas and that we are either close to, at, or higher than benchmark levels on engagement in most areas across the Group. You can read more about our commitment to our people on pages 38 to 41.

Looking ahead

Our continued focus on strengthening our operating performance and underlying operations will ensure the Group is well placed to take advantage of market volumes as they recover across our various markets, and this will support the Board's overarching goal of delivering meaningful value creation over the medium and long-term. The refinancing that we concluded in 2024 was an important building block, providing near and medium-term financial stability and certainty.

I would like to thank all of our employees, and indeed all of our stakeholders, for their continued commitment and support as we navigate these difficult markets and build a Group that is well placed to thrive in the medium and longer term.

Along with the rest of the Board, I look forward to continuing working with Gavin and the executive team in driving the business forward. I am confident that we can deliver on our expectations for 2025 and beyond.

Andrew Allner
Chairman

4 March 2025

Strategic framework

Our vision

To be the best provider of specialist construction and insulation products in Europe

Our long-term objectives

- **Partner of choice for specialist contractors**
- **Improving our operating performance**
- **Growing sustainably as a responsible business**

Our medium-term strategy

Grow
1 Continue above-market growth

Execute
2 Strengthen execution and margin

Modernise
3 Greater productivity through modernisation

Specialise
4 Accelerate in specialist, higher return businesses

See page 20 for Strategy
See page 26 for ESG
See page 24 for Business model

Our behaviours

- Be flexible and agile
- Be bold in what you do
- Make a positive difference

See pages 38 to 41 for more information

Investment case

Meaningful value creation opportunity

SIG has a clear strategy to drive meaningful long-term growth in value for shareholders. This is underpinned by a differentiated and diversified business model, together with a strong focus on operational performance and growing ahead of the market.

Diversified by geography and end-markets

- We are well diversified by geographic spread and construction end-markets in which we operate
- Pan-European presence across six geographies
- Revenue broadly balanced across commercial and residential (c.50:50) building projects
- Revenue is also evenly balanced between RMI and new-build project (c.45:55) end-markets
- Leading market positions with scope for further share growth

See pages 2-3 for more information

Specialist focused

- Market-leading construction product range depth, across a fragmented customer base
- Market-leading construction product specialisms and knowledge in distribution and in specialist fabrication
- Product specialisms and range depth enable us to support a range of specialist contractors

See pages 4-5 for more information

Product mix weighted to structural growth tailwinds

- SIG benefits from a revenue mix that is weighted towards long-term demand for sustainable construction and better buildings
- c.80% of revenue from products supporting energy efficiency of building envelope
- Weighted to long-term structural tailwinds
- These include European regulatory tailwinds for building decarbonisation and energy efficiency, ageing buildings requiring renovation, and pent-up demand for housing

See pages 14-15 for more information

Improving operating performance

- 5% operating margin target offers material upside on existing revenue base
- Target margin will drive meaningful growth in cash generation
- Opens up wider value creation opportunities

See pages 20-23
for more information

Margin-accretive portfolio opportunities

- Accelerate growth in higher-value specialist businesses
- M&A

See page 23
for more information

Successful and experienced leadership team

- Well regarded management team with a strong track record
- Depth of industry experience across pan-European construction sector and in executing growth strategies
- Track record of value creation, financial discipline and strategic execution

See pages 80-81
for more information

Market review

Well positioned for sustainable growth

SIG is well positioned to benefit from key long-term structural growth tailwinds including demand for more sustainable and safer buildings, pent up demand for housing from an ongoing undersupply in Europe, and a large proportion of ageing buildings across Europe that require renovation.

Macro economic drivers

Ageing buildings and infrastructure across Europe

Across our end-markets, ageing buildings are requiring rebuilding and renovation. Approximately 70% of houses in the EU were built before 1980, driving long-term renovation demand.

Housing undersupply and pent-up demand

There has been a structural undersupply of housing in Europe in recent years, the cumulative effect of which has been to create a housing supply deficit over time and pent-up demand for new-build housing.

Sustainability-driven regulations

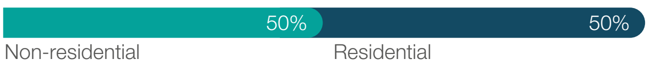
The building and construction sector accounts for approximately 37% of global energy and process related carbon emissions. To meet global carbon reduction targets, European governments continue to implement legislation, incentives and standards to lower the carbon emissions and embodied carbon from new and existing buildings.

GDP growth

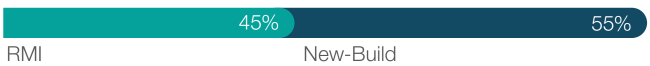
In addition to the structural trends above, long-term construction industry growth rates are also driven by national economic activity, GDP growth and population growth.

	How we are responding
We believe we are well positioned to benefit from these long-term structural drivers due to our market leading positions in the construction supply chain in key markets across both the United Kingdom and the EU.	SIG's pan-European sales have around 45% weighting to RMI (renovation and remodelling projects) overall. Within our two dedicated roofing business, the sales are weighted closer to 60% RMI projects, and these businesses in particular benefit from the need to upgrade buildings to improve their performance and design both on the commercial and residential side.
For example, the UK government has indicated a housebuilding target that will require an average annual rate of 370,000 additional homes to be created per annum. This would require around a 51% increase in the FY24 annual rate of construction of additional homes (UK Construction Products Association, September 2024).	SIG supplies products required for the construction of new-build residential projects in all of our geographies, with residential projects overall representing around 50% of Group sales. As set out in our Strategic Framework we are focussed on being the partner of choice for specialist contractors including those who supply new-build residential projects, to support long-term demand for housing.
These regulations include changes to building codes to require greater thermal efficiency and insulation, more energy efficient heating, funding for decarbonisation of public sector buildings, incentivising "zero carbon" buildings and use of solar and other lower carbon building products and technologies.	With around 80% of our revenue generated from insulation and products related to the wider building envelope, we are market leading specialists in insulation across Europe with top three market positions in this product area across our geographies. We supply a breadth of products and systems that improve the thermal efficiency of buildings and meet the demands of increasing regulation. Our UK Specialist Markets division is producing an increasing range of high performance fire protection products to meet demand from the tightening of building fire safety regulations under the UK Building Safety Act 2022. Our UK and France Roofing businesses have rolled out new solar product offerings.
Demand for repair, maintenance and improvement ('RMI') is also linked to economic growth tailwinds.	During 2024 market conditions for the European building sector have been challenging, and volume demand for building products has declined in the large majority of geographies, linked to GDP and interest rates. Higher interest rates have increased the cost of construction projects. We have responded to this by adjusting our cost base to recognise the lower demand environment while also focusing on strategic actions to better capture growth and profitability ahead of market recovery.

Revenue by building type

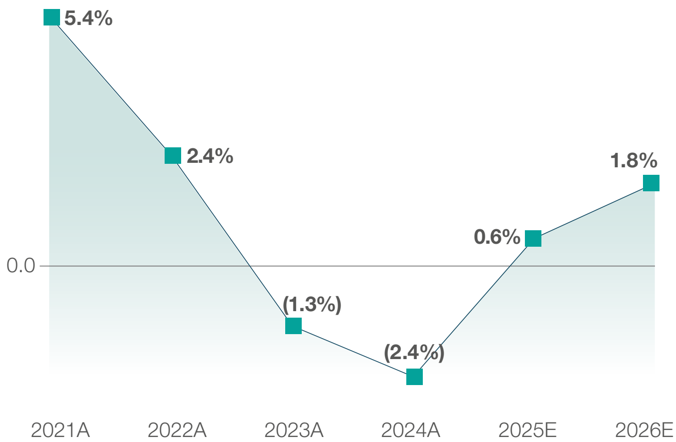


Revenue by project type



Construction market recovery from cyclical lows

Evolution of expected construction output in Europe



Source: Euroconstruct (Dec 2024).

Reshaping our operations for profitable growth

SIG's 2024 results reflect the significant efforts of our people as we reshape our business to deliver more profitable growth over the medium-term.

Gavin Slark
Chief Executive Officer

Overview

The Group reported lower sales and profit in 2024 than in 2023, as a result of prolonged challenging market conditions across the European building and construction sector. However, we have substantially mitigated the impact of weaker markets by disciplined cost management and a range of productivity initiatives.

We have also maintained a strong focus on our customers and delivering great service, and I am proud of the focus and execution our people have shown to manage through these tough markets.

We are keeping focussed on the clear medium-term opportunity we see to deliver better performing, higher margin businesses across the Group.

2024 results

Our 2024 results demonstrate the significant action that we have taken to realign our cost base and operations to manage the weaker market conditions.

This has involved very tight cost discipline and strong commercial execution by our people across our countries to manage down our costs as volumes and price have weakened, whilst not compromising our ability to maintain excellent service to our customers and deliver sustainable profitable growth into the future.

This is always a fine balance, because our distribution business model carries a higher fixed cost element relative to some other industries, but it is important to have a strong, effective branch network with great people ready to serve our customers as markets pick up.

I am pleased with the strong management and leadership shown by our teams and the efforts of our people across all regions in this regard. Our customer NPS scores went up year on year in a number of our regions, despite the market headwinds. This is a strong result, and despite the typical pressure on this metric in weaker markets.

Our employee engagement levels have also remained broadly stable, despite the actions we have taken to reduce some roles and costs. This engagement is reflected in the strong commitment our colleagues have shown in managing, in a very agile way, through these difficult markets.

Another KPI is our like-for-like ("LFL") growth rates. While many of these rates are negative due to the weaker market conditions, in almost all geographies our LFL rates showed strong momentum through the second half and almost all our businesses were ahead of their underlying market.

Group revenue of £2,611.8m in 2024 (2023: £2,761.2m) reflected a LFL revenue decline of 4% (2023: (2)%), driven by the lower market volumes and lower year on year pricing.

Group underlying operating profit of £25.1m (2023: £53.1m) and underlying operating margin of 1.0% (2023: 1.9%) reflect the impact of the lower revenues, which could not be wholly offset by the significant cost reductions we made. On a statutory basis, the Group generated a statutory loss before tax of £44.8m (2023: £31.9m loss).

Market dynamics

During 2024 our LFL revenue growth rates across most geographies improved in H2 compared to H1, as noted above, as volumes remained negative year over year but stabilised sequentially over the first half as we lapped the market declines experienced in H2 2023.

Across our end-markets, the conditions impacting our sales volumes weakened slightly further compared to 2023. Interest rates remained higher than had been expected for longer, and this has continued to suppress construction sector activity, with residential construction projects showing the greatest weakness.

In all of our geographies, except for Ireland, total construction output was lower year on year, with the rate of new-build residential projects declining between mid-single declines in the UK and the Netherlands to a c15% decline in Germany and c20% decline in France, according to Euroconstruct's December 2024 report.

As set out in further detail in the 'Our Market' section of this Strategic report, the Group's trading environment includes the impact of near-term economic trends and long-term structural growth drivers.

While our results were impacted in 2024 by short-term economic trends, we also continue to see evidence of the long-term demand drivers for growth in our sector and in our portfolio of businesses, with further details shown in the section referenced above.

Operating performance

In the UK Interiors business we have accelerated the strategic and operational changes that will enable that business to sustainably improve its operating margin.

This acceleration has been driven by a new Managing Director, Howard Luft, who joined the business in October 2024. We have closed three more loss making branches during the year, and have launched several programmes to drive both better delivery and operational cost efficiency, as well as to enhance product mix, margin and pricing processes.

Whilst this business remains relatively dependent on residential new-build activity levels in the UK, we believe that these changes, combined with a medium-term outlook that will be supported by significant pent-up demand for new housing, will drive a gradual but marked step up in profitability.

UK Roofing has positive momentum and delivered a notably strong set of results, well ahead of its market. This reflects the ongoing investments made in the business to driver better customer experience across our branches, commercial execution, and employee engagement.

In the UK Specialist Markets business, revenue was affected by weaker demand in the agricultural and commercial warehousing sectors, but there was more resilience in our construction accessories business.

In France, I am very pleased at how both businesses continue to execute effectively on their strategic plans, and to manage well through a very subdued market. Both businesses have also grown their customer engagement scores despite the market headwinds. Larivière, our roofing business in France, was impacted by the weak French construction market with the rate of decline reducing in H2 as the business lapped the prior year comparator.

Larivière has increased its sales focus on larger customers and higher value products alongside its core ranges.

LiTT, our interiors business in France, has experienced weaker demand and volume as well as market pressure on price, with notable weakness in new residential projects. Despite this, the business has grown its market position in 2024 with a continued strong focus on service and delivery.

Our German business continued its robust recovery of the last three years, performing extremely well in what is also a very challenging current market.

Poland's growth softened in the second half due to an unexpectedly weaker Q3 and with year on year weakness in the commercial project market in particular.

Ireland delivered stronger results in 2024, partly due to market recovery after a very soft 2023, but also thanks to strong commercial execution and solid demand in our specialist contracting businesses, which cover office fit-out, kitchen and bathroom fit-out, and industrial infrastructure painting.

Benelux executed a significant restructuring in its Netherlands business in Q4, closing a number of branches, to narrow its focus to higher value categories in interiors and technical insulation. This is a key step on their way to an improved margin and positive cash generation.

Strategic progress

Our vision is to be the best provider of specialist construction and insulation products in Europe. Being the 'partner of choice' to our specialist customers is one of our three long-term objectives.

Our second long-term objective is to improve our operating performance, and we are focussed on four key pillars to drive our performance over the medium-term to our 5% operating profit margin target.

These targets are a key threshold for unlocking meaningful value creation for shareholders, specifically through higher cash generation. Our third long-term commitment is to grow sustainably, and further detail on this can be found in our Sustainability review on pages 26 to 51.

Chief Executive Officer's review continued

Our Strategy in action on pages 20 to 23 sets out our strategic progress in more detail. Key areas of strategic progress in 2024 can be summarised as follows:

Grow

Despite continued market contraction in 2024, we kept our focus on delivering great service, having the right products in the right place at the right time, coupled with excellent logistics, and hence being the 'best' in the eyes of our customers.

Our 2024 LFL sales growth rates in our largest operating companies continued to show good performance relative to the local market. Notably, in the United Kingdom, our UK Roofing business continued to trade with robust momentum against the wider market and continues to benefit from investments made in the customer service experience in our branches, and in sales and marketing.

In Germany, the LFL rate achieved was materially stronger than the wider market and reflects the business's continued momentum following turnaround actions over the last three years, including reinvestment in sales and in branch employee engagement.

In February 2025, we hosted a major trade show in Frankfurt, the first of its kind in the German market in our space, bringing together over 1,500 representatives of our customers and suppliers under one roof.

This event was an excellent example of industry leadership in action and an example of why our German business is performing so strongly.

Execute

We are committed to improving execution in all facets of our business in order to deliver consistent and profitable growth.

We are focused on performance management, cost discipline, and product mix (with the aim of selling more higher margin products within existing categories, and increasing private label sales), and on improving performance in our UK Interiors and Benelux businesses in particular.

During 2024, we took further restructuring actions to reduce our permanent cost base to mitigate the impact of lower volumes on profitability.

These measures, together with those commenced in the second half of 2023, are expected to generate £37m in annualised cost savings, and a £25m profit benefit including the overall impact of branch closures.

We have also reduced headcount, by around of 430 over the course of 2024. This included approximately 290 from restructuring.

We closed 17 branches that were either consistently underperforming, had seen a negative change in local market growth dynamics or were in locations which we believe we can service more effectively from another branch.

Modernise

The progressive modernisation and digitalisation of our operations creates an important opportunity for the Group to increase overall profitability and efficiency.

In 2024 we expanded our customer facing e-commerce platforms, with a new omnichannel sales model and e-commerce platform launching in Germany in August.

In France, an e-commerce platform for France Interiors is also being progressed, towards a targeted launch in the first quarter of 2025. In both we are developing these platforms by leveraging our successful e-commerce experience in Poland.

Both platforms will allow us to provide a more seamless and convenient customer experience, by allowing them to purchase from SIG through the channel most convenient for them anywhere, anytime.

Higher focus on value-added products

During 2024 our businesses have updated their medium-term strategic plans to drive greater growth in higher-value, higher margin products. In France Interiors and Germany, this is focussed on scaling up in core accessories ranges where private label ranges have been re-introduced in recent years. In UK Roofing and France Roofing, both businesses are bringing to market new innovative ranges for waterproofing and sealants that offer both better performing products for our customers at better margin. For example, in 2024 Lariviere launched its new ETANX waterproofing products line, in addition to continuing to grow its established Irondel private label range.

Our value-added product expansion also includes specialist products designed to make buildings safer and more sustainable. In 2024, this has included new low-carbon Speedline drywall systems wall, partitioning and ceiling products and over 60 new fire protection products in development in UK Specialist Markets.

Specialise

We aim to accelerate our growth in more specialist, higher margin opportunities.

In 2024 our UK Specialist Markets business developed a number of innovative new products in our performance materials manufacturing and fabricating businesses.

Some of these new products will target future market demand for even greater fire protection in high rise and other buildings, following changes under the UK Building Safety Act.

More broadly, our performance materials business has already launched a number of new products during the year, and has a strong product development pipeline.

The launches have been supported by new training modules to support the specification of our new products earlier in the building design process.

Sustainability

During 2024 we made good progress on a number of our long-term targets.

One of our targets is to reach zero SIG waste to landfill by the end of the 2025 financial year. In 2024, we further improved our rate of diversion of waste to landfill, reaching 96%, an improvement from 94% in 2023.

On carbon, our net zero emissions fell by 6% in the year, and have decreased by 18% against our 2021 baseline. The significant driver of our carbon emissions remains our fleet, which we rely on to deliver our products.

We continue to make progress towards our long-term reduction targets, although progress will not always be in a straight line each year as it is also influenced by market-driven changes in delivery volumes and by the rate at which commercially viable new low-carbon HGV technologies are brought to market.

Our safety performance also improved in 2024, with a small reduction in our Lost Time Injury Frequency Rate ("LTIFR") to 8.0 from 8.4 in 2023, driven by our ongoing safety programme to keep 'Everyone Safe, Every Day'.

Outlook

The Group continues to expect softness in market conditions in 2025 and, to the extent there is a recovery, that it is more likely to drive demand in the second half of the year. Trading trends in early 2025 have been largely as we would have expected, and LFL sales for the first two months of the year were flat on prior year.

During this period of market weakness we will continue to focus on our execution, manage near-term margin pressure and strengthen our operating platform.

Alongside ongoing targeted investment to support our strategic growth enablers, the benefits from productivity and cost initiatives will contribute incrementally as the year progresses.

The operational gearing in our business model applies equally strongly in conditions of rising demand, and, accordingly, the Board believes the Group remains very well positioned to benefit from the market recovery when it occurs. This also underpins our continued belief that the Group will deliver its targeted 5% operating margin in the medium-term.

Gavin Slark
Chief Executive Officer

4 March 2025

Our medium-term strategy

Grow
1 **Deliver above-market growth**

Execute
2 **Strengthen execution and margin across geographies**

Modernise
3 **Greater productivity through modernisation**

Specialise
4 **Accelerate in specialist, higher return businesses**

See pages 20 to 23 for more information

Strategy in action

Grow

1 Deliver above-market growth

What

Our ambition is to deliver profitable revenue growth above the market rate of growth.

With 'top three' positions across our geographies, and 'number one' positions in a number of product categories, our ambition is to be the leader across our markets.

We aim to grow our market share by delivering the best service and being the best specialist distributor and partner of choice for our customer.

How

- Continuous improvement approach to customer service
- Branch network growth, investment and refurbishment
- Sales team skills, training and development

Progress

- £2,612m reported revenue, down 4% on a LFL basis on 2023, but ahead of market growth in a majority of markets
- Group customer NPS of +51, an increase of +1 on 2023
- £16.1m capex invested including branch refurbishment
- Ongoing sales teams skills, training and development programmes

UK Roofing delivered strong growth ahead of the market

SIG Roofing, our UK Roofing business delivered strong sales growth in 2024 relative to a weak UK market. Reporting 2% LFL sales growth for the year, this included H2 growth of 5%, while the overall market in which it operates remained negative. This performance has been underpinned by the businesses multi-year programme to revitalise its customer experience and branches, and supported by a range of growth initiatives and an engaged and motivated team.

See page 55 for more information

5%
UK Roofing H2 2024 LFL sales growth

We are improving our operating performance and are targeting a 5% operating margin target for the Group in the medium-term. Strategic actions in four key areas will allow us to achieve this.

>5%
Group operating margin target

Execute

2 Strengthen execution and margin across geographies

What

We are committed to improving our execution and our operating platform to deliver more profitable growth.

Increasing our focus on operational excellence offers further potential for margin accretion in each of our geographies.

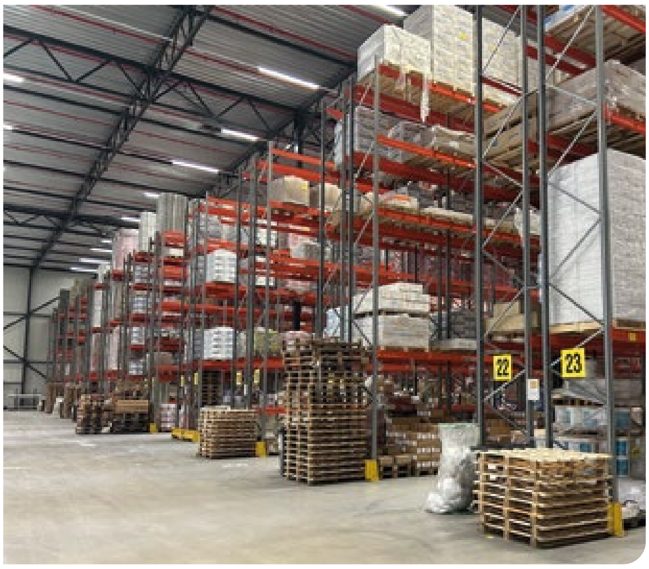
We believe that having motivated people, winning branches and efficient operations are key to performance.

How

- Performance management focus
- Cost discipline
- Product mix – selling more higher margin products within existing categories, and increasing private label
- Improving performance in UK Interiors and Benelux

Progress

- 2024 £42m net operating cost saving, before inflation
- New management appointed in UK Interiors in October 2024, with accelerated restructuring programme to improve cost and efficiency rolled out in UK Interiors
- Benelux restructure to refocus Netherlands operations on higher value interiors and technical insulation products
- Increased focus on higher margin product mix and private-label product growth across geographies



Netherlands restructure to sharpen focus on higher value interiors and technical insulation products

In late 2024, we completed a significant restructure of our Netherlands business, closing seven branches which previously sold interiors and exteriors plaster products. This was a market in which we had lost share over successive years and faced significant headwinds from structurally low margins. This change enables us to refocus on technical insulation and higher value interiors (ceilings etc.) and distribute this nationally via our large Waalwijk distribution centre, to leverage our better market position and return to profitability.

See page 56 for more information

37%
Netherlands operating cost base reduction FY24

Strategy in action continued

Modernise

3

Greater productivity through modernisation

What

Across our operating companies we are pursuing the progressive modernisation of our operations.

This includes improving our systems and operational processes through the use of technologies for greater efficiency.

It also includes modernisation to drive improvements in customer experience and in the way that we sell to and service our customers.

How

- Process, system and organisational efficiency
- Technology enhancing customer experience and supporting sales and product mix

Progress

- Successful launch of new e-commerce and omnichannel platform in Germany
- Development of new France Interiors e-commerce platform progressed towards launch in 2025
- Digitalisation of customer interfaces in UK Roofing supporting customer engagement and sales

New omnichannel platform launched in Germany

In 2024 we have expanded our customer facing e-commerce platforms, with a new omnichannel sales model and e-commerce platform launching in Germany in August, and another in progress in France Interiors to launch in 2025. Both platforms will allow us to provide a more seamless and convenient customer experience, by allowing them to purchase from SIG through the channel most convenient for them – anywhere, anytime. We expect both platforms, once fully established, to increase revenue through greater share of wallet from existing customers, and within that to also increase private label sales per customer, with these sales typically being higher margin.

See page 18 for more information

2

new e-commerce platforms developed in 2024

Specialise

Accelerate in specialist, higher return businesses

What

The Group's portfolio of businesses includes some attractive positions in highly specialist areas of the building products industry.

These businesses generate a higher average return than the present Group average.

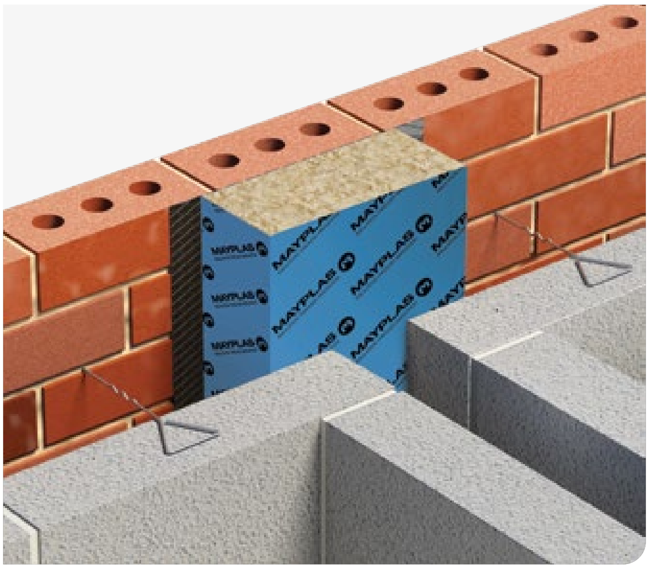
By increasing our strategic focus to accelerate growth in these businesses, we aim to increase the contribution of these businesses within the Group overall.

How

- Additional management and sales focus to support business growth and grow market positions
- Investment in inventory and product ranges in specialist areas to support growth

Progress

- Continued progress in securing new infrastructure projects within UK Construction Accessories
- UK Specialist markets launched a number of new high performance fire products in the period
- Nationwide roll-out of solar offering in French and UK Roofing businesses. New solar warehouse in France and UK solar quoting tools to support customer sales



New fire protection products in UK Specialist Markets to support regulatory-driven demand

In 2024 our UK Specialist Markets business developed a number of innovative new products in our performance materials manufacturing and fabricating businesses. These new products target future market demand for greater fire protection in high rise and other buildings, following changes under the UK Building Safety Act.

See page 18 for more information

60
new fire protection products launched and in development in UK Specialist Markets in 2024

Business model

Our customer-focused business model

Our business model is underpinned by the depth and breadth of our resources, which allow us to execute our strategy. In addition, our resources and stakeholder relationships are key to our success and we invest in them throughout the year.

Inputs

Employees

Engaged, committed and knowledgeable colleagues working across our local branches, delivering superior service and expertise and leading our businesses.

6,700+
Employees

Customers

A fragmented customer base of more than 75,000 customers across local markets, including specialist contractors and installers, developers and independent merchants.

75,000+
Customers

Branch network and delivery fleet

We supply our products through c.430 branches in local markets across six European geographies and a delivery fleet of around 1,100 vehicles to customer and project sites.

c.430
Branches across six geographies

Products

Working with leading product suppliers we supply a deep range of specialist construction products and systems across interiors, roofing and construction product categories.

Connecting suppliers...

Leading pan-European supplier of specialist insulation and building products and brands.

Interiors

Roofing

Construction products

Adding value

Access to highly fragmented customer market

Facilitating supplier market share and growth

Route to market support

Supported by

Responsible and sustainable approach

See page 26 for more information

…with customers

Helping specialist contractors get the products they need to deliver better buildings.

Specialist contractors | **Developers**
Specialist installers | **Independent merchants**

Adding value

One-stop access to product range

Coordinating dynamic delivery requirements

Specialist knowledge and support

Credit and payment terms

Creating value for our stakeholders

Employees

- Career development, training and apprenticeships
- Providing jobs in a supportive and safe working environment

>200 apprentices

Customers

- One-stop access to deep product range
- Coordinating dynamic delivery requirements
- Supporting large complex projects
- Credit and payment terms
- Specialist knowledge and support

+51 customer NPS

Suppliers

- Access to highly fragmented customer and project market
- Facilitating supplier market growth
- Route to market support

Leading international and national supplier brands

Communities & Environment

- Committed to creating jobs in local communities
- Reducing carbon and waste and supporting building industry decarbonisation

6% reduction in net zero carbon emissions

Investors

- Meaningful value creation opportunity for shareholders

5% medium-term operating margin target

Sound corporate governance

See page 68 for more information

Risk management

See page 62 for more information

Sustainability review

Making a positive difference

As a leading supplier of specialist insulation and building products, SIG is positioned to support decarbonisation across the built environment. Many of our core products support better building energy efficiency.

We introduced our five sustainability commitments in 2021, which remain fundamental to our approach to ESG – covering our impact on the environment and our employees. Our sustainability programme underlines and supports our goals of growing as a responsible business.

Our sustainability commitments align with the United Nations Sustainable Development Goals ("SDGs"). The six most relevant six goals are detailed in our sustainability commitments table.

In 2024, we conducted our first Double Materiality Assessment. We engaged with our internal and external stakeholders to assess our key sustainability impacts as a business, from both a financial and social-environmental perspective. This double materiality assessment has defined material topics that are closely aligned to our existing sustainability commitments. This assessment will inform our reporting requirements under the EU's planned Corporate Sustainability Reporting Directive ("CSRD").

Our sustainability commitments

Measure	2024 performance		Our SDG commitment
Net zero carbon by 2035[1]	6.5% Reduction in net zero carbon emissions See page 28 for more details	Our net zero carbon emissions reduced to 39,285 metric tonnes from 42,015 metric tonnes in 2023.	13 CLIMATE ACTION
Zero waste to landfill by 2025	96% Waste not going to landfill See page 32 for more details	Our waste diverted from landfill rate has improved by 2% from 94% in 2023.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Partnering to reduce supply chain carbon and waste	85 Sustainability meetings with suppliers See page 34 for more details	Our Scope 3 assessment identified our most carbon intensive products. 85 supplier engagement meetings included a discussion on carbon reduction plans.	11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS
Health and safety leader	8.0 Lost time incident frequency rate (LTIFR) See page 36 for more details	Our LTIFR has improved to 8.0 from 8.4 in 2023.	8 DECENT WORK AND ECONOMIC GROWTH
Employer of choice	+9 Employee engagement (eNPS) (eNPS +X) See page 38 for more details	Our eNPS score reduced to +9 in 2024 from +14 in 2023 but remains positive.	5 GENDER EQUALITY

Page 51 details our Group policies and procedures relevant to our sustainability commitments. Robust internal controls, ethics and risk management also inform our approach to sustainability and ESG. We have a strong approach to corporate governance, as detailed from page 68.

1. Net zero carbon emissions: Scope 1, Scope 2 and business travel emissions.

Our approach to carbon reduction

Our commitment

Net zero carbon in SIG operations by 2035

Scope 1, Scope 2 and business travel emissions

2024 progress

Net zero carbon emissions

↓6%

2024: 39,285
2023: 42,015
Metric tonnes

Fleet mix by lower-carbon fuel type[2]

↑6%

2024: 32%
2023: 26%

2024 progress

In 2024, we have continued our good progress in lowering our carbon emissions. Our emissions accounting period runs from 1 October to 30 September, providing appropriate time for reporting and assuring our data set. Our Scope 1, Scope 2 and limited Scope 3 emissions[1] have been verified to a limited level of assurance by Intertek in accordance with ISO 14064-2.

Our carbon footprint encompasses emissions we are directly responsible for, including fuel and plant fuel use (Scope 1). Our Scope 2 emissions are related to the electricity we use in our operations. We have disclosed some indirect upstream and downstream emissions (Scope 3) over which the business has limited control, including business travel and third-party transportation. We include third-party diesel from transportation where there is a high proportion of deliveries made to customers using third-party vehicles.

In 2023, we completed a study to quantify our total Scope 3 emissions. Purchased goods and services constitute 86.2% of our Scope 3 footprint.

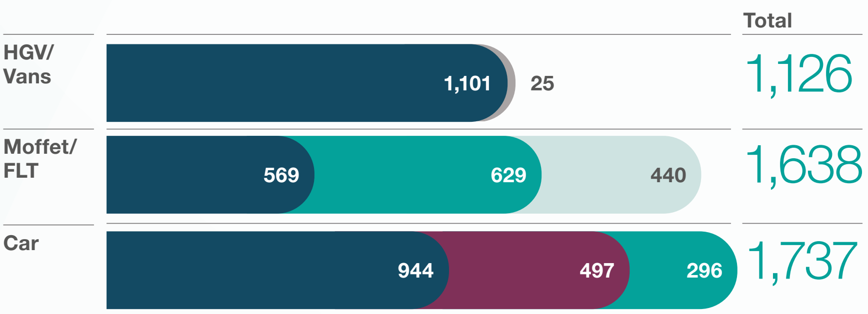
Our net zero carbon emissions have reduced by 6.5% compared to 2023 and 18.1% against our 2021 baseline. The UK contributed the greatest proportion of the emissions reduction. The emissions in the UK, excluding Northern Ireland, reduced by 12.6% and 2,281 metric tonnes of CO_2e. France and Benelux also reduced emissions in this period – by 350 and 205 metric tonnes respectively.

There has been a reduction in the volume of sales across the Group, leading to less fuel used and an associated reduction in greenhouse gas emissions.

We have continued our long-term trial of alternative fuels within our fleet. During 2024, the UK business installed a small number of HVO tanks that will allow us to trial this fuel and grow usage of it over the medium-term, subject to commercial and cost factors. We have increased the use of bioCNG in our heavy-duty fleet in France during the year.

In 2024, 66% (2023: 60%) of our electricity was purchased from certified renewable energy contracts. The proportion of renewable electricity purchased has increased in Poland and Ireland. We have continued to install photovoltaic panels across selected locations, including 930 panels at Steadmans, our largest energy consuming site in the UK.

Fleet mix 2024



Full fleet composition

Petrol/Diesel **2,614** Electric **925** Hybrid **497** LPG **440**
Combined (Electric **2**, Biodiesel (B100)* **6**, Hybrid **1**, CNG **16**) **25**

* Vehicle enabled to use biodiesel in France.

1. Business travel and third-party diesel carbon emissions have been verified by Intertek.
2. Percentage of electric or hybrid vehicles in our fleet including company cars, vans, forklifts, moffets and heavy-duty vehicles.

Decarbonising our fleet

Our fleet includes heavy-duty vehicles, vans, forklifts, moffetts and company cars. Vehicle fuel emissions contribute 91% of our Group Scope 1 and 2 emissions. We operate leased heavy-duty vehicles in the UK, Germany, France and Poland. Fleet emissions have the biggest impact on our overall carbon footprint.

The emissions from our road vehicles, including heavy-duty vehicles, company cars and vans, reduced by 6% compared to 2023. Sales volume has the greatest influence on the volume of road vehicle fuel used in our businesses. The Group has experienced reduced sales volumes and therefore, has made fewer delivery miles, generating a carbon reduction.

The total number of petrol or diesel vehicles has reduced by 8%. The largest reduction is from our company cars as some employees have switched to electric or hybrid alternatives. There has also been a reduction in the number of diesel heavy-duty vehicles. The trials of vehicles include biofuels (HVO and biodiesel), gases (hydrogen and compressed natural gas ("CNG")) and electric heavy-duty vehicles. In France, we have increased the number of vehicles that can use CNG or bioCNG to 16.

Emissions from forklifts and moffets have reduced by 20% compared to 2023. We have increased the number of electric moffets and forklifts in operation to 629.

We have an internal fleet working group which includes representatives across fleet teams and procurement from each operating company. The fleet working group has highlighted challenges in the availability of infrastructure in our geographies for electric charging and hydrogen.

Our carbon reduction milestones

As part of our sustainability commitments, we have a long-term target to achieve net zero emissions by 2035. This is supported by interim milestones:

2025

20%↓
reduction in 2025 against baseline.

2030

40%↓
reduction in 2030 against baseline.

2035

100%
of fleet with lower-carbon engines by 2035 – where the infrastructure and technology allows.

Each business has shared their long-term plans for reducing the number of combustion vehicles in the fleet. We expect each country will have a different pathway to increase the proportion of lower-carbon vehicles in their fleet, due to differing government strategies and national infrastructure. In France, there is a good network of CNG and bioCNG fuel infrastructure whilst in other countries, we expect electrification of heavy-duty vehicles to be the more likely pathway.

The long-term decarbonisation pathway for the transport sector remains dependent on a number of regulatory, industry and infrastructure factors that governments and industry are yet to fully address. Grid capacity and reliability are essential for the successful roll-out of alternative fuel types.

Due to ongoing cost prioritisation, additional expenditure on fleet related sustainability initiatives has been paused as we prioritise fleet cost efficiency. We are committed to investing in fleet related carbon reduction once the market improves and as appropriate technologies become commercially available.

2025 focus:

In 2025, we will continue to review and prepare for future reporting requirements, including CSRD. We will also continue to review our climate transition planning around industry and political developments and in line with our reporting requirements.

Net zero carbon by 2035 continued

Streamlined Energy and Carbon Report

Mandatory greenhouse gas reporting

Our annual greenhouse gas reporting is calculated in accordance with the requirements of the Energy and Carbon Report Regulation 2018, for the period 1 October to 30 September. This covers all geographies in which we operate, as well as a small subsidiary in Spain.

We include the six main greenhouse gases ("GHGs") and reported carbon dioxide equivalent (CO_2e) for our Scope 1 (direct), Scope 2 (indirect) and limited Scope 3 emissions. We use the GHG Protocol Corporate Accounting and Reporting Standard methodology for our emissions and energy consumption and the Department for Energy Security and Net Zero ("DENZ") and International Energy Agency ("IEA") GHG Conversion Factors. The annual quantity of energy consumed from activities we are responsible for includes fuel, electricity and gas.

Scope 1 – Direct

	Metric tonnes			
	2024 Group	2023 Group	2024 UK	2024 Europe
Road vehicle fuel emissions[1]	**32,533**	34,600	**13,507**	**19,026**
Plant vehicle fuel emissions[1]	**3,020**	3,795	**1,045**	**1,975**
Natural gas[2]	**1,374**	1,580	**812**	**562**
Coal/coke for heating[1]	**38**	12	**—**	**38**
Heating fuels (kerosene and LPG)[1]	**862**	447	**531**	**331**
Total	**37,827**	40,434	**15,895**	**21,932**

Scope 2 – Indirect

	Metric tonnes			
	2024 Group	2023 Group	2024 UK	2024 Europe
Electricity – location-based[2]	**4,517**	4,536	**2,231**	**2,286**
Electricity – market-based[3]	**1,250**	1,296	**135**	**1,115**

Total – Scope 1 and 2 – location-based	42,344	44,970	18,126	24,218
Total – Scope 1 and 2 – market-based	39,077	41,730	16,030	23,047

1. Volume of fuel from fuel cards or other purchase records converted according to DENZ emission factors.
2. Electricity and gas meter data is converted according to DENZ emission factors. For branches without meters, we use an estimation model based on average usage.
3. Market-based emissions reflect emissions from electricity that we have purchased that is certified as renewable electricity. Location-based emissions are based on country averages.

Scope 3

	Metric tonnes			
	2024 Group	2023 Group	2024 UK	2024 Europe
Business travel[4]	**208**	285	**128**	**80**
Third-party diesel[5]	**4,719**	5,184	**127**	**4,592**
Own vehicles used for company business[4]	**141**	148	**123**	**18**
Total	**5,068**	5,617	**378**	**4,690**
Total – Scope 1, 2 and 3 – location-based	47,412	50,587	18,504	28,908
Total – Scope 1, 2 and 3 – market-based	44,145	47,347	16,408	27,737
Total net zero carbon emissions[6]	39,285	42,015		

Emissions per £m of revenue

	Metric tonnes/£m	
	2024 Group	2023 Group
Revenue	**2,612.0**	2,761.2
Scope 1 and 2 – location-based	**16.2**	16.3
Scope 1 and 2 – market-based	**15.0**	15.1
Scope 1, 2 and 3 – market-based	**16.9**	17.1
Total net zero carbon emissions	**15.0**	15.2

Total energy use

	MWh			
	2024 Group	2023 Group	2024 UK	2024 Europe
Total energy use	**183,489,267**	193,087,011	**78,807,951**	**104,681,316**

Energy efficiency actions

In 2024, we continued to implement energy and fuel efficiency activities across our operating companies. In France, an eco-driver training programme for 93 employees with a company car, improved fuel efficiency compared to employees who did not complete the training. We also ran a heavy-duty vehicle training programme with a high proportion of our permanent drivers completing the training (90.57%).

Our French team have also completed an energy action plan for high energy-consuming sites. Initiatives in the action plan include reviewing the programming of heating and air conditioning systems.

In Poland, we have replaced coal or oil heating systems with infrared heating. This has reduced our consumption of coal and heating fuels.

Across our other regions, we have made further progress on branch refurbishments and improving energy efficiency, including investment in LED lighting and the installation of solar panels.

4. Distances travelled by employees using own vehicles or business travel converted according to DENZ emission factors.
5. Estimated or recorded distance travelled by third-party logistic provider converted according to DENZ emission factors.
6. Net zero emissions includes Scope 1, Scope 2 market-based and business travel.

Reducing waste to landfill

Our commitment

Zero SIG waste to landfill by 2025

2024 progress

Total waste not going to landfill

↑2%

2024: 96%
2023: 94%
2022: 92%

Hazardous waste

↑80%

2024: 103 metric tonnes
2023: 57 metric tonnes
2022: 192 metric tonnes

SIG is committed to reducing the waste we generate, including hazardous waste. We aim to have zero waste going to landfill by 2025, where recycling options are viable. The focus of our waste reduction plan is the waste that we directly control at our branches. We improve our recycling rates by monitoring and validating third-party waste contacts. At our branches, we have focused on waste segregation, the reuse of packaging and pallets, and paperless processes.

Our waste reporting year runs from 1 October to 30 September. Data is provided by waste management providers.

2024 progress

Total waste increased in the year to 13,178 tonnes. Despite this, our total waste diverted from landfill is 96%, an improvement from 94% in 2023.

Two operating companies have zero waste to landfill – Benelux and Germany. The UK, France and Poland increased the proportion of waste diverted from landfill sites. This is encouraging progress towards our 2025 target. The improvement shows the success of our initiatives, including improving access to recycling facilities.

Waste is classified according to the European Waste Classification code. Our main types of hazardous waste mainly relate to a small number of products such as paints, fillers and finishing products that contain certain chemicals. If these products are damaged or out of date, they require specialist handling in compliance with national waste regulations.

At the end of 2023, we ran a Group-wide programme for all branches to identify old waste or materials stored that should be removed. This has increased the amount of hazardous waste during this reporting period compared to 2023.

In our role as a distributor in the middle of the supply chain, we manage logistics between customers and suppliers. This means we are well placed to support a circular economy by recycling and repurposing materials.

All French and German branches have waste recycling points for our customers. The waste collection points allow customers to recycle packaging waste.

2025 focus:

- We will continue to focus on reducing waste by reviewing waste data and sharing best practice on our waste forum meetings
- We are planning to renew waste contracts to improve recycling rates to work towards our zero waste to landfill target

Reducing waste to landfill in Poland

Our team in Poland has made significant progress in reducing the volume of their waste sent to landfill, despite challenges that include limited availability of recycling plants.

In 2024, this activity has included visits to 41 branches in Poland in person and 4 branches virtually to review and discuss local waste regulations and availability of recycling opportunities.

New containers for offices and warehouses and new contracts to recycle foil and cardboard were then implemented as a result and we are pleased to report that these initiatives have successfully contributed to a 65% reduction of waste sent to landfill in 2024 in Poland.

65%
reduction in waste to landfill in Poland in 2024

Partnering across our supply chain

Our commitment

To partner with manufacturers and customers to reduce carbon and waste across the supply chain

Scope 3

- ✓ We completed our first Scope 3 calculation in 2023
- ✓ We will review our Scope 3 reporting approach to prepare for future reporting requirements

2024 progress

Supplier engagement on ESG

85 meetings

held with suppliers included a discussion related to sustainability

As a specialist distributor of products, SIG plays an important role in the decarbonisation of our built environment through supplying building products crucial for energy efficiency and generation.

2024 progress

Following our Scope 3 assessment in 2023, we have identified which product categories are the most carbon intensive product lines within each of our geographies. We have identified our suppliers of these, noting that many companies supply a wide range of products including both lower and higher carbon products.

We engage with our suppliers on a wide range of topics across our business every day. Within our many supplier meetings in 2024, 85 included a discussion related to addressing carbon intensive products, product and supply chain decarbonisation and sustainability.

Topics also included the Environmental Product Declaration ("EPD") data, carbon reduction targets and our suppliers' lower-carbon and sustainable product development pipelines.

We provide customers with product information, including environmental data points, to make informed decisions on purchasing. We have EPD for product lines in the UK, Ireland, Poland and France (Fiche de Déclaration Environnementale et Sanitaire).

In Poland, the use of e-commerce supports the adoption of lower-carbon products by customers, by highlighting more sustainable substitute products as customers search and browse in our online shop. The platform also allows us to share product EPD data digitally with customers.

Within our overall product strategy, we also have a specific strategy for developing more sustainable products within our available range. This strategy has three components:

- minimising embodied and upfront carbon generation;
- conserving energy through the lifetime performance of a building; and
- generating or storing renewable energy to reduce demand on virgin fossil fuels.

Our teams are assessing the product range to ensure it satisfies building regulations for product safety and that products align to the three components of the sustainable product strategy.

2025 focus:

- We will review our Group approach to sustainable products by developing criteria and product classifications
- We will continue to work with our suppliers of our most carbon intensive product lines

Scope 3 journey

In our Scope 3 assessment, we found:

- The goods and services we purchase contribute 86.2% of our Scope 3 footprint, showing the importance of our engagement with suppliers and customers to focus on our product offering to ensure that it can evolve in the years ahead
- The use of sold products and end of life treatment of sold products were the next highest categories, with 3.8% and 3.3% of our Scope 3 footprint

More information related to our Scope 3 assessment can be viewed on our website

Engaging with our suppliers on sustainability – Knauf UK

During 2024, our UK team visited Knauf, one of our key suppliers of insulation products, at their upgraded production facility at St Helens. Knauf are producing products at the site with improved thermal conductivity and have invested to increase capacity of the site and to improve its carbon efficiency through initiatives including product compression.

The improvements at the site are part of a wider set of activities by Knauf to decarbonise operations including manufacturing and logistics. Knauf aim to improve the embodied carbon of their products as a result. SIG supplies a wide range of Knauf insulation products to our customers in the UK.

Health and safety

Our commitment

Being a health and safety leader in building materials distribution

2024 progress

Lost time incident frequency rate ("LTIFR")

↓5%

2024: 8.0

2023: 8.4

2022: 11.1

Employees feel safe at work

92%

2023: 92%

2022: 92%

We believe that a safe, healthy workplace is the cornerstone of a sustainable, profitable business. Our aim is to build a culture where health and safety are an inherent part of our business activities; where we strive to ensure that everyone associated with our businesses goes home safe and well.

Our employees support this, with health and safety ranking as one of the top priorities for our colleagues.

Governance and structure

The ultimate responsibility for health and safety rests with the Board, Group CEO and Executive Leadership Team. This responsibility is cascaded through the organisation via our operating company Managing Directors and their leadership teams.

Each operating company has a health and safety team, supported by a central team of experts and the Group Health, Safety and Environment Director. At a Group level, the Health and Safety Policy sets the direction for our businesses, who manage and monitor their own objectives, plans and activities in accordance with this policy.

The health and safety leadership team also meet on a quarterly basis. This team comprises the health and safety leaders in each operating company and our central Group experts.

Updates on progress and initiatives are discussed with the aim of sharing best practice and knowledge across the Group.

Regular comprehensive reporting from the businesses to the Board and the Executive Leadership Team also details progress on strategy, KPIs, key initiatives and significant incident detail.

2024 progress

Our health and safety highlights for 2024 include:

- Continuation of our new 'Everyone Safe, Every Day' strategy, objectives and KPIs
- Our engagement survey shows that 92% of our employees feel safe at work
- Our lost time incident frequency rate has improved to 8.0 from 8.4 in 2023

LTIFR history

Following a significant reduction in our LTIFR in 2023, we are pleased to see a small reduction in 2024, indicating that the improvement is sustainable. Our LTIFR is 8.0 compared to 8.4 in 2023. Our employee LTIFR (excluding temporary and agency staff) maintained at 7.4 in 2024.

We have seen good improvement in France, where the FTIFR reduced from 8.9 in 2023 to 7.1, whilst we saw small increases in Poland (in our new brances) and Benelux, where we have seen structural changes within the business.

Whilst the number of lost time incidents has reduced, our incident severity rate has increased slightly to 23.9 in 2024 (2023: 22.3). However, we are still confident that our approach to managing the serious risks which could lead to fatalities and significant harm is working.

In addition, the 'Total Recordable Incident Rate' (using OSHA definitions) remained stable compared to the previous year.

Leadership safety walks

In December, the SIG Group Executive Leadership Team met at our Valor Park office. The regular management meeting agenda included a walk through our large UK Interiors distribution centre, discussing safety and sharing good practices, solutions and advice between our executive teams from our other sites and countries.

Under our 'Everyone Safe, Every Day' safety strategy our managers and leaders regularly walk around our branches to identify and celebrate the things we do well and identify opportunities for continuous improvement on safety. Our leaders remain accessible and visible to all staff to positively reinforce the culture of safety embedded into our business.

Our total incident rate, including all incidents, decreased and we believe this indicates our focus on prevention of all accident types is working.

The implementation of observational reporting within our UK, Benelux and Irish businesses has led to an improvement in our near-miss/hazard observation reporting numbers. While our reporting is not yet at industry average across all our businesses, we are pleased with this progress and continue to work to encourage all our employees, contractors and stakeholders to report near misses, and unsafe/safe situations and behaviours.

All of the performance data above covers 100% of the Group's operations.

Progress on strategy

We firmly believe that active, visible leadership, employee engagement, and systems and processes that are continually challenged and improved, will drive us towards achieving excellence in our workplaces and culture. Our strategy is designed to achieve our vision to provide safe, healthy working environments and cultures, where health and safety is integral to our business activities and all our people actively engage in our drive to excellence.

To drive our progress, we have established annual activities and KPIs.

In 2024, we have focused on the creation of materials for our leaders, designed to support the introduction of regular leadership walks, inspections, and conversations. The use of technology and applications has been critical in ensuring such interactions are practical, and recorded with actions that can be tracked. These leadership conversations, discussions and walks actively demonstrate interest, ownership, responsibility, and care for our people's health and safety.

We have extended our incident reporting tool to include safety observations and continuous learning opportunities so our stakeholders can easily report safety issues and celebrate good practices. We have also promoted the use of the tool, including training sessions, meetings, and on-site pilots. We are very pleased that this effort has produced a 2% increase in positive responses to the question "I am comfortable reporting near misses and safety issues" during our employee survey this year.

In terms of workplaces, systems, and processes, we have strengthened our management systems with several Group-wide guidance documents including new employee health and safety induction requirements, contractor management processes, environmental risk assessment templates and machinery purchasing specifications. These documents are aimed at supporting the improvement of our management system based around our Group HSE Principles, key hazards and risks.

Health and safety talent is essential to our strategy, and therefore this year we have created a training needs analysis process, with defined criteria for all ELT professionals. The programme allows our teams to assess themselves against the criteria and the combined output will support the design of training programmes for our professionals in 2025.

The progress against our strategy is monitored on a regular basis by our ELT and the Board.

2025 focus:

We will continue our strategy, by:

- Creating a standard training programme for HSE professionals
- Reviewing our HSE principles and processes to drive further improvements
- Establishing the tools, support and environment so our leaders have the ability to sponsor, manage and implement relevant HSE projects

Our people

Committed to being an Employer of Choice

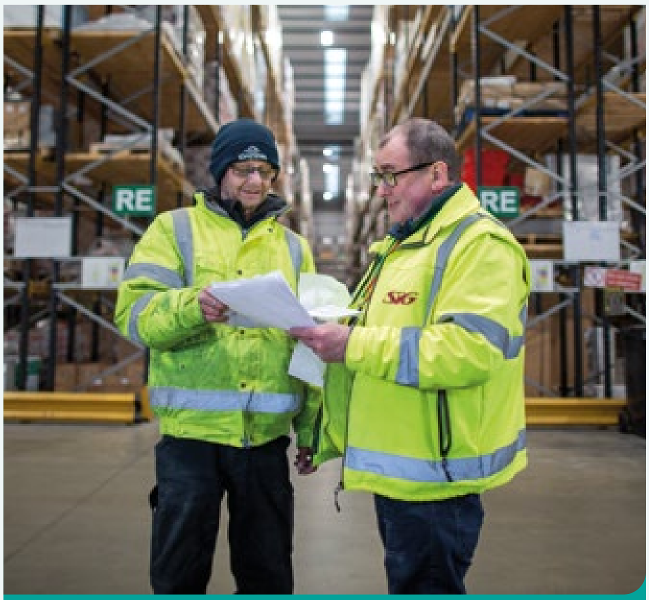
SIG is a people business. Everyday thousands and thousands of interactions between colleagues and with our customers, suppliers and stakeholders take place and are the engine for our performance and growth. We want SIG to be the best place to work for in our industry, which is why our people-vision is to be an 'Employer of Choice' in our sector. During 2024, we have made good progress towards our goal in three areas.

An engaged and inclusive culture

Over recent years, we have made strong progress on building our culture, increasing engagement and inclusion. Our Culture index score was 74% in 2024, up two points from 2023. Our Inclusion index score of 68% is up one point from 2023, and up 11 points from 2022. Our culture is shaped by our values: Be Bold, Be Flexible and Agile, and Making a Positive Difference.

Over the last three years, we have made significant strides in placing people at the centre of our strategy. With an increasingly engaged and inclusive culture, SIG offers a range of programmes to attract and retain our people across our organisation, from our apprentices to our managers and leaders as well as to develop their skills and to drive our performance together.

Julie Armstrong
Chief People Officer – SIG plc



Developing great managers and leaders

Having great leaders has a strong link to improving engagement and ultimately providing better customer service. Hiring, developing and retaining great leaders is an important part of our people programme at SIG.

Skills for professional growth

We continue to invest in offering opportunities for our people to develop their skills and capabilities and to grow their careers at SIG. From our apprenticeship programmes to our sales training, product knowledge and leadership development programmes face to face or online, we know that our people's professional growth and success supports engagement and enables our growth and success.

Our people continued

Our commitment

To be an employer of choice in the building materials distribution industry

2024 progress

Employee engagement

+9 eNPS

2023: +14

2022: +14

Engagement Index

71%

2023: 71%

2022: 73%

Response rate

73%

2023: 71%

2022: 73%

At SIG we are committed to the continual development of our people's experience of working at SIG, to be an employer of choice in our industry.

In 2024, we've made further progress on our people agenda, investing in developing the skills and performance of our leaders, in skills for career and professional growth and in building a more engaged culture.

For the second year running, our French, German and Polish businesses have been recognised as leading employers in their markets. Wego vti was again recognised in 2024 as a 'Top Company' by Kununu, a national online career and employer ranking platform, based on employees' votes. SIG Poland was again certified as a Great Place To Work®, based on employees' opinions and experiences, and in France we achieved Top Employer certification.

Employee Engagement & Wellbeing

The results of our 2024 employee engagement survey show that our people feel positively engaged in their work at SIG.

To manage our performance in very challenging operating environments this year, we have had to restructure a number of businesses and reduce some roles to manage our costs, which has affected morale in some regions. However, our overall engagement scores remain net positive with an employee engagement index score of 71% (2023: 71%) in line with our benchmarks whilst we saw a drop in our eNPS in 2024 to +9 (2023: +14). The impact of these changes are being closely managed so that we maintain the strong progress we have made on engagement since 2020.

Health, Safety and Wellbeing remains the highest scoring index from our Employee Engagement Survey. 92% of our people feel safe at work and are comfortable reporting near misses and safety issues, indicating that our Health and Safety policies are working well for our people. Across the Group we offer additional mental health and wellbeing support and resources for employees. This includes wellbeing tips and apps and dedicated third party support services.

Culture and Behaviours

Over recent years we have made strong progress on building our culture, increasing engagement and inclusion. Our Culture index scores have grown this year by 2% pts to 74% this year and our Inclusion index increased to 68%. Our culture is shaped by our values: Be Bold, Be Flexible and Agile and Making a Positive Difference.

Our behaviours are aligned and reinforced across our business. They are integrated into our performance management and training processes as well as our recruitment processes and in onboarding when new colleagues join us.

Diversity, Equality, and Inclusion (DEI)

We are committed to ensuring that everyone in our organisation feels valued and included, and to create an environment that reflects the communities in which we operate.

Each business has focused plans to support this goal and support the communication and delivery of local and Group initiatives, including the impact of these activities in the business, as measured through the annual DEI index metric within the annual employee engagement survey.

Gender diversity (male/female split)[1]

	2024		2023	
	Male %	Female %	Male %	Female %
Total Employees	**78**	**22**	78	22
Board members	**80**	**20**	80	20
Executive Leadership team	**85**	**15**	79	21
Senior Managers[2]	**80**	**20**	77	23
Senior Managers[3]	**73**	**27**	73	27

1. Headcount as at 31 December 2024. Executive Leadership Team as at the date of this report.
2. Data is per s.414C(8) of the Companies Act 2006 and includes subsidiary directors – population of 25 employees.
3. Data as per provision 23 of the UK Corporate Governance Code – population of 114 employees.

Supporting mental health in the UK Construction industry

In 2024 our UK Roofing business began a new partnership with a charity dedicated to providing practical, financial, and well-being support to those in the UK construction industry who are experiencing challenges. Working with Band of Builders (BOB), we have used our national branch network to encourage both our customers and colleagues to come together over a cup of tea to break down the barriers around mental health and to provide access to specialist support through BOB.

In 2024, SIG Ireland was awarded a Willing Able Mentoring (WAM) Leaders Award in recognition of their employment and support to graduates with disabilities.

In the UK we have expanded our toolkits to help line managers better manage the different needs of their people in the workplace, from supporting colleagues with religion-related needs such as fasting around Ramadan, to gender-specific health matters such as menopause.

As regards gender diversity, 15% of our positions at ELT level are held by females, and females comprise 22% of our overall workforce. Our latest gender pay gap report can be found on our website.

Talent, Leadership & Apprentices

Having great leaders remains a key enabler in our business. During 2024 we delivered a number of programmes to develop the skills of our managers and leaders.

These programmes included leadership conferences, different training modules for skills for managers, and a programme in France to support the development of junior colleagues and their professional relationships and to broaden their understanding of our strategy, operations and processes. 2024 saw the launch of our 'Leadership Academy' in the UK, a comprehensive range of programmes aimed at developing the essential skills and qualities required to lead effectively in our dynamic industry.

Our employee survey showed very good feedback on the performance of our leaders, with over 92% of our people having confidence in them and feeling supported with strong levels of engagement linked to that.

Learning and Development

In 2024 we have invested over 32,000 hours in learning and development training across the SIG Group. This training includes the launch of our Sales and Operations Academies in the UK with bespoke focused sales training and coaching across the business helping to develop the core competencies, skills and capabilities of our people to grow the business and their careers at SIG.

In 2024 we launched a new Group-wide interactive learning platform LearnConnect which allows our people to navigate their learning more effectively. In 2024, new learning modules were added in many countries on sales skills.

Apprenticeships, Charity & Community

Our apprenticeship programme continued in 2024 and we currently have over 200 apprentices across our businesses. Our programmes also include the provision of education, skills and training to help their jobs within SIG but also their own professional development. Our private label brand in the UK, SR Timber won a UK industry Training and Apprenticeship Award 2024 for their work in encouraging new people into the timber and construction industry.

Across the SIG Group, we support various charities and our local communities in different ways. For example, in France we support a range of causes and programmes including contributing to the renewal of French forest estates through local sport participation.

In the UK our activities include donating to foodbanks to support people in need in the communities in which our branches are located. In 2024 we also launched initiatives to support skin cancer awareness among our at-risk roofing contractor customers and increasing mental health awareness within the broader building industry.

In Poland we provided support to SIG flood survivors as a result of severe flooding experienced in the country.

Task Force on Climate-related Financial Disclosures (TCFD)

The following pages provide an overview of our climate-related risks and opportunities, as well as our response to mitigate risk and maximise opportunities.

We have complied with the requirements of LR 6.6.6(8)R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures. The climate-related disclosures also comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure Regulations) 2022 (CFD).

TCFD compliance	TCFD disclosure requirement	Pages	Alignment with CFD
Governance Disclose the organisation's governance around climate-related risks and opportunities.	Describe the Board's oversight of climate-related risks and opportunities.	43 68 to 79	(a)
	Describe management's role in assessing and managing climate-related risks and opportunities.	44	
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term.	45 to 46	(d), (e), (f)
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	47	
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	48 to 49	
Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks.	Describe the organisation's processes for identifying and assessing climate-related risks.	44	(b), (c)
	Describe the organisation's processes for managing climate-related risks.	44 to 46	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	44 62 to 63	
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	50	(g), (h)
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks.	30 to 31	
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	29 50	

Governance

We have aligned our climate change and risk management reporting with the recommendations of the TCFD since 2021. The frequency of Board meetings is disclosed in the Governance section on page 74.

Board responsibilities related to climate change	Process and frequency
Board: See full explanation of roles and responsibility on page 72 to 73	
Responsible for the establishment and oversight of the Group's purpose, strategy and behaviours, including: – overseeing major capital decisions, including acquisitions and divestments, and investment in alternative fuel vehicles; – reviewing the annual budget and business plans, including for climate-related investment and our ESG strategy; and – monitoring progress against the five sustainability commitments, including carbon reduction targets.	The Board receive updates from the Chair of the Sustainability Committee on a quarterly basis to monitor and oversee progress against carbon reduction targets and receive updates on emerging relevant regulation.
Audit & Risk Committee: See full explanation of roles and responsibility on page 88 to 95	
The Audit & Risk Committee has delegated responsibility from the Board to oversee and review ESG risks including climate change risks. Updated scenario analysis showing the physical impacts from climate change in our business and the ESG risk register were reviewed and approved by the Committee.	The Committee reports annually to the Board on ESG risks, including climate-related risks and opportunities.
Remuneration Committee: See full explanation of roles and responsibility on page 102	
Responsible for setting relevant ESG-related performance incentives, including climate-related incentives, for the Board and senior management. The Remuneration Committee has included an ESG objective within the personal objectives in the bonus scheme for senior management.	The Remuneration Committee reviews the Group's performance against carbon and waste targets to help determine senior management's achievements against ESG objectives.
Executive Directors: Includes the CEO and CFO as Executive Directors of the Board. See full explanation of roles and responsibility on page 70	
The CEO is ultimately responsible for delivering the strategy of the Group, including the management of climate-related risks and opportunities.	The CEO and CFO attend meetings with senior management to understand progress against the strategy of the Group.

Management responsibilities related to climate change

Executive Leadership Team

Responsible for the delivery of the Group strategy alongside management of operational issues, including climate-related risks and opportunities. The ELT meets on a regular basis. The ELT ensures that performance is measured against our sustainability commitments.

Several ELT members were involved in the CSRD project including preparing a double materiality assessment in advance of future CSRD reporting requirements.

Sustainability Committee: Meets monthly

The Committee includes representatives from the ELT including the CFO, CPO, HSE Director and Company Secretary. Sustainability leads from each operating company also attend the meetings.

Monthly carbon, waste and fleet metrics are presented during the Committee meeting. Performance is reviewed against budget and historic data to monitor progress towards medium- and longer-term carbon reduction targets.

The Sustainability Committee shares information about climate-related issues, including emerging regulation. The Committee is supported by dedicated working groups on fleet and waste.

Operating company Managing Directors

Each Managing Director is responsible for embedding the Group sustainability strategy into the local operating companies. This means they consider local markets and regulations.

The Managing Directors complete biannual risk reviews. This includes the assessment and management of climate-related issues and other ESG topics.

TCFD continued

Risk management

Climate change risks crystallise over a longer time period than our typical risk management framework considers. For this reason, we have a climate risk review incorporating the recommendations of the TCFD. We combine a Group-level strategic review with a bottom-up operation view of these risks impacting each of our businesses.

Risk identification

- Group-led review of risk register focusing on likely financial, regulatory and operation impacts that could have a material financial impact
- After completing scenario analysis, we reviewed the completeness of our TCFD risk register

Risk assessment

- The climate risks have been assessed using the same risk thresholds as the principal risk register
- Where possible, we have completed financial analysis to project the potential size and scope of the risks identified. For example, compliance costs for emerging regulation

Risk approval

- The outputs of the risk review exercise are consolidated with our principal climate risks and reviewed by the ELT and Sustainability Committee
- The Audit & Risk Committee signs off the TCFD risk register and reviews the TCFD disclosure

Whilst the Board recognises that to achieve its strategic objectives it must accept and manage a certain degree of risk, it has a low appetite for risks that have significant negative consequences. We assign a risk comfort level to inform approaches to either mitigate, transfer, accept or control the risks. Our mitigations are included within the risk tables on page 45 and 46.

Integration with our enterprise risk framework

Our approach to overall risk management is detailed from page 62. The Group employs a three lines model to provide a simple and effective way to enhance risk and internal control management processes and ensure roles and responsibilities are clear. In 2024, we took additional steps to integrate climate-related risks into this process, including updating our risk thresholds to align to the principal risk register. ESG is a principal risk and is managed through the three lines model. This means we consider the relative significance of climate-related risks in relation to other risks using the same risk thresholds.

Strategy

Transition and physical risks from climate change can cause risks and opportunities. We have considered the impact of climate change across our value chain. All business areas, operating locations and product types have been considered in our climate risk assessment. Overall, our operating companies face common climate-related risks and opportunities.

Time horizons considered in our climate risk assessment:

Short-term

3 years

Aligned with our viability review period.

Medium-term

4-10 years

Aligned with our net zero commitment in 2035.

Long-term

10 years +

Longer-term view aligned with national carbon commitments.

In our risk assessment, we have considered the impact and likelihood of the risk. The risk thresholds for impact and likelihood are aligned with our enterprise risk management framework on page 62. Risks assessed as moderate or above are included in the risk tables.

Our climate-related risks

The table below shows the climate-related transition and physical risks impacting the Group, the effect on strategy and financial performance, and mitigating actions.

Transition risk	Impact	Mitigation
1: Decarbonisation of our fleet	Short-, medium- and long-term risk	
Fuel from our fleet and operations contributes 91% of our Scope 1 and 2 total emissions. Therefore, the decarbonisation of our fleet is crucial to our net zero ambitions. There is uncertainty regarding the future technology for our fleet, especially heavy-duty vehicles. This risk is greatest in the UK, France, Germany and Poland where we own or lease our heavy-duty fleet. Because of government incentives and infrastructure investment, the best low-carbon fleet option may differ across our operating companies. This risk is exacerbated by the short-term price challenges of HVO in the UK compared to current diesel prices. While we remain committed to HVO as an option in the medium-term, our short-term usage will be reduced.	**Major impact** We may have increased lease payments because the relative cost of alternative fuel vehicles is greater than diesel alternatives on the market. However, we expect the retail price of electric and hydrogen vehicles will decrease over time.	– Trialling alternative fuel fleet, including hydrogen, electric, and bioCNG – We continue to work with fleet partners and manufacturers to assess the most viable long-term alternatives
2: Product carbon and environmental performance	Short-, medium- and long-term risk	
There is a risk that we do not have access to detailed product or manufactures' data to satisfy customers or regulatory requirements for environmental product information. The environmental performance of structural insulation and construction accessories delivers a significant proportion of our Scope 3 emissions. A lack of innovation in product manufacturing will leave carbon emissions and embodied carbon at current levels.	**Moderate impact** Customers could purchase products from a competitor if we cannot provide sufficient information on environmental product performance. There may be additional costs to review suppliers' environmental product information or other certification or compliance costs.	– Engaging with our key manufacturing partners to ensure sustainability data and the long-term decarbonisation of products are considered as part of the ongoing development of the customer proposition
3: Energy management and infrastructure	Medium- and long-term	
Energy security means having a reliable and stable supply of electricity that can always meet our demands at an affordable price. The IEA expects in all three climate scenarios in the World Energy Outlook that electricity demand will increase by 2030 and 2050, but the increase in renewable energy may create seasonal variations in energy supply. We expect our demand for electricity to increase because we will have more electric vehicles charged at branches. New infrastructure may be required to increase grid capacity or supply. This risk is greater in Poland, where local distribution networks may require significant state intervention to ensure they can meet future transmission needs.	**Moderate impact** Additional investment may be required to install charging infrastructure or increase electricity supply capacity to our branches. We expect our demand for electricity will increase if we are charging electric heavy-duty vehicles on site.	– All new branches have sustainable low-carbon features where commercially viable, including LED lights and solar panels – Improving energy efficiency will reduce electricity demand
4: Emerging regulation and compliance	Short- and medium-term	
The UK government, EU Commission and national governments may introduce additional policies to support the climate transition. Examples of regulations include additional sustainability reporting requirements, emissions trading schemes and waste take-back requirements.	**Moderate impact** Our compliance, assurance and operational costs may increase to respond to new and emerging regulation.	– Early preparation to identify and forecast costs to implement new regulation

TCFD continued

Physical risk	Impact	Mitigation
1: Climate-related working conditions for our workers and construction sector	Medium- and long-term	
Labour productivity may be impacted because of extreme heat, impacting working patterns in the construction sector. The more volatile weather patterns impact the market demand and our ability to forecast sales. Roofing businesses are more sensitive to weather conditions. Extreme heat or storms could also disrupt sales.	**Moderate impact** We would expect the construction sector to adapt working hours. There could be an impact on cash flow because in summer months fixed costs remain despite lower demand. Seasonal extreme weather could impact our ability to forecast sales in our roofing businesses.	– Working hours may be adapted if there is extreme mid-day heat
2: Product climate change vulnerability	Long-term	
There is a risk that physical climate risk events impact our suppliers and the wider logistic sector. For example, the seasonal impact of precipitation in future climate scenarios leads to increased rainfall in winter and periods of droughts in the summer. This may impact product supply or lead to cost increases.	**Moderate impact** The impact of droughts may lead to product shortages or delays in our upstream logistics. We may experience reduced revenue if other companies can supply customers with these products. We may have to increase stock management for higher risk products.	– Reviewing the impact of climate change on key product groups, for example timber – We can pivot to new suppliers and supply routes should a significant event occur due to our diversified supply base
3: Branch impact from climate change	Medium- and long-term	
Flooding may damage our branches. We could be exposed to flooding and other precipitation events due to severe rain and storms. We experienced a flood event in Poland this year, leading to damaged stock and branch facilities and lost revenue as the branch closed for repairs.	**Moderate impact** Insurance premiums may increase or become commercially unviable as climate risks materialise. In this case, we may need to break our leases in high premium locations to find alternatives.	– Disaster recovery plans include processes to follow after a flooding event – Physical climate risks, including flooding, are considered when selecting new branch locations

Our climate-related opportunities

1. Responding to regulations to improve the energy performance of building

Moderate impact

Regulations to improve the sustainability or energy efficiency of buildings presents an opportunity for our business. A growth in the retrofit market could lead to increased revenue for insulation and other energy efficiency products. There are also potential commercial opportunities resulting in an increased demand for data driven technical advice on the carbon performance of specific products. A shift to lower-carbon heat sources for homes and an increase in climate-driven weather events will require better insulation and building envelope products.

2. Growth of new and sustainable products

Major impact

Several of our products will support the built environment by providing more sustainable product options. These include:

- Insulation – new lower-carbon insulation products have been introduced such as wood fibre insulation and sheep's wool insulation
- Sustainable roofing solutions – we are expanding and promoting our sustainable roofing solutions including lightweight synthetic roof tiles, natural slate tiles, green/brown roofs and single-ply membranes
- Solar panel market growth and innovation – supported by legislation and higher energy costs. We have expanded our capacity to offer solar solutions for pitched roofs, flat roofs and industrial buildings
- Drylining innovations – supporting emerging suppliers in low-carbon plasterboard solutions and steel for stud and track walls

We are partnering with our network and customer bases to bring new sustainable products to market.

Impact on strategy and financial planning

The climate-related risks and opportunities have the potential to impact our business, strategy and financial planning.

Financial planning

Going concern and long-term viability	We consider the impact of climate change in our going concern assessment. The current conclusion is that there is no significant risk of climate change causing a downturn in cash flows across the Group.
Decarbonisation and investment into fleet	We have an annual budget process that includes investments into lower-carbon technology and increased operating expenditure from electricity usage. We expect the largest financial impact from our carbon-related risks is the cost involved with decarbonising our fleet. We do not have any investment in research and development due to our business model.
Adaptation actions and operating expenses	In the year, a branch in Poland experienced a flooding event. This caused inventory loss, and the branch was closed for refurbishment. In the UK, considerations of climate impacts, particularly flood risk, resulted in a relocation of a branch. We continue to work with our landlords and local council to ensure that flooding risks are considered and mitigated.
Acquisitions and divestment	Our Polish business acquired new branches in 2024. Our ESG leader in Poland was involved in the due diligence to review the impact of the acquired business on our sustainability objectives.
Products and services	We work with supply chain partners to align our products to customer demands, including offering lower-carbon alternatives. In the UK, we have supported the wider sector by offering training sessions for roofers to install solar panels.

TCFD continued

Business and strategy

SIG plays an important role in helping to make the built environment more sustainable as a leading specialist distributor of insulation and other products for sustainable buildings across Europe. We have highlighted three key areas to progress our strategy across all climate scenarios:

- Distributing products to improve the energy efficiency and sustainability of buildings paired with accurate and complete product information to enable customers to make informed decisions on the best product for their building project
- Leveraging our industry position to bring to market more sustainable products to reduce the embodied carbon of buildings
- In developing our approach to our climate transition, we have considered commitments made to a net zero economy, including the UK Climate Change Act 2008 and the European Union Green Deal commitments. Our commitment to grow sustainably as a responsible business includes decarbonising our transport fleet as and when suitable technologies become available

Climate resilience assessments

We have developed our approach to scenario analysis for physical climate risks this year. We reviewed the impact of climate change in our operating countries. Using the findings from the review, we assessed the potential impact on our branch locations from:

- decreasing labour productivity due to heat stress;
- flooding; and
- five-day extreme rainfall.

As required, we have assessed our climate resilience using publicly available scenarios from the IEA and the Network for Greening the Financial System ("climate scenarios"). We have selected the scenarios to provide a contrasting perspective to consider a below 2°C aligned scenario and a scenario with greater physical risks of climate change.

There are limitations with this approach – the climate scenarios may not provide data with sufficient granularity as data sets are at a global or regional scale. We have considered different data sets for the transition and physical risks due to the relevance of their impacts on our business.

Climate scenario analysis

Scenario	Net Zero Emissions by 2050 ("NZE")	Net Zero Emissions Not Achieved ("Stated Policies")
Climate scenario	Net zero emissions reached by 2050, giving at least a 50% change of limiting global warming to below **1.5°C** by 2100 with limited overshoot in earlier years. Physical risks are relatively low, but transition risks are high.	Emissions grow until 2080 leading **to over 3°C** of warming by 2100. There are increased physical risks including irreversible changes like higher sea level change.
Description	The scenario provides a roadmap to achieve net zero emissions produced by the IEA. This considers the factors to decarbonise the global scenario.	This scenario reflects current world conditions to provide an outlook of a failure to meet our net zero targets. There is a higher impact from physical climate change.
Assumptions	– In 2030, fossil fuels remain the dominant fuel for transport. However, the proportion of electricity and bioenergy used for transport increases rapidly – Additional carbon price schemes introduced and increase the relative cost of fossil fuels – There is a political focus on building energy efficiency and renewable electricity production. Total energy supply in 2050 is equal to 2010 – A broad range of policies are introduced to manage and reduce emissions. Emission trading schemes are applied to additional sectors, including transport	– Oil demand peaks by 2030, but there is a slow decline from the peak compared to the NZE scenario – Only existing and scheduled carbon price schemes are in place, and the overall carbon price is lower than in the NZE scenario – Less investment in clean energy leading to higher total lifetime costs for battery products, electric vehicles and heat pumps – Physical impacts of climate change are significantly greater, including extreme temperatures, increased precipitation, ground flooding and a rise in sea levels

In this section of the report, we highlight the material risks based on the scenario analysis and highlight any additional impacts or resilience strategies considered.

Net Zero Emissions by 2050

Our analysis shows we have a moderate risk exposure in the medium-term. The table summarises the risks with the greatest impact in the Net Zero Emission scenario.

▲ Increased risk

Climate-related risks or opportunities	Impact in scenario	Impact on strategy and resilience
Decarbonisation of our fleet ▲	Investment is required to decarbonise our fleet, including heavy-duty vehicles. The IEA scenario highlights that the dominant fuel for transport will be oil until early 2030. We would expect the largest proportion of the investment to be made from 2030 onwards to meet our carbon reduction target.	– The decarbonisation of our fleet is a viable strategy, assuming there is a reasonable period to make the investments required. If the transition period was shortened further, for example by government regulation, there may be a negative impact on short-term operational and financial performance due to the lack of viable alternative low-carbon transport options
Emerging regulation impacting product carbon and environmental performance ▲	We expect additional regulation could impact our business or change the product mix sold in our operating markets. An increased carbon tax, for example on transport emissions, would increase our operating expenses for any remaining combustion engine vehicles in operation. Changes to legislation related to products relies on compliance from supply chain partners.	– Emerging regulation may impact suppliers of carbon intensive products – Regulation that increases the demand for energy efficient or renewable energy products may increase our sales ahead of forecasts. Our ongoing forecast and budget process will capture this

Net Zero Emissions Not Achieved

Our analysis shows we have a moderate risk exposure in the medium- to long-term. The table summarises the risks with the greatest impact in the Net Zero Emissions Not Achieved scenario.

Climate-related risks or opportunities	Impact in scenario	Impact on strategy and resilience
Decarbonisation of our fleet ▲	The current charging infrastructure in our operating countries would not be sufficient to meet the logistic requirements of our business. There would also be slower advancements in the range of electric heavy-duty vehicles and the availability of hydrogen vehicles.	– It is unlikely that we would achieve our net zero commitment due to current availability of technology, infrastructure availability and commercially unviable costs – We continue to engage with vehicle manufacturers and trial vehicles to monitor industry developments
Branch impact from climate change ▲	The impact of climate change, due to extreme weather and heat, is expected to be greater in this scenario. For example, periods of heavy rain could increase the risk of flooding. The climate scenarios show the greatest increase in heavy rainfall across our operating locations is expected in the South of Poland.	– We can temporarily service customers from other locations in the event of flooding

TCFD continued

Overall resilience of our business model

Pages 45 and 46 summarise our climate-related risks and the mitigations in place to reduce the residual risk to an acceptable and low level. The removal of fossil fuels from our vehicle fleet remains the greatest risk within the climate-related risk assessment. There are limited commercially and operationally viable alternatives to diesel heavy-duty vehicles, but we expect there to be improvements to low-carbon alternatives in the medium-term. The Group's long-term strategic objectives support the delivery of our sustainability objectives. We expect there to be opportunities from the transition to a lower-carbon economy, including the increased demand for sustainable and energy efficient building products.

Metrics and targets

The table below shows the key metrics that we monitor to manage climate-related risks. The fleet mix and GHG emission metrics are presented at the Sustainability Committee meeting and assessed against budget and prior performance. Where the metrics are reported externally, we have included prior-year comparison.

Metric	Description	Use	Linked to risk or opportunity
Scope 1, 2 and limited Scope 3 emissions	Full methodology and reporting boundary is included on page 30 and aligns to the GHG protocol. We completed a full Scope 3 assessment in 2023.	Reported on pages 30 and 31. Monitored in monthly sustainability meetings and within Board sustainability updates.	Decarbonisation of our fleet.
Total energy consumed	We report total energy consumed in our energy and carbon report on page 31.	Reported on page 31.	Energy management and infrastructure.
Fleet fuel mix	We review the proportion of combustion engine, electric, hydrogen and CNG vehicles.	Reported on page 28. Monitored in monthly sustainability meetings and by the Board as a KPI related to overall carbon reduction targets.	Decarbonisation of our fleet.

We have an ESG objective and underpin within executive remuneration, with the details on page 114. We do not have an internal carbon price but have reviewed potential future carbon prices in our scenario analysis.

Targets

We set our carbon reduction target in 2021 as part of our sustainability commitments to become a net zero organisation operationally by 2035. This includes Scope 1, Scope 2 and business travel emissions. Our climate-related target is supported by interim milestones detailed on page 29.

Group Non-Financial and Sustainability Information Statement

SIG continues to integrate ESG responsibility across the Group, and we are committed to socially responsible business practices for our shareholders, employees, customers and suppliers.

This section constitutes SIG Plc's Non-Financial Information Statement and is produced to comply with Sections 414A and 414B of the Companies Act 2006.

In compliance with the Non-Financial Reporting Directive, the table below summarises the requirements and where relevant information can be found within the Annual Report and Accounts.

Further information on our sustainability policies and corporate responsibility can be found on our website.

Reporting requirement	Relevant policies	Where to find more information
Environmental matters	– Group Sustainability Policy	Sustainability commitments (pages 26 to 41) Climate-related disclosures (pages 42 to 50)
Employees and social matters	– Code of Conduct – Diversity, Equality and Inclusion ("DEI") Policy – Health and Safety Policy – Health and Wellbeing Policy – Modern Slavery Statement	People commitment (pages 38 to 41) Board diversity (page 85) Employee engagement (page 75) Health and safety (page 36 to 37)
Human rights	– Code of Conduct – Modern Slavery Policy – Ethical Trading and Human Rights Policy	People commitment (pages 38 to 41) Stakeholder engagement (pages 76 to 77)
Anti-bribery and corruption	– Anti-bribery & Corruption Policy – Whistleblowing Policy – Payment Practices	Governance (pages 68 to 83)

Description of business model	Business model and strategy (pages 24 to 25)
Policy, due diligence and outcomes	Policies are listed above and on our website
Non-financial KPIs	Key performance indicators (pages 52 to 53)
Principal risks and uncertainties	Principal risks (pages 64 to 67)
UK Climate-related financial disclosures	Climate-related disclosures (pages 42 to 50)

Key performance indicators

How we performed

Non-financial KPIs

Lost time injury frequency rate

2024	8.0
2023	8.4
2022	11.1

8.0

Definition
The ratio of any injury to an employee (including a contractor) resulting in any lost time per 1,000,000 hours worked – on a 12-month rolling basis.

2024 performance
A further 5% reduction in our injury frequency rate in 2024. This trend has been driven by another year of significant improvements in France.

Link to strategy

Link to risks
- Health and safety
- Attract, recruit and retain our people
- Environmental, social and governance

Link to remuneration
Health and safety measures in annual bonus scheme.

Net Promoter Score
(NPS)

2024	+51
2023	+50
2022	+46

+51

Definition
NPS is a customer experience metric based on their likelihood to recommend SIG. It is calculated by subtracting the percentage of customers who answer the question with a 6 or lower from the percentage of customers who answer with a 9 or 10. This is externally monitored by a third-party company. Our Group NPS is the average of NPS in each operating company.

2024 performance
2024 sees a stable overall Group score, noting the market backdrop context. This was driven by good gains in Germany and France Exteriors, as well as in UK Roofing and France Interiors. This offset some reductions in Ireland and UK Interiors.

Link to strategy

Link to risks
- Digitalisation
- Macroeconomic uncertainty
- Change management

Link to remuneration
Customer engagement progress forms part of the personal objectives of senior management.

GHG emissions per £m of revenue
(metric tonnes)

2024	16.9
2023	17.1
2022	17.5

16.9

Definition
Metric tonnes of GHG emissions per £m of revenue.

2024 performance
In 2024 we have further lowered our emissions to 16.9 metric tonnes per £m of revenue, from 17.1 in 2023. This has been driven by our 7% reduction in net zero carbon emissions, due to incremental improvement in fleet efficiency and due to lower delivery volumes.

Link to strategy

Link to risks
- Environmental, social and governance
- Legal or regulatory compliance

Link to remuneration
Improving carbon emissions is included in the personal objectives of certain senior management.

Employee engagement result
(ePNS)

2024	+9
2023	+14
2022	+14

+9

Definition
eNPS is an employee experience metric based on their likelihood to recommend SIG as an employer.

2024 performance
Our eNPS employee engagement score has dropped slightly year on year, while remaining in positive territory. This change includes the impact of challenging market conditions and restructuring initiatives across the Group. Improvements in eNPS were seen around culture and around the quality of employees' line managers.

Link to strategy

Link to risks
- Health and safety
- Attract, recruit and retain our people
- Environmental, social and governance

Link to remuneration
Employee engagement progress forms part of the personal objectives of senior management.

Our long-term strategic objectives

- Partner of choice for specialist contractors
- Improving our operating performance
- Growing sustainably as a responsible business

Financial KPIs

Like-for-like sales
(%)

(4)%

Definition
The growth or decline in sales per day (in constant currency) excluding any current and prior year acquisitions. Sales are also adjusted for branch openings or closures, a change since 2023. 2023 has been restated on this basis. See page 184 for the calculation.

2024 performance
Challenging market conditions led to lower sales volumes, and some negative pricing impact on revenue also. Relative to the market, a robust trading result supported by continued strong execution.

Link to strategy

Link to risks
– Macroeconomic uncertainty
– Attract, recruit and retain our people
– Change management

Link to remuneration
Profit measures in annual bonus scheme.

Gross margin
(%)

24.5%

Definition
The calculation of underlying gross profit divided by underlying revenue. Underlying revenue and gross profit represents amounts from continuing operations excluding amounts from non-core businesses and Other items, as shown on the Consolidated income statement.

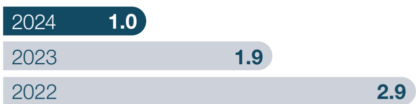
2024 performance
The reduction in gross margin was due to greater than normal pricing pressure as a result of the weak demand environment. The businesses continue to manage these dynamics effectively.

Link to strategy

Link to risks
– Macroeconomic uncertainty
– Data quality and governance
– Digitalisation
– Change management

Link to remuneration
Profit measures in annual bonus scheme.

Operating margin
(%)



1.0%

Definition
The ratio of underlying operating profit divided by underlying revenue. Underlying operating profit represents operating profit from continuing operations excluding amounts from non-core businesses and Other items. See page 185 for the calculation.

2024 performance
Operating margin decline driven by lower sales volumes and price pressure in weaker markets, leading to underlying operating profit of £25.1m, down from £53.1m in 2023. This included some mitigation through restructuring and a reduction in underlying operating costs.

Link to strategy

Link to risks
– Macroeconomic uncertainty
– Attract, recruit and retain our people
– Digitalisation
– Change management

Link to remuneration
Profit measures in annual bonus scheme.

Average trade working capital to sales ratio
(%)

13.9%

Definition
The average closing trade working capital balance of each calendar month of the year, divided by underlying revenue. Trade working capital includes net stock, net trade recievables, gross trade creditors and supplier rebates due.

2024 performance
Further incremental improvement in 2024 which highlights continuing balance sheet discipline against a backdrop of prolonged challenging market conditions.

Link to strategy

Link to risks
– Macroeconomic uncertainty
– Change management

Link to remuneration
Included in operating company annual bonus schemes.

Continued financial discipline

> “The impact of declining revenues was mitigated by extensive cost reduction, and these actions also position the business to deliver a step-up in profitability when markets return to growth. Alongside that, the successful refinancing provides stability and ongoing liquidity.

Ian Ashton
Chief Financial Officer

The Group managed effectively the impact of challenging market conditions during 2024. The impact of declining volumes and falling prices were mitigated by extensive cost reduction, including ongoing restructuring and productivity initiatives. These actions also position the business to deliver a step-up in profitability when markets return to growth. The Group has maintained robust liquidity, and successfully refinanced its €300m bond and £90m RCF in October 2024, with these facilities now maturing in 2029.

Revenue

Group revenue of £2,611.8m (2023: £2,761.2m) was 5% lower on a reported basis, including a negative 1% impact from foreign exchange rates, a 1% increase from differences in the number of working days and a net 1% negative impact from branch closures and openings.

LFL revenues, which are now adjusted to exclude the impact of branch closures and openings, reduced by 4% year-on-year. Within this 4%, the impact of sales price deflation was approximately 3%, about two thirds of which was related to input cost deflation, and there was a decline in volumes of approximately 1%.

Operating costs and profit

Gross profit decreased 8.5% to £640.0m (2023: £699.6m) with a gross profit margin of 24.5% (2023: 25.3%). The reduction in gross margin reflects greater than normal pricing pressure as a result of the weak demand environment. The businesses continue to manage these dynamics effectively and were able to offset the volume weakness in part through mix benefits.

The Group's underlying operating costs decreased by 4.9% to £614.9m (2023: £646.5m). The decrease was primarily due to operating cost initiatives, including restructuring actions taken from H2 2023 onwards, and partly due to lower volumes. These benefits were partially offset by operating cost inflation, with the biggest impact being on wages and salaries. The movement in year over year operating costs was also affected by a one-off £3.7m profit recorded in 2023 from the sale of the former French Roofing head office building in Angers.

The Group's underlying operating profit decreased to £25.1m (2023: £53.1m), at an operating margin of 1.0% (2023: 1.9%). Reported operating loss was £3.8m (2023: £4.0m profit) after Other items of £28.9m (2023: £49.1m). Other items includes £13.4m restructuring costs, £3.9m refinancing costs and a £7.3m non-cash impairment in the UK Interiors business.

Segmental analysis

UK	Revenue 2024 £m	Revenue 2023 £m	LFL sales vs 2023	Underlying operating (loss)/profit 2024 £m	Underlying operating (loss)/profit 2023 £m
UK Interiors	**495.0**	556.5	(10)%	**(3.5)**	(1.6)
UK Roofing	**380.6**	369.4	2%	**13.2**	10.6
UK Specialist Markets	**238.1**	247.6	(5)%	**4.8**	10.3
UK	**1,113.7**	1,173.5	(5)%	**14.5**	19.3

Revenue in UK Interiors, a specialist insulation and interiors distribution business, decreased to £495.0m (2023: £556.5m). Revenue was 11% lower year-on-year due to the impact of a decline in market volumes and input price deflation in a very competitive market. The drop in sales included a c3% reduction related to branch closures within a wider programme of strategic initiatives that are underway to transform the performance and profitability of this business over the medium-term. LFL revenue declined 10%. The H1 LFL decline of 13% reduced to an H2 decline of 6%, reflecting a softening in comparables as well as a stablisation in absolute volumes in H2. The decline in revenue, together with pricing pressure affecting gross margin, partially offset by operating cost reductions, resulted in an underlying operating loss of £3.5m (2023: £1.6m).

Revenue in UK Roofing, a specialist roofing merchant, increased by 3% to £380.6m (2023: £369.4m), with LFL revenue up 2%. This was driven by a strong sales performance relative to a weak UK market, as a result of the business's early successful execution of its multi-year programme of business development and growth initiatives. In particular, H2 LFL growth of 5% reflected a robust outperformance of its market as well as the lapping of a weaker prior year comparative. Full year volume growth was only partially offset by a small purchase price deflation headwind. A small reduction in gross margin due to pricing dynamics was offset by operating cost reduction, and resulted in improved underlying operating profit of £13.2m (2023: £10.6m).

Revenue in UK Specialist Markets decreased to £238.1m (2023: £247.6m). LFL revenue declined 5%, driven by a softer market, and by input price deflation in steel, which is a bigger element of these businesses than elsewhere in the Group. H1 LFL revenue decline of 7% eased to a decline of 2% in H2, due to a stabilisation in market conditions and the effect of weaker prior year comparables. These factors, coupled with operating cost inflation, resulted in a reduction in underlying operating profit to £4.8m (2023: £10.3m).

France	Revenue 2024 £m	Revenue 2023 £m	LFL sales vs 2023	Underlying operating profit 2024 £m	Underlying operating profit 2023 £m
France Interiors	**200.4**	218.9	(7)%	**6.2**	10.4
France Roofing	**410.1**	458.0	(8)%	**8.0**	19.3
France	**610.5**	676.9	(8)%	**14.2**	29.7

France Interiors, a structural insulation and interiors business trading as LiTT, saw reported revenue decrease by 8% to £200.4m (2023: £218.9m), and by 7% on a LFL basis, with the rate of decline steady between H1 and H2. This was driven by lower market demand and volumes together with input price deflation, as opposed to the price inflation seen in 2023. The revenue decline, coupled with increased margin pressure, was partially mitigated by various actions to reduce operating costs, and resulted in a £4.2m decrease in underlying operating profit to £6.2m (2023: £10.4m).

Revenue in France Roofing, a specialist roofing business trading as Larivière, decreased by 10% to £410.1m (2023: £458.0m), and by 8% on a LFL basis, including a small impact of strategic branch closures made during the year. Demand and volumes were lower for the year due to continued softening of the residential new-build market and input price deflation. The H1 LFL revenue decline of 11% eased to a decline of 5% as the business lapped the weak H2 comparator in the prior year, and as volumes saw some stablisation. The decrease in revenue and reduced gross margin was partially offset by reduced operating costs, resulting in an underlying operating profit decrease of £11.3m to £8.0m (2023: £19.3m). The year on year change in underlying operating profit includes the one-off operating profit benefit in H2 2023 of £3.7m from the sale of the business's former headquarters in Angers.

Revenue

£2,611.8m

2023: £2,761.2m

Underlying operating profit

£25.1m

2023: £53.1m

Gross margin

£24.5%

2023: 25.3%

Net debt

£497.3m

2023: £458.0m

Germany

	Revenue 2024 £m	Revenue 2023 £m	LFL sales vs 2023	Underlying operating profit 2024 £m	Underlying operating profit 2023 £m
	438.5	462.1	(2)%	**4.7**	15.6

Revenue in Wego/Vti, our specialist insulation and interiors distribution business in Germany, decreased by 5% to £438.5m (2023: £462.1m), including a small impact from closures of underperforming branches. LFL revenue decreased 2%, with deflation being offset by marginal volume growth, the latter despite weaker market conditions in the very subdued German construction market. H2 was slightly better than H1 due to the lapping of softer prior year comparators. Despite the headline LFL decline and consequential impact on profitability, the business continued to demonstrate very positive momentum and execution on strategic initiatives during the year. Gross margin also declined due to increased price competition, whilst operating costs increased, with restructuring partially offsetting inflation. This resulted in reduced underlying operating profit of £4.7m (2023: £15.6m).

Poland

	Revenue 2024 £m	Revenue 2023 £m	LFL sales vs 2023	Underlying operating profit 2024 £m	Underlying operating profit 2023 £m
	241.4	237.9	(2)%	**4.6**	7.1

In our Polish business, a market-leading distributor of insulation and interiors, revenue increased to £241.4m (2023: £237.9m), including a c1% increase due to two new branches. LFL sales decreased by 2%. LFL growth shifted from 3% growth in H1 to a 7% decline in H2, as the H1 benefit of government housing stimulus slowed and macroeconomic factors saw a sequential weakening in construction market demand. This was more marked in Q3, and Q4 saw some stablisation. The full year decline was primarily driven by input price deflation, with underlying volumes growing. Together with operating cost inflation, partially offset by gross margin improvement, this resulted in a reduction in underlying operating profit to £4.6m (2023: £7.1m).

Benelux

	Revenue 2024 £m	Revenue 2023 £m	LFL sales vs 2023	Underlying operating (loss) 2024 £m	Underlying operating (loss) 2023 £m
	103.6	116.9	(8)%	**(4.5)**	(3.0)

Reported revenue from the Group's business in Benelux decreased to £103.6m (2023: £116.9m) with a c1% impact from the strategic decision to close seven branches in Q4. LFL revenue was down 8%, with the H1 LFL decline of 12% improving to a decline of 4% in H2. The revenue decline resulted from continued market softness, albeit this saw some stabilisation due to lapping of comparables in H2. The profit impact of this was only partially offset by operating cost savings, resulting in an underlying operating loss of £4.5m (2023: £3.0m).

Ireland

	Revenue 2024 £m	Revenue 2023 £m	LFL sales vs 2023	Underlying operating profit 2024 £m	Underlying operating profit 2023 £m
	104.1	93.9	13%	**3.3**	1.4

Our operations in Ireland comprise a specialist distributor of interiors and exteriors, and three separate specialist contracting businesses offering office fit-out, industrial infrastructure coatings services and kitchen/bathroom interiors fit out. Reported revenue increased by 11% to £104.1m (2023: £93.9m), and by 13% on a LFL basis. This was partially a result of improved market conditions after a very weak 2023, but also due to good execution of commercial initiatives to improve profitable market share. Underlying operating profit increased as a result to £3.3m (2023: £1.4m).

Reconciliation of underlying to statutory result

Other items, being items excluded from underlying results, amounted to £30.5m for the year (2023: £49.3m) on a pre-tax basis. The key comparable changes in Other items year-on-year are the higher prior year impairment charge in 2023, the one-off costs of refinancing in 2024, and higher restructuring costs in 2024. The numbers for both years are summarised in the table below:

	2024 £m	2023 £m
Underlying (loss)/profit before tax	**(14.3)**	17.4
Other items – impacting profit before tax:		
Amortisation of acquired intangibles	**(2.1)**	(2.8)
Impairment charges	**(7.3)**	(33.8)
Cloud based ERP implementation costs	**(1.0)**	(2.2)
Costs associated with acquisitions	**—**	(3.2)
Net restructuring costs	**(13.4)**	(8.0)
Onerous contract costs	**—**	(0.2)
Costs associated with refinancing	**(3.9)**	—
Other specific items	**(1.2)**	1.1
Non underlying finance costs	**(1.6)**	(0.2)
Total Other items	**(30.5)**	(49.3)
Statutory loss before tax	**(44.8)**	(31.9)

Other items are disclosed separately in order to provide a better indication of the underlying earnings of the Group. Further details of other items in 2024 are as follows:

- Impairment charges in the year relate to right-of-use asset impairment in the UK Interiors business.
- Net restructuring costs in the year comprise £6.5m redundancy and related staff costs and £6.9m branch closure costs, including £2.9m impairment of right-of-use assets and tangible fixed assets, all related to restructuring across the Group.
- Costs associated with refinancing in the year relate to the new €300m bond issuance and the extension of the RCF. These consist of £3.9m of transaction costs, and also a £1.4m write-off of unamortised fees, included within non-underlying finance costs in the above table, relating to the prior refinancing in 2021.
- Cloud based ERP implementation costs relate to project configuration and customisation costs associated with strategic cloud computing arrangements, which are expensed, rather than being capitalised as intangible assets.
- Other specific items comprises the estimated impact of a property lease dispute, including impairment of right-of-use and fixed assets of £0.7m, and costs relating to an investment property no longer in use by the Group.

Taxation

The effective tax rate for the Group on the total loss before tax of £44.8m (2023: £31.9m loss) is a "negative tax rate" of 8.5% (2023: negative 36.1%).

The tax charge for the year of £3.8m is related to taxable profits made in the majority of our EU markets. Tax losses in the UK and Benelux, which cannot be surrendered or utilised cross border, are not currently recognised as deferred tax assets, and this impacts the effective tax rate. Due to a reduction of the profit before tax in the overseas operating companies and the ongoing losses in the UK, the Group has generated an overall loss before tax which, alongside the positive P&L tax charge in the overseas operating companies, has resulted in the negative effective tax rate.

In accordance with UK legislation, the Group publishes an annual tax strategy, which is available on our website (**www.sigplc.com**).

Pensions

The Group operates a number of pension schemes, four of which provide defined benefits based upon pensionable salary. One of these schemes, in the UK, has assets held in a separate trustee administered fund, and three are overseas book reserve schemes. The largest defined benefit pension scheme is the UK scheme, which was closed to further accrual in 2016.

The Group's total pension charge for the year, including amounts charged to interest after Other items, was £8.3m (2023: £8.9m), of which a charge of £1.1m (2023: £1.4m) related to defined benefit pension schemes and £7.2m (2023: £7.5m) related to defined contribution schemes.

The total net liability in relation to defined benefit pension schemes at 31 December 2024 was £18.2m (2023: £20.3m). The latest triennial actuarial valuation of the UK scheme was as at 31 December 2022 and was concluded in March 2024. The scheme remains well funded.

Financial review continued

Financial position

Overall, the net assets of the Group decreased by £48.7m to £179.8m (2023: £228.5m), with a cash position at year end of £87.4m (2023: £132.2m) and net debt of £497.3m (2023: £458.0m), which includes net lease liabilities of £321.4m (2023: £326.5m).

The movement in net debt mainly reflects the movement in cash noted below. A small constant currency increase in net lease liabilities, more than offset by a favourable currency movement, resulted in net lease liabilities reducing by £5.1m.

Cash flow

	2024 £m	2023 £m
Underlying operating profit	**25.1**	53.1
Add back: Depreciation	**78.9**	76.6
Add back: Amortisation	**1.2**	2.4
Underlying EBITDA	**105.2**	132.1
(Increase)/decrease in working capital	**(6.6)**	2.8
Repayment of lease liabilities	**(67.5)**	(63.6)
Capital expenditure	**(16.1)**	(15.8)
Other	**2.2**	3.8
Operating cash flow pre exceptional items[1]	**17.2**	59.3
Cash exceptional items	**(13.0)**	(6.4)
Operating cash flow[1]	**4.2**	52.9
Interest and financing	**(34.8)**	(34.7)
Tax	**(8.0)**	(14.0)
Free cash flow[1]	**(38.6)**	4.2
Acquisitions and investments	**(8.4)**	(0.7)
Drawdown/(repayment) of debt	**7.3**	(0.8)
Total cash flow	**(39.7)**	2.7
Cash and cash equivalents at beginning of the year[2]	**132.2**	130.1
Effect of foreign exchange rate changes	**(5.1)**	(0.6)
Cash and cash equivalents at end of the year[2]	**87.4**	132.2

1. Free cash flow is defined as all cash flows excluding M&A transactions, dividend payments, and financing transactions. Operating cash flow represents free cash flow before interest and financing, and tax.
2. Cash and cash equivalents at 31 December 2024 comprise cash at bank and on hand of £87.4m (2023: £132.2m) less bank overdrafts of £nil (2023: £nil).

During the period, the Group delivered £17.2m of operating cash flow before exceptional cash spend, which represents a 68% conversion of the underlying operating profit. Post exceptional cash the conversion was 18%. The lower profit in the year was the key driver of lower year on year operating cash flow, coupled with slightly higher lease repayments and capex. Working capital at the end of the year remained broadly in line with the previous year. The Group reported a free cash outflow of £38.6m (2023: £4.2m inflow). This decline versus the prior year resulted from the lower operating cash flow.

Capex during the period was £16.1m (2023: £15.8m).

Cash exceptional items are those that are related to “Other items” in the Consolidated income statement, and include restructuring costs and refinancing costs. “Other” in the cash flow includes payments to the Employee Benefit Trust to fund share plans of £0.8m (2023: £1.7m), £2.5m payment to the defined benefit pension scheme in the UK, add back of non-cash P&L items, provision movements, and proceeds on sale of property, plant and equipment.

Financing and funding

The Group’s debt funding comprises €300m of 9.75% and €13.5m of 5.25% fixed rate secured notes, maturing in October 2029 and November 2026 respectively, and an RCF of £90m which matures in April 2029. The 9.75% notes were issued in October 2024 through a refinancing of the Group’s previous bond and RCF, which were both due to mature in 2026. The new secured notes are subject to incurrence-based covenants only. The RCF has a leverage maintenance covenant set at 6.5x for 2025, 5.5x for 2026, and 5.0x thereafter, all of which only apply if the facility is over 40% drawn at a quarter end reporting date. The RCF was undrawn throughout 2024, and remains undrawn at the date of this report.

The Group's liquidity position remained robust throughout 2024, and at the end of the period stood at £177m, consisting of cash of £87m and the £90m undrawn RCF noted above.

	2024 £m	2023 £m
Cash and cash equivalents at end of the year	**87.4**	132.2
Undrawn RCF at end of the year	**90.0**	90.0
Liquidity	**177.4**	222.2
Net debt	**497.3**	458.0
Leverage	**4.7x**	3.5x

Going concern

The Group closely monitors its funding position throughout the year, including monitoring compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations.

The Group's financing facilities comprise €300m fixed rate secured notes, due October 2029, €13.5m fixed rate secured notes, due November 2026, and a £90m Revolving Credit Facility ('RCF') that expires in April 2029. One of the trading businesses also has a £1.3m bank loan repayable over the period to June 2026. The only financial covenant within these facilities is a leverage maintenance covenant within the RCF, which is only tested if the facility is over 40% drawn (i.e. £36m) at a quarter end reporting date. The covenant is set at 6.5x for 2025, 5.5x for 2026, and at 5.0x thereafter. The RCF was undrawn at 31 December 2024 and has remained undrawn subsequent to the year end.

The Group has significant available liquidity and on the basis of current forecasts is expected to remain in compliance with all banking covenants throughout the forecast period to 31 March 2026 ('the going concern period').

The Directors have considered the Group's forecasts which support the view that the Group will be able to continue to operate within its banking facilities and comply with its banking covenants. The Directors have considered the following principal risks and uncertainties that could potentially impact the Group's ability to fund its future activities and adhere to its banking covenants, including:

- prolonged challenging trading conditions in the Group's larger businesses, leading to lower volumes;
- pricing pressure on sales and modest net input cost deflation; and
- current economic and political uncertainties, potentially further impacting market demand.

The forecasts on which the going concern assessment is based have been subject to sensitivity analysis and stress testing to assess the impact of the above risks and the Directors have also reviewed mitigating actions that could be taken. Following two years of market-driven downturn, with a LFL revenue decline of 2% in FY23 and 4% in FY24, and continued market uncertainty, a severe but plausible downside scenario has been modelled, which factors in a 2.5% reduction in revenue, a reduction in gross margin and a resulting 32% reduction in underlying operating profit from the base forecast for the 12 months to 31 March 2026. Certain mitigations are also included, for example delaying non-essential capital expenditure. Under this scenario the analysis shows that sufficient cash would be available without triggering a covenant breach, as the RCF is not expected to be drawn above the £36m at a relevant quarter end date, and furthermore the leverage covenant would also be below the required threshold.

Reverse stress testing has also been performed, which shows that the Group could withstand up to an 11% reduction in revenue from the base forecasts for the nine months to the forecast low liquidity point of 30 September 2025, or up to 13% reduction for the 12 months to 31 March 2026, before triggering a covenant breach. Up to £90m RCF is available to meet working capital requirements during the month, providing this is reduced to £36m before the quarter end date if the leverage covenant is expected to be breached. Further cash phasing mitigations would also be available to avoid the requirement to draw over £36m at a quarter end date if required.

The Directors have considered the impact of climate-related matters and this is not expected to have a significant impact on the Group's going concern assessment.

On consideration of the above, the Directors believe that the Group has adequate resources to continue in operational existence for the forecast period to 31 March 2026 and the Directors therefore consider it appropriate to adopt the going concern basis in preparing the 2024 Consolidated financial statements.

Viability statement

In accordance with Provision 31 of the Corporate Governance Code, the Directors have undertaken an assessment of the viability of the Group.

In making this assessment, the Directors confirm that they have performed a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. Details of the risk identification and management process as well as a description of the principal risks and uncertainties facing the Group are included in this Strategic report on pages 62 to 67. The Directors believe the Group is well placed to manage these risks successfully.

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, three years has been chosen as this aligns with the Group's medium-term planning process and 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 assessment process and key assumptions

In making the Viability statement, the Directors are required to consider the Group's ability to meet its liabilities as they fall due, taking into account the Group's current position and principal risks.

The Group has a strong liquidity position at 31 December 2024 despite the weaker than expected trading performance during the year and given the availability of the £90m RCF. The Group has committed facilities in place until 2029, comprising €300m fixed rate secured notes and the £90m RCF, together with €13.5m secured notes due November 2026.

In order to assess the resilience of the Group to threats posed by the principal risks in severe but plausible scenarios, the Group's financial forecasts were subjected to thorough multi-variant stress and sensitivity analysis together with an assessment of potential mitigating actions. This multi-variant stress and sensitivity analysis included scenarios arising from combinations of the following:

Scenario	Link to principal risks and uncertainties
The implications of a challenging economic environment, in particular the potential impacts of prolonged challenging trading conditions and weak construction markets, have been modelled by assuming a severe but plausible reduction in revenue and gross margins in each of the next three years.	– Macroeconomic uncertainty – Change management
The impact of the competitive environment within which the Group's businesses operate and the interaction with the Group's gross margin have been modelled by assuming a severe but plausible reduction in revenue and gross margins during the three-year period.	– Macroeconomic uncertainty – Change management – Environmental, social and governance

The secured notes are subject to incurrence-based covenants only, and the RCF has a leverage maintenance covenant set at 6.5x in 2025, 5.5x in 2026 and 5.0x from 2027 onwards, which only applies if the facility is over 40% drawn at a quarter end reporting date. The RCF was undrawn throughout 2024 and remains undrawn at the date of this report.

As part of the Group's financial and strategic planning process, the Group has prepared financial forecasts for the three years to 31 December 2027. The process included a detailed review of the forecasts, led by the Chief Executive Officer and Chief Financial Officer, with input from operational and functional management, and these forecasts were approved by the Board.

The resulting impact on key metrics was considered with particular focus on solvency measures including liquidity headroom and financial covenants where relevant.

Under each of the scenarios considered, the forecasts indicate adequate headroom during the three-year period. Following two years of market-driven downturn, with a LFL revenue decline of 2% in 2023 and 4% in 2024, and continued market uncertainty, a severe but plausible downside scenario has been modelled, which factors in a 2.5% reduction in revenue and a reduction in gross margin from the base forecasts in each of the next three years and a resulting reduction in underlying operating profit from base forecasts of 38% in 2025, 20% in 2026 and 14% in 2027.

Certain mitigations are also included, for example delaying non-essential capital expenditure. Under this scenario the analysis shows that sufficient cash would be available without the need to draw more than £36m on the revolving credit facility at a relevant quarter end, and therefore no covenant tests would apply.

Reverse stress testing has also been performed to analyse the level of revenue, operating profit and cash reductions over and above the scenario considered above that could be experienced before the RCF becomes at least £36m drawn and there is a potential breach in the leverage covenant in the period under review.

The analysis shows that the Group could withstand a reduction in revenue of between 11% and 13% in each of the three years before triggering a covenant breach if the RCF was 40% drawn at a relevant quarter end. This is dependent on the quarter end, with September being the Group's liquidity low point based on phasing of purchases and sales.

Up to £90m RCF is available to meet working capital requirements during the month, providing this is reduced to £36m before a relevant quarter end if the leverage covenant is expected to be breached. Further cash phasing mitigations would also be available to avoid the requirement to draw over £36m at a relevant quarter end if the leverage covenant were expected to be breached.

The Directors have considered the potential impact of climate change on the viability assessment.

At the current time, no legislation has been passed that will impact the key assumptions used in the forecasts and there are no overriding changes to key assumptions relating to climate change built into the forecasts.

There is not considered to be a significant risk of climate change causing a significant downturn in cash flows across the Group over the viability assessment period and therefore no specific sensitivities relating to climate change are considered necessary over and above the scenarios considered above.

After conducting their viability review, and taking into account the Group's current position and principal risks, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment to 31 December 2027.

Cautionary statement

This Strategic report has been prepared to provide the Company's shareholders with a fair review of the business of the Group and a description of the principal risks and uncertainties facing it. It may not be relied upon by anyone, including the Company's shareholders, for any other purpose.

This Strategic report and other sections of this report contain forward-looking statements that are subject to risk factors including the economic and business circumstances occurring from time to time in countries and markets in which the Group operates and risk factors associated with the building and construction sectors.

By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions because they relate to events and/or depend on circumstances that may or may not occur in the future and could cause actual results and outcomes to differ materially from those expressed in or implied by the forward-looking statements.

No assurance can be given that the forward-looking statements in this Strategic report will be realised. Statements about the Directors' expectations, beliefs, hopes, plans, intentions and strategies are inherently subject to change and they are based on expectations and assumptions as to future events, circumstances and other factors which are in some cases outside the Group's control. Actual results could differ materially from the Group's current expectations.

It is believed that the expectations set out in these forward-looking statements are reasonable but they may be affected by a wide range of variables, which could cause actual results or trends to differ materially, including but not limited to, changes in risks associated with the level of market demand, fluctuations in product pricing and changes in foreign exchange and interest rates.

The forward-looking statements should be read in particular in the context of the specific risk factors for the Group identified on pages 62 to 67 of this Strategic report.

The Company's shareholders are cautioned not to place undue reliance on the forward-looking statements. This Strategic report has not been audited or otherwise independently verified.

The information contained in this Strategic report has been prepared on the basis of the knowledge and information available to Directors at the date of its preparation and the Company does not undertake any obligation to update or revise this Strategic report during the financial year ahead.

The Strategic report (comprising up to and including page 67) was approved by the Board of Directors on 4 March 2025 and signed on the Board's behalf by:

Gavin Slark
Director

Ian Ashton
Director

4 March 2025

Risks and risk management

Our approach to risk management

Risk management plays an integral part in SIG's planning, decision-making and management processes.

All employees have a responsibility to ensure they understand their relevant risks, that appropriate controls are in place and that they are operating effectively to manage these risks. The Board maintains overall responsibility for ensuring risk management and internal control systems are robust.

The Board, supported by the Audit & Risk Committee, sets the strategy for the Group and ensures risks are effectively identified and managed through the implementation of the risk management and control frameworks. The Group employs a three lines model to provide a simple and effective way to enhance risk and control management processes and ensure roles and responsibilities are clear. The Board maintains oversight to ensure risk management and control activities carried out by the three lines are proportionate to the perceived degree of risk and its own risk appetite across the Group. An outline of the three lines model is detailed below.

Our approach to risk management

The ability to effectively manage risks and uncertainties is at the heart of every successful organisation and how we identify and respond to risks and uncertainty will influence business outcomes and contribute to the quality of our decisions.

To identify our risks, we focus on our strategic objectives and consider what might stop us achieving our plan within our strategic planning period. The approach combines a top-down strategic Group-level view and a bottom-up operational view of the risks at operating company level. Meetings are held with our operating company leadership teams to identify the risks within their operations.

These are consolidated and, in conjunction with a series of discussions held with the Executive Leadership Team and Non-Executive Directors, provide the inputs to identify and validate our principal risks.

To assess our risks, we consider the likely financial, reputational, regulatory, and operational impacts and the probability that each risk may materialise. This helps us to assess the nature and extent of internal control we need to implement to manage the risk to an acceptable level. For each of the principal risks, we have considered whether the risk is increasing, decreasing or remains unchanged. We have also given an indication of those elements of our strategic plan which may be impacted should any of the risks materialise.

To ensure we effectively monitor our risks, the principal risks are reviewed by the Board, the Audit & Risk Committee and the Executive Leadership Team regularly during the year. Changes to the principal risks and mitigation activities are considered as part of this review.

Risk appetite

The Board recognises that, in order to achieve its strategic objectives, it must accept and manage a certain degree of risk. On at least an annual basis it considers the nature and level of risk it is prepared to accept to deliver the strategy.

Risk appetite is assessed against a suite of risk categories directly relevant to the Group, supported by high-level statements which set out the Board's expectations with regards to the accepted level of risk appetite for each category of risk.

We continue to have a higher appetite for those risks that present the greatest opportunities for commercial reward and take a balanced approach to such opportunities in terms of assessing potentially higher levels of risk and return.

We do, however, have a very low tolerance for risks that have significant negative consequences, particularly when they could adversely impact health and safety, legal compliance, our values and culture, or our reputation. We aim to either avoid those activities that may result in these risks materialising or eliminate these risks with our mitigation efforts.

Principal risks

The Board regularly monitors the Group risk register, which includes the ten principal risks to the Group set out in this report. These risks, if they materialise, could have a significant impact on the Group's ability to meet its strategic objectives. The assessed net risk scores (likelihood and impact of the risk occurring after taking account of mitigating controls) are outlined in the following matrix and details of the risks and current mitigations are included in the table on the following pages.

Our strategic pillars

As set out on page 11, our strategic framework focusses on three long-term objectives, and four actions over the medium-term to improve our operating performance. The risk matrix that follows also identifies how each risk relates to each of our three long-term strategic objectives:

- Partner of choice for specialist contractors
- Improve our operating performance
- Growing sustainably as a responsible business

The three lines model

First line

Operational management:

Operational management is responsible for identifying and assessing risks on an ongoing basis, and for implementing and maintaining appropriate controls aligned to the organisation's policies and procedures.

Second line

Risk management, internal controls and compliance functions:

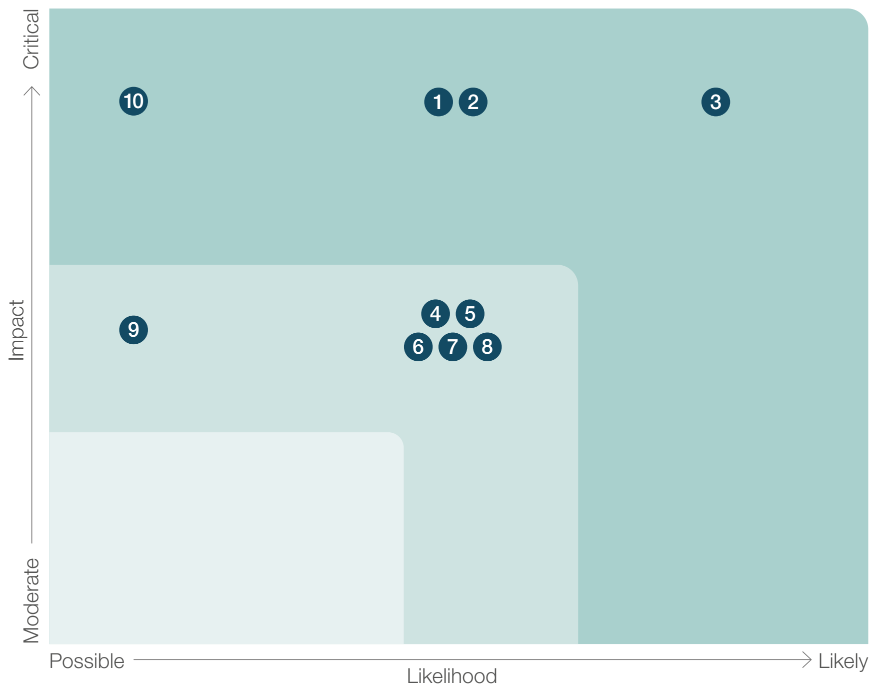
Our compliance, risk management and internal controls functions support the business in ensuring effective implementation of, and compliance with, policies and procedures across the business.

Third line

Independent assurance:

Our internal audit function provides independent assurance to ensure that controls are implemented and are operating efficiently and effectively across the organisation.

Principal risks



1. Cyber security
2. Health and safety
3. Macroeconomic uncertainty
4. Attract, recruit and retain our people
5. Data quality and governance
6. Environmental, social and governance (ESG)
7. Mergers and acquisitions
8. Legal or regulatory compliance
9. Modernisation
10. Change management

Risk management principles

Our approach to risk management is supported by the following key risk management principles:

1. Role of the Board:

The Board is responsible for ensuring there are adequate procedures to manage risk, overseeing the internal control framework, and determining the nature and extent of the principal risks the Group is willing to take in order to achieve its long-term strategic objectives. The Audit & Risk Committee has responsibility for reviewing the overall risk management policy and ensuring its effective implementation.

2. Responsibility and accountability:

A fundamental premise of our approach is that each operating company owns its risks and works in collaboration with the Group Risk and Internal Audit function to ensure it performs regular risk identification, assessment, mitigation, monitoring and reporting processes.

3. Transparency and openness:

Risk management activities and processes are subject to regular review in order to provide reasonable assurance of the effectiveness of local risk management arrangements and to consider the status of mitigations or additional controls required.

4. Culture of continuous improvement:

We are committed to ensuring that we regularly review our risk management processes and ensure that they remain relevant and support our businesses in making risk informed decisions.

5. Applicability:

Our approach to risk management is applicable to all entities across the Group. Risks incurred through contractual relationships that directly impact the Group's risk profile are monitored, as determined by the Board.

Principal risks and uncertainties

Risk	Description	Mitigation
1. Cyber security **Internal or external cyber-attacks could result in system disruption or sensitive data being compromised** **Risk movement:** ▶ **Link to strategic objectives:**	In the context of widespread dependency on increasingly complex digital systems, growing cyber threats are outpacing societies' ability to effectively prevent and manage them. These risks are also exacerbated by a combination of the increasing interconnectedness and interdependencies of our technology platforms and ecosystems, as illustrated by the widespread business disruption caused by the 'Crowdstrike' IT outage in the summer of 2024, the increasing willingness of nation states to engage in asymmetric cyber warfare to achieve geopolitical aims and the relative ease with which new artificial intelligence (AI) and machine learning (ML) technologies can be utilised for adversarial purposes. For example Generative AI is making cyberattacks more sophisticated through more believable social engineering, automated phishing attacks and adaptive malware. There is a risk that we lack the capabilities to effectively prevent, monitor, respond to, or recover from, suspected cyber-attacks on our IT infrastructure. Such attacks may result in a loss of data or disruption to IT services which may have a significant impact on our ability to operate and comply with data protection and privacy laws (e.g. GDPR) and may have a detrimental effect on our reputation.	Cyber security continues to receive Board and Executive Leadership Team focus with an emphasis on ensuring that appropriate technologies are deployed across IT infrastructure to manage cyber threats. Regular and independent reviews are performed to assess the nature of potential cyber threats, security processes and initiatives. They also ensure that we implement appropriate tools and processes to better identify and remediate new and emerging cyber risks and vulnerabilities. Cyber-incident response protocols are in place to support our ability to effectively respond to and recover from a cyber threat or incident and ongoing cyber training campaigns and initiatives ensure employees are alert to the nature and consequences of cyber-attacks. Cyber policies are regularly reviewed and updated to ensure they reflect the nature of risks and threats and we continue to invest in our business resilience and continuity management capabilities and arrangements.
2. Health and safety **Danger of incident or accident, resulting in injury or loss of life to employees, customers, or the general public** **Risk movement:** ▶ **Link to strategic objectives:**	There is a risk that poor organisational arrangements or behavioural culture with regards to health and safety causes harm to individuals and may result in enforcement action, penalties, reputational damage, or adverse press coverage.	The Group Health, Safety and Environment Director is a member of the Executive Leadership Team and provides strategic leadership for all health, safety and environmental matters. Local health and safety managers in each of our businesses provide local leadership and support, monitor and report our performance and key metrics, and implement actions and initiatives. A compliance standards framework is in place to ensure the adequacy of local health and safety standards and arrangements, with assurance provided through a programme of compliance audits performed by suitably trained and experienced health and safety professionals.

Risk movement

▲ increased ▶ unchanged ▼ decreased

Our long-term strategic objectives

Partner of choice for specialist contractors

Improving our operating performance

Growing sustainably as a responsible business

Risk	Description	Mitigation

3. Macroeconomic uncertainty

Macroeconomic volatility may impact the Group's ability to accurately forecast and to meet internal and external expectations

Risk movement: ▶

Link to strategic objectives:

Geo-political and macroeconomic events can lead to a decline in general economic activity and, or including, a decline in construction industry activity.

While there are some indicators of a modest fiscal recovery in 2025, market conditions are set to remain challenging, particularly in France and Germany, which may continue to see political instability in 2025. This is in addition to the existing and ongoing turbulence and volatility caused by conflicts in other regions, such as Ukraine.

Inflation remains uncertain and its effect on monetary policy, higher interest rates and the costs of living will remain a cause of uncertainty and possible volatility for the immediate future across our end-markets.

This volatility has the potential to impact customer demand, and create financial and operational pressure, while adding costs to our operations and making planning and forecasting more difficult.

The Group's geographical diversity across Europe, serving customers across residential, commercial, industrial and infrastructural sectors, combined with our broad portfolio of categories, product offerings and specialisms, all serve to reduce the impact of changes in a specific territory or market.

Industry-based KPIs, monitored monthly at a Group and operating company level, help to ensure that warnings and indicators of risks and opportunities are identified early, and appropriate mitigation strategies implemented.

We continue to assess inflationary and other fiscal pressures and impacts on product pricing and will continue to work with our suppliers to identify opportunities to ensure ongoing supply chain resilience.

4. Attract, recruit and retain our people

Failure to attract and retain people with the right skills, drive and capability to reshape and grow the business

Risk movement: ▶

Link to strategic objectives:

SIG's ability to deliver its objectives and to compete effectively is, in part, dependent on its ability to recruit and retain colleagues with the necessary skills, experience and ability to deliver expected performance levels.

A combination of medium-term structural labour and vocational skills shortages in the construction sector, exacerbated by near term employee concerns regarding the performance and stability of the construction sector, has the potential to negatively impact SIG's ability to attract, recruit and retain staff across the full spectrum of disciplines.

We continue to invest in learning and development programmes to ensure both vocational and technical training needs are met whilst retaining an agile workforce. Our apprenticeships and training academies help develop the near and long-term skills of our employees.

We regularly review our organisational structures and accountabilities, and ensure our structures optimise employee motivation and engagement. Employee engagement is monitored through an annual survey and a Workforce Engagement programme run by the Board.

Ongoing enhancements to pay and conditions, including market benchmarking, broadening variable remuneration elements and retention and succession planning also help to mitigate this risk.

Our businesses have also introduced programmes to support employee health and wellbeing. This includes training for all employees on keeping themselves safe and well.

Principal risks and uncertainties continued

Risk	Description	Mitigation
5. Data quality and governance		
Poor data quality could impact our financial management, fact-based decision-making, business efficiency, and credibility with customers **Risk movement:** ▶ **Link to strategic objectives:**	There is a risk that we lack the necessary quality of systems and processes to ensure sufficient granularity, completeness, and accuracy of vendor, product and pricing master data. This has the potential to impact our ability to deliver a digital customer experience, provide enhanced product and customer analytics or insight and comply with both existing and new regulatory requirements.	Product and customer data quality remains a focus area for our operating companies, who continue to monitor, assess and upgrade their product data requirements, capabilities and governance, considering ongoing changes in business needs and regulation. During 2024, we continued to enhance our data management and governance capabilities though the ongoing development of new product information systems across our UK and French businesses. We also continue to maintain and, where necessary, upgrade our ERP systems where relevant to ensure these systems support the required data quality and governance required.
6. Environmental, social and governance (ESG)		
Reputational impacts from poor environmental, social and governance arrangements and performance **Risk movement:** ▶ **Link to strategic objectives:**	Public and commercial consciousness, driven in part by ongoing regulatory pressures, continues to evolve on a wide range of environmental, social and governance issues, including climate change, employee wellbeing and how an organisation contributes to society. While SIG has a long and rich heritage in helping the construction industry deliver energy efficient solutions and products, risks remain in terms of how we deliver our ESG agenda. This is particularly the case in how we ensure we achieve our stated aims with regards to climate change and decarbonisation. These risks include the cost and complexity of compliance, the challenges presented by the decarbonisation of our vehicle fleet and estate and how we engage with the wider industry to reduce product and supply-chain carbon impacts.	As outlined on page 27, our ESG commitments include a focus on health and safety leadership, reaching net zero carbon, sending zero SIG waste to landfill, partnering to reduce carbon and waste across the supply chain, and becoming an employer of choice in our industry. These commitments will be supported by verified data to ensure that progress in achieving these aims and ambitions is monitored and subject to appropriate rigour. To do this, we have enhanced our sustainability reporting and budgeting processes (particularly in relation to carbon emissions and waste) to ensure that we are able to effectively track both the progress and financial impacts of commitments. We have also ensured we are able to monitor new an emerging ESG legislation and implement the appropriate management arrangements, systems and processes, particularly with regards to the ensuring compliance with new legislation implemented in the EU, including the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). As regards employee wellbeing, each of our businesses has introduced programmes and initiatives to support employees, underpinned by a Group-wide employee health and wellbeing policy and training for all employees to understand their responsibilities to keep themselves and their colleagues safe and well.
7. Mergers and acquisitions		
Inability to successfully execute, integrate and leverage merger and acquisition opportunities **Risk movement:** ▶ **Link to strategic objectives:**	Where necessary, we may from time to time acquire new businesses. Such decisions are based on detailed plans that assess the value creation opportunity for the Group. By their nature, there is an inherent risk that we fail to manage the execution and integration risks which may result in delays or additional costs and impact the future value and revenues generated.	We have appropriate M&A resource across the organisation, and also utilise external advisors where necessary for the effective identification and prioritisation of acquisition opportunities. Resource is also available in the organisation to ensure that transactions are subject to the necessary pre and post-acquisition and integration activities and processes. Clear accountability and authority limits for the initiation and approval of M&A activity are defined in the Group Delegation of Authority.

Risk movement

▲ increased ▶ unchanged ▼ decreased

Our long-term strategic objectives

Partner of choice for specialist contractors

Improving our operating performance

Growing sustainably as a responsible business

Risk	Description	Mitigation
8. Legal or regulatory compliance		
Failing to comply with, or breaching, legal or regulatory requirements **Risk movement:** ▶ **Link to strategic objectives:** Growing sustainably as a responsible business	The Group's operations are subject to an increasing and evolving range of regulatory and other requirements in the markets in which it operates. A major corporate failure resulting from a non-compliance with legislative, regulatory or other requirements would impact our brand and reputation, could expose us to significant operational disruption or result in enforcement action or penalties.	Our Group General Counsel is a member of the Executive Leadership Team and is supported by appropriately skilled in-house legal and company secretarial resource at Group and operating company level, with further support provided by an approved panel of external lawyers and advisors. Policies and procedures are in place to ensure compliance with legal and regulatory frameworks, including health and safety, environmental, ethical, fraud, data protection and product safety. The Group's internal controls function ensures that appropriate and effective controls are in place against material financial misstatement, errors, omissions or fraud. Our Code of Conduct is available on our website and forms part of our employee induction programme. E-learning tools are also deployed across the organisation to ensure employees are aware of, and understand, their obligations. A whistleblowing hotline, managed and facilitated by an independent third party, is in place throughout the Group. All calls are followed up and investigated fully with all findings reported to the Board.
9. Modernisation		
Failure to deliver the digital capabilities necessary to support improved efficiency and productivity or to remain competitive in the marketplace **Risk movement:** ▶ **Link to strategic objectives:** Partner of choice for specialist contractors; Improving our operating performance	Increased technological innovation and change has accelerated the increasing role digitalisation will have in the construction materials supply chain. We continue to seek opportunities to ensure we can deliver digital solutions to enable a more efficient, integrated, and frictionless experience for our colleagues, customers and suppliers. This risk may be exacerbated by legacy systems and technologies which are heavily customised, require significant system maintenance to prevent outages and lack the functionality to allow their integration into a more modern digital infrastructure.	We continue to evaluate new technologies and make investments in the digital workplace to ensure that we maintain a competitive digital proposition. Across our markets each operating company is responsible for ensuring that it has an appropriate technology roadmap to identify how it implements the necessary technologies and ways of working to ensure that it can maximise digital opportunities in terms of enhancing the customer experience and optimising transactional, fulfilment or process efficiencies. During 2024 we have invested in a new ERP system for our Polish business.
10. Change management		
Inability to change and grow the organisation as planned in order to meet growth targets **Risk movement:** ▶ **Link to strategic objectives:** Improving our operating performance	The Group is committed to improving its operating performance with a strategy, key actions and progress on these as set out on pages 20 to 23. This will inevitably require changes to organisational structures, roles, and ways of working, supported by investments to modernise existing and implement new IT systems. There is a risk that these initiatives, allied to the impacts of challenging market conditions for our business and employees, results in 'change fatigue' and either future changes are not implemented as planned, or the benefits are not realised.	Operating companies continue to manage change portfolios through programme management governance committees. Increased monitoring has been implemented, particularly regarding progress against growth initiatives, in line with our strategy. Monitoring of business growth metrics and early warning indicators or trends continues as part of business reviews at both the management and Board level. Our ongoing employee engagement surveys continue to facilitate the early identification of change impact in terms of our employees, and action plans are implemented and monitored accordingly.

Chairman's introduction to Governance

We continue to uphold high standards of corporate governance, while navigating challenging market conditions.

Andrew Allner
Chairman

Dear Shareholder,

On behalf of the Board, I am pleased to present the Group's Corporate Governance report for the financial year ended 31 December 2024.

As outlined in my Chairman's statement on pages 8 to 10, the Group experienced challenging trading conditions during the year, and the financial results reflected this. However, the Group continues to make good progress on its operational initiatives and the Board remains confident that the Group remains well positioned to benefit from the market recovery when it occurs, and in turn to improve its operating margin and cash generation. On behalf of the Board, I would like to thank all of our employees for their hard work, commitment and achievements during the year.

Board focus in 2024

The Board's focus during the year has been on continuing to ensure that the Group is set up for long-term sustainable success. The Board spent significant time considering and approving the refinancing of the Group's existing bond and issuance of a new bond. In addition, the Board spent time considering market developments and mitigating actions, technology issues and modernisation, health and safety, sustainability, M&A and financial, legal and compliance matters material to the Group. Further information on the Board activities during the year can be found on page 72.

Board composition and succession planning

As at 31 December 2024, the Board comprised of eight Non-Executive Directors and two Executive Directors. No changes to the composition of the Board were made during the year. The Board is now looking ahead to succession planning for the next few years and continues to prioritise succession planning for the Executive Leadership Team ("ELT") and other senior leaders in the Group. The biographies of the Board, as of the date of this report, are listed on pages 70 and 71. Appointments of new Directors are made by the Board on recommendation of the Nominations Committee. The Nominations Committee's responsibilities and a description of its work can be found in the Nominations Committee report on pages 84 to 87.

Compliance with the UK Corporate Governance Code 2018

Our Governance sections, set out over the following pages, explain how the Group has applied the principles and complied with the provisions of the Code[1] during the financial year ended 31 December 2024. In 2024, we were fully compliant with the Code with the exception of Provision 32, which requires the Board to establish a Remuneration Committee of independent non-executive directors. Bruno Deschamps was a member of the Remuneration Committee and, as a nominated Director of CD&R, he was not considered to be independent under Provision 10. The Board's opinion is that Bruno's contribution to the Remuneration Committee benefits the Committee and shareholders as a whole and that, were Bruno not a member of the Committee, the Board would need to consider how to replace the contribution that he makes.

The Board has noted the publication of the Financial Reporting Council's revised UK Corporate Governance Code 2024 which will apply to financial years beginning on or after 1 January 2025, with the exception of Provision 29 which will apply to financial years beginning on or after 1 January 2026. The Board has reviewed the recommended changes to governance arrangements and will report appropriately in next year's annual report.

1. The UK Corporate Governance Code 2018 (the 'Code') can be accessed at **www.frc.org.uk**.

Board performance review

This year the Board undertook an annual internal review of its own and its Committees' performance and effectiveness. Our last external evaluation was carried out during the year ended 31 December 2021. As the company was not, during the year, nor is it currently, part of the FTSE 350 the Board decided to defer an external evaluation to a later year. This was considered to be a proportionate approach in light of prevailing market conditions and the need to focus on short-term financial performance.

I am pleased to report that the 2024 Board performance review concluded that the Board, its Committees and individual Directors were performing effectively. Further details of the Board performance review, together with progress against the outcomes from the 2023 Board performance review, can be found on page 83.

CD&R

CD&R holds c.29% of the shares in SIG, a stake that it took up in 2020 largely as part of the equity fundraising. CD&R has two Directors appointed to the Board, currently being Bruno Deschamps and Diego Straziota. CD&R has the right to appoint one member to the Remuneration Committee and Nominations Committee (currently Bruno Deschamps) and to appoint an observer to the Audit & Risk Committee (currently Diego Straziota). Further details of the relationship with CD&R can be found on page 78.

The recent Board performance review demonstrated that the other Directors recognise and value the contribution made to the Group by Bruno and Diego; and that their contributions are not limited to representing the interests of CD&R's funds which are invested in SIG. They each bring a wealth of sector experience and wider knowledge that enhances the discussions at Board meetings and contributes to the making of better decisions.

Diversity and inclusion

The Board comprises ten Directors of whom two are women, with one-third of the independent Non-Executive Directors being women. The Board includes one Director from an ethnic minority background. The Board is aware of the importance of making progress on diversity in general. The Board has met two of the three diversity targets set by the UK Listing Rules, with one of the senior Board positions being held by a woman and one Board member being from an ethnic minority background. The Board aspires to achieve the target of 40% of members being women and continues to monitor progress in this area. Further details on diversity and inclusion can be found in the Nominations Committee report on page 86.

Sustainability commitments

Progress we have made towards fulfilling our sustainability commitments is contained in the Strategic report set out at pages 26 to 51. The Board received regular updates on progress against these commitments during the year.

Annual General Meeting

The AGM will be held on 1 May 2025 at SIG West London, Mathisen Way, Poyle, Slough, SL3 0HB. If you are unable to attend in person and you have any questions, please email them to cosec@sigplc.com in advance of the meeting. We will ensure the answers to your questions are provided at the meeting. Further details of the arrangements for the AGM will be sent to shareholders shortly. I warmly extend the invitation to all shareholders to join us in person at the AGM.

Andrew Allner
Chairman

4 March 2025

Board of Directors

Andrew Allner
Non-Executive Chairman[1]

R N

Appointed as Non-Executive Chairman on 1 November 2017.

Career and experience
Andrew brings extensive experience serving on the boards of publicly listed companies as Chairman and as a Non-Executive Director. He was previously Chairman at Shepherd Building Group Limited, Eco Buildings Group plc, The Go-Ahead Group plc and Marshalls plc, and a Non-Executive Director at Northgate plc, AZ Electronic Materials SA and CSR plc. Andrew has held executive roles as Group Finance Director of RHM plc and CEO of Enodis plc. He has also held senior executive positions at Dalgety plc, Amersham International plc and Guinness plc. He has significant experience in managing and navigating challenging situations.

Key strengths
Substantial board, leadership, strategy, international and general management, corporate transaction, governance and accounting expertise.

Key external appointments
None

Gavin Slark
Chief Executive Officer

Appointed as an Executive Director and Chief Executive Officer on 1 February 2023.

Career and experience
Gavin was previously Chief Executive Officer at Grafton Group plc, an international distributor of building materials and DIY retailer, for 11 years from 2011. Prior to that he held the position of Group CEO at BSS Group plc, a prominent UK distributor for specialised trades including the plumbing, heating, and construction sectors. Gavin has extensive leadership experience in the pan-European construction distribution sector and a proven track record of driving shareholder value in publicly listed companies.

Key strengths
Significant in-depth knowledge and years of experience in the distribution sector, shaping strategy and culture, product knowledge, leadership and management.

Key external appointments
None

Ian Ashton
Chief Financial Officer

Appointed as an Executive Director and Chief Financial Officer on 1 July 2020.

Career and experience
Prior to joining SIG, Ian served as Chief Financial Officer at Low & Bonar plc until its acquisition by the Freudenberg group. Before that, he was Chief Financial Officer of Labviva LLC, a US-based technology company. Ian spent a significant portion of his career at Smith & Nephew plc, where he held various senior finance positions in the UK, USA, and Asia. Ian is a qualified chartered accountant and began his career at Ernst & Young LLP. Ian brings extensive UK and international financial and accounting expertise to the Board and to his role as Chief Financial Officer.

Key strengths
Broad global experience in a series of financial leadership roles. A strong track record in corporate transactions, driving change, accounting/finance and stakeholder engagement with significant international experience.

Key external appointments
None

Kath Durrant
Senior Independent Director

A R N I

Appointed as an Independent Non-Executive Director and Remuneration Committee Chair on 1 January 2021. Appointed as Senior Independent Director in September 2023.

Career and experience
Kath has held senior roles at GlaxoSmithKline plc and AstraZeneca plc. She was formerly Group Human Resources Director at Rolls Royce plc and Ferguson plc and served as Chief Human Resources Officer of CRH plc. She has served as a Non-Executive Director and Chair of the Remuneration Committee of Vesuvius plc, Renishaw plc and Calisen plc. Kath brings substantial leadership experience across a range of businesses and has a strong track record of chairing the remuneration committees of publicly listed companies.

Key strengths
Strong leadership and human resources experience across a range of businesses, transformation and change management, construction industry and international experience.

Key external appointments
Non-Executive Director and Remuneration Committee Chair at Essentra plc and Anglian Water Services Limited.

Alan Lovell
Non-Executive Director

A R N I

Appointed as an Independent Non-Executive Director on 1 August 2018.

Career and experience
Alan brings extensive leadership experience to the Board, having served as Chief Executive Officer at six companies, including Jarvis plc and Costain Group plc. He has also been Chair of several listed companies, including Interserve Group Limited, Progressive Energy Ltd and the Consumer Council for Water.

Key strengths
Significant listed company board experience. Accounting and finance, corporate transactions and extensive construction industry and turnaround experience in the UK and Europe.

Key external appointments
Chair of the Environment Agency.

1. Independent on appointment.

Committee key

- A Audit & Risk Committee
- R Remuneration Committee
- N Nominations Committee
- Chair of Committee
- I Independent Director

Bruno Deschamps
Non-Executive Director

R N

Appointed as a Non-Executive Director on 10 July 2020.

Career and experience
Bruno is an Operating Advisor to CD&R LLP and the Chairman and CEO of Entrepreneurs Partners LLP. He is a former Chairman of Diversey (USA) and Kloeckner Pentaplast (Germany). He has served as Managing Partner of 3i Plc Group, Operating Partner of CD&R where he played a pivotal role in the firm's investments in Brakes, as Chairman, and CEO in Culligan, Rexel and VWR. Bruno was president and COO of Ecolab Inc (USA), and President and CEO of Henkel Ecolab, Teroson GmbH, VP Henkel Industrial Adhesives (Germany), and Chairman and CEO of SAIM (France). Bruno is a Knight of the Legion d'Honneur (France).

Key strengths
Deep industrial knowledge, corporate transactions, and extensive experience in driving and overseeing improved company performance.

Key external appointments
Directorships in the following CD&R portfolio companies: Kalle GmbH, OCS Group and Wolseley, of which he is also Chairman.

Shatish Dasani
Non-Executive Director

A R N I

Appointed as an Independent Non-Executive Director and Chair of the Audit & Risk Committee on 1 February 2021.

Career and experience
Shatish has over 30 years' experience in senior public company finance roles across various sectors, including building materials, advanced electronics, engineering, general industrial, business services, construction, and infrastructure. He also has extensive international experience including as a regional CFO in South America. He was previously Chief Financial Officer of Forterra plc and TT Electronics plc and has served as an alternative Non-Executive Director for Camelot Group plc and as a Public Member at Network Rail plc.

Key strengths
Strategy development and execution, performance improvement, financial management, corporate finance, and mergers and acquisitions. Sector experience of building materials, advanced electronics, general industrial, business services and infrastructure.

Key external appointments
Senior Independent Director and Audit & Risk Committee Chair of Renew Holdings plc. Non-Executive Director and Audit & Risk Committee Chair at Speedy Hire plc and Genuit Group plc. Trustee and Chair of UNICEF UK.

Gillian Kent
Non-Executive Director

A R N I

Appointed as an Independent Non-Executive Director on 1 July 2019.

Career and experience
Gillian has had an extensive career in software, internet, digital media and mobile technology businesses and formerly had a broad executive career including being Chief Executive of real estate Propertyfinder.com until its acquisition by Zoopla, and 15 years with Microsoft, including three years as Managing Director of MSN UK. Gillian was previously a Non-Executive Director of NAHL Group plc, Pendragon PLC and Dignity plc. Gillian brings a wealth of knowledge to the Board in customer, digital, brand, and marketing.

Key strengths
Strong commercial acumen, strategic, change management, stakeholder engagement, customer and digital/technology experience, brand and marketing across a broad range of businesses.

Key external appointments
Non-Executive Director and Remuneration Committee Chair at Mothercare plc and Marlowe plc. Non-Executive Director and Chair of Risk at THG plc.

Simon King
Non-Executive Director

A R N I

Appointed as an Independent Non-Executive Director on 1 July 2020. Simon is the Designated Non-Executive Director for Workforce Engagement.

Career and experience
Simon most recently served as a Non-Executive Director for Headlam Group plc. Simon has extensive experience in the construction sector having served on the Travis Perkins Executive Board and as CEO of Wickes. Previously, he worked at Walmart as Chief Operating Officer of Asda and served as CEO at Savola Group Middle East. Simon has held CEO positions for Tesco in Turkey and South Korea, where he led the joint venture with Samsung. Before his role at Tesco South Korea, Simon served as Chief Commercial Officer for Tesco in central Europe.

Key strengths
Over 35 years' experience leading international teams, building products distribution experience, change management, retail and distribution, marketing, technology/digital and stakeholder engagement experience, particularly in the workforce.

Key external appointments
Non-Executive Chairman at Troy (UK) Limited. Non-Executive Director at James Donaldson Group Ltd and Chairman at Smoking Lobster Restaurants (Isle of Wight).

Diego Straziota
Non-Executive Director

Appointed as a Non-Executive Director on 4 May 2023.

Career and experience
Diego is a Managing Director at CD&R LLP and holds a directorship in Wolseley, a CD&R portfolio company. Since joining CD&R in 2017 Diego has been played an instrumental role in CD&R's investments in Opella, UDG and the subsequent separation of UDG from Inizio and Sharp, Westbury Street Holdings and Wolseley. Diego is responsible for investment activities in European Industrials at CD&R. Prior to joining CD&R, he worked in the private equity division of Blackstone.

Key strengths
Diego possesses a wealth of sector-specific knowledge and has a track record in strategy development and corporate transactions. His expertise extends to driving and overseeing improvements in company performance.

Key external appointments
Holds a Directorship in Wolseley, a CD&R portfolio company.

Board activities in 2024

1 2 3 4 5

Board leadership and Company purpose

Strategy and financing

- Regular updates and reviews throughout the year to monitor the Group's financing position, medium-term plan and business plan.
- Approval of the debt refinancing and the successful offering of the Company's bond, listed on the International Stock Exchange.
- Consideration and oversight of potential M&A opportunities to ensure they advance the Group's strategy and are earnings enhancing.
- Regular business reviews of each of the operating companies.
- Received regular updates on the measures being taken to mitigate any increase in bad credit risk as a result of trading conditions.
- Received specific feedback from advisors during the refinancing process on debt investor sentiment.
- Reviewed and approved the Group's Treasury policies.

Stakeholder groups

Shareholders and Investors
People
Customers
Suppliers
Communities and Environment

Link to strategic objectives

Corporate reporting and performance monitoring

- Approved the 2025 budget and the three-year financial projections.
- Periodic review of the Group's ability to trade as a going concern and its viability.
- Approved the 2023 full-year and 2024 interim results, and ensured work was on schedule for the production of the 2024 full-year Annual Report and Accounts.
- Approved the release of Stock Exchange announcements in line with the Disclosure Guidance and Transparency Rules, UK Market Abuse Regulation and other requirements.
- Received regular investor relations reports as well as regular updates from brokers on market conditions and equity investor sentiment.
- Received updates on the digital modernisation of the Group.

Stakeholder groups

Shareholders and Investors
People

Link to strategic objectives

Stakeholder engagement

- Considered the interests of the Group's key stakeholders.
- Group-wide customer surveys undertaken and results reported to the Board.
- Fifth annual employee engagement survey undertaken, with feedback reviewed to ensure any material concerns were identified and suitably addressed.
- Received regular updates on culture, key hires, employee engagement and organisational effectiveness.
- Reviewed feedback from the Chairman, Committee Chairs, Executive Directors and brokers following meetings with shareholders.
- Reviewed feedback from the Board Workforce Engagement sessions conducted by the Designated Non-Executive Director for Workforce Engagement during the year.

Stakeholder groups

Shareholders and Investors
People
Customers
Suppliers
Communities and Environment

Link to strategic objectives

Our long-term strategic objectives

Partner of choice for specialist contractors

Improving our operating performance

Growing sustainably as a responsible business

Leadership and governance

- Reviewed and, where appropriate, approved updated terms of reference for each of the Committees and the Board, Directors' conflicts of interest and compliance with the Code.
- Conducted an annual internal Board performance review, identified areas for improvement and recommended actions.
- Held the 2024 AGM as a physical meeting. Shareholders had the opportunity to pre-submit questions and to ask questions during the meeting.
- Reviewed the Group's progress towards compliance with the EU Corporate Sustainability Reporting Directive.
- Reviewed the report of the Group Health, Safety and Environment Director as the first item of business on the agenda for Board meetings.
- Reviewed the reporting of the Group against the TCFD pillars and recommended disclosures.
- Received regular governance updates from the Group General Counsel & Company Secretary, including on the amendments to the UK Listing Rules and the UK Corporate Governance Code 2024.
- Annual review, update and approval of key Group-wide policies.
- Approval of the Group's 2024 Modern Slavery Statement, which can be found at **www.sigplc.com**.

Stakeholder groups

Shareholders and Investors

People

Customers

Communities and Environment

Link to strategic objectives

Risk management and internal control

- Received regular reports on risk management and internal controls from the Audit & Risk Committee and the Chief Financial Officer.
- Approved the Group risk register, risk appetite and principal risks.
- Received regular reports from the Group Director of Audit and Risk.
- Reviewed progress on the five sustainability commitments published by the Group in March 2022 and received updates on sustainability activities and initiatives.
- Ongoing review of SIG's internal controls framework.

Stakeholder groups

Shareholders and Investors

People

Customers

Suppliers

Communities and Environment

Link to strategic objectives

Board activities in 2024 continued

Board attendance during 2024

The following table shows the attendance of Directors at meetings of the Board and meetings of the Audit & Risk, Remuneration and Nominations Committees during the year ended 31 December 2024:

	Scheduled Board (7 meetings)[1]	Scheduled Audit & Risk (4 meetings)	Scheduled Remuneration (6 meetings)	Scheduled Nominations (4 meetings)
Andrew Allner[2]	7	N/A	6	3
Gavin Slark[3]	7	N/A	N/A	N/A
Ian Ashton[4]	7	N/A	N/A	N/A
Shatish Dasani	6	4	6	4
Bruno Deschamps	7	N/A	6	4
Kath Durrant	7	4	6	4
Diego Straziota	7	N/A	N/A	N/A
Gillian Kent	7	4	6	4
Simon King	7	4	6	4
Alan Lovell	7	4	6	4

1. There were seven scheduled Board meetings and four additional meetings, which were convened principally in connection with the Group's refinancing.
2. The Chairman attended all four Audit & Risk Committee meetings. He did not attend the Nominations Committee meeting that considered succession to his role.
3. Gavin Slark attended all four Audit & Risk Committee meetings and those sections of the Remuneration and Nominations Committee meetings to which he was invited by the Chairs of each Committee.
4. Ian Ashton attended all four Audit & Risk Committee meetings and those sections of the Remuneration Committee meetings to which he was invited by the Chair of the Committee.

The table shows meetings that each Director attended as a member rather than as an invitee. Where 'N/A' appears the Director is not a member of the Committee although may have attended the meeting; please see the footnotes to the table. Directors do not participate in meetings when matters relating to them are discussed. The Chairman holds meetings with the Non-Executive Directors without the Executive Directors present. The SID meets with the independent Non-Executive Directors without the Chairman present, in particular when the performance of the Chairman is being considered. All Directors attended the 2024 AGM.

How we manage conflicts of interest

Each Director has a duty under the Companies Act 2006 ("CA 2006") to avoid any situation where they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. Provision 7 of the Code also requires the Board to take action to identify and manage conflicts of interest, including those resulting from significant shareholdings and to ensure that the influence of third parties does not compromise or override independent judgement. This duty is in addition to the obligation that they owe to the Company to disclose to the Board any transaction or arrangement under consideration by the Company in which they have, or can have, a direct or indirect interest. Directors of public companies may authorise conflicts and potential conflicts, where appropriate, if a company's Articles of Association permit and shareholders have approved appropriate amendments.

Procedures have been put in place for the disclosure by Directors of any such conflicts and also for the consideration and authorisation of any conflicts by the Board. These procedures allow for the imposition of limits or conditions by the Board when authorising any conflict, if they think this is appropriate.

These procedures have been applied during the year and are included as a regular item for consideration by the Board at each of its meetings. In addition the Chairman meets regularly with the independent Non-Executive Directors to ensure the interests of all shareholders are considered. The Board believes that the procedures established to deal with conflicts of interest are operating effectively and they are periodically reviewed to ensure they are fully compliant with the Code.

All Directors are required to complete and disclose a gifts and hospitality form confirming the offering or receipt of any gifts or hospitality offered or provided as a result of their directorship of the Company in accordance with the Group's Gifts and Hospitality policy. The Board is aware of the other commitments of the Directors and is satisfied that these do not conflict with their duties as Directors of the Company and that the influence of third parties does not compromise or override their independent judgement.

Engagement with our people

How the Board monitors culture

The Board has responsibility for ensuring that workforce policies and practices are in line with the Group's purpose and values and support the desired culture. The Group's culture and values are defined by the Board and the ELT and throughout the year the Board has monitored Company culture. The right culture is key to future success and the goal is to create a winning, vibrant and modern culture which combines discipline, clear expectations and effective processes with entrepreneurial spirit.

During the year, the Board monitored culture through a range of interactions, including interactions with employees.

Employee engagement survey

The annual employee engagement survey was conducted during the year to ensure that every employee's voice is heard and to ensure we maintain an inclusive, supportive working environment for our people. This year's survey highlighted certain areas as key strengths including commitment and culture. Responses also identified areas that need further improvement, such as workloads and career opportunities. The Board will continue to monitor progress against these areas.

Employee policies

The Board and its Committees reviewed and approved key employee policies during the year to ensure they reflect the Group's values and culture. These include the Group's Code of Conduct, and Health and Safety; Whistleblowing; Anti-Bribery and Corruption; Diversity, Equality and Inclusion; GDPR; and Gifts and Hospitality policies. All employees, including the Board, and contractors, are required to complete online training and reminders are issued when required, to ensure that training is completed. As new policies are developed, appropriate training is provided to all employees.

Health and safety

The Board is regularly updated at Board meetings on health and safety matters and on investigations and their outcomes. The Board is committed to ensuring high standards of health and safety are maintained across the Group.

Whistleblowing

Board members receive regular updates on whistleblowing, which include details of whistleblowing reports received via the external whistleblowing service. The Board identifies and addresses any incidents and areas for improvement.

Workforce engagement

Board activities in action

As the Designated Non-Executive Director responsible for workforce engagement, I am privileged to meet with employees each year to understand their insights and views. This year I met numerous groups of employees in France, Germany, Scotland and England.

Our people feel empowered by our local branch-based business model. They feel enabled to make the right decisions for their local customers, value this and recognise it as a strength and differentiator of SIG. This culture of local empowerment and trust was mentioned by our people in every visit.

What has gone well

The culture has also given teams agility and speed to look after customers in today's fast changing world. Our apprentice programmes in Germany and France were recognised by local leaders as successful and effective, with many apprentices being very capable of implementing new systems fast. A number of branch leaders recognised the positive impact that ongoing local investment to upgrade facilities have had on efficiency, safety and team morale.

Where can we improve

The teams were slightly more concerned about the cost of living and job security than during last year's visits, given the weaknesses in the wider economy and the construction sector across Europe. Some colleagues expressed concerns about their longer-term pay prospects at SIG and the impact this is having on their personal financial goals, as the costs of living have risen but pay has not always kept up with this.

Simon King
Designated Non-Executive Director for Workforce Engagement

Engagement with our stakeholders

1 2 3 4 5
Board leadership and Company purpose

Shareholders and Investors

Why it is important we engage

Under Section 172 of the CA 2006 Directors have a duty to act in good faith to promote the success of the Group for the benefit of the Company's members as a whole. Shareholders' views are important as part of the Board decision-making process and we welcome discussions with them.

How we engage across the Group

- Publication of annual and interim reports.
- Corporate website with a dedicated investor section and details of our strategy, business model and ESG activities.
- Results presentations and post-results engagement with major shareholders and lenders.
- Investor roadshows, face-to-face meetings and addressing regular investor and analyst enquires.
- Regulatory Stock Exchange announcements.

How we engage at Board level

- CEO and CFO meetings with shareholders and lenders as part of investor roadshows and ad-hoc meetings as appropriate.
- Meetings between shareholders and Directors, including the Chairman and Chairs of Board Committees.
- Meeting shareholders at the Annual General Meeting.
- Reviewing the voting results of shareholders who voted at the 2024 AGM.
- Engagement with investors as part of the debt refinancing process.

People

Why it is important we engage

SIG is a people business: engagement by the Group with its stakeholders is through its people. Accordingly, engagement by the Group with its workforce underpins SIG's success. SIG's growth and sustainability depends on having the right company culture, supported by suitable behaviours and with a clear purpose.

How we engage across the Group

- Annual all-employee engagement survey.
- Individual performance reviews.
- Regular communications to employees on Workplace relating to company news and recognising achievements.
- Site visits by the Board and ELT.
- Employee share incentive scheme.
- Training and development.
- Apprenticeships.

How we engage at Board level

- The Designated Non-Executive Director for Workforce Engagement meets regularly with employees across the operating companies.
- Regular health and safety reports are presented to the Board.
- Feedback is reviewed from the annual employee engagement survey.
- Annual review and approval of all-employee policies and training.
- Further details on Board-level engagement with employees and how the Board monitors culture can be found on page 75.

Customers

Why it is important we engage

Understanding the needs and requirements of our customers is hugely important and the Group seeks to use this knowledge to partner effectively with our customers. Customer service is vital to maintaining and growing revenues and profits, and we engage with our customers to develop our sales relationships to improve our service and continually develop and refresh our product offering.

How we engage across the Group

- Annual Group-wide customer engagement survey.
- Management at local level of customer relationships.
- Listening to customer feedback to understand the needs of our customers.
- Improving digitally to better communicate and facilitate customer requests and requirements.
- Ensuring appropriate stock levels and product ranges at branches to facilitate customer needs.

How we engage at Board level

- Reviewed the actions proposed to be taken by management in light of the findings of the annual Group-wide customer engagement survey.
- Monitored engagement between management and customers where the latter had sought more information about the sustainability of the products sold by the Group and the steps being taken by the Group to reduce its carbon footprint.
- The Board continued to focus on the steps being taken by management in progressing the digitalisation and modernisation of the Group in response to customer requests and to anticipate future demands.

Directors' Section 172 statement

SIG seeks to foster flexible and constructive relationships with its key stakeholder groups and recognises that the vitality of its strategy is enriched by stakeholder views and feedback. The Directors consider that they have performed their fiduciary duty, as stipulated under Section 172 of the CA 2006 in good faith to promote the success of the Group for the benefit of its members as a whole.

They have taken into consideration, amongst other matters:

- the likely long-term consequences of their decisions;
- the interests of the Group's employees;
- the need to foster relationships with suppliers, customers and others;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

Suppliers

Why it is important we engage

SIG enjoys a pivotal position in industry supply chains: we connect suppliers and customers in ways which they would be unlikely to achieve without SIG's presence. We are a principal route to market for many of our suppliers and we seek to add value for our suppliers by operating as their supply chain partner of choice. We engage with our suppliers to understand their businesses and to identify ways in which we can work with them strategically.

How we engage across the Group

- Our code of conduct and policies on the prevention of anti-bribery and corruption and modern slavery.
- Ensuring branches are close to suppliers.
- Membership of national trade and industry associations such as the Construction Products Association in the UK.
- Collaborating regularly with suppliers to ensure a supply of sustainable products for our customers.
- Discussions on supply chain (Scope 3) carbon emissions.

How we engage at Board level

- Members of the ELT meet with our suppliers in their local geographies.
- Reports to the Board made by the CEO regarding relationships with major suppliers.

Communities and Environment

Why it is important we engage

The Directors appreciate that environmental matters are important to all stakeholder groups who are calling on companies to do more on key sustainability topics and to be more transparent about their efforts. SIG seeks to operate sustainably for the benefit of communities and the environment. The Directors recognise that having close relationships with the communities in which SIG businesses operate supports the long-term success of the business.

How we engage across the Group

- Monthly Sustainability Committee meetings, which include the CFO, CPO and Company Secretary together with function experts from across the Group.
- Waste and Fleet forums to facilitate the Group's waste and carbon reduction commitments.
- Throughout the year, our local businesses supported various charities through fundraising efforts and other initiatives to help those in need in the communities in which we operate.

How we engage at Board level

- Regular updates from Sustainability Committee meetings to understand key sustainability initiatives across the Group and progress to achieve the sustainability commitments.
- Overseeing, considering and reviewing the Group's Environmental, Social and Governance Strategy and sustainability commitments.
- This year the Board reviewed the Group's progress towards reporting under the EU Corporate Sustainability Reporting Directive.

How the Board considered stakeholders during the year

Debt refinancing

During the year, the Board considered the proposed debt refinancing of the Group's existing bond and the issuance of a new bond to proactively manage the debt structure and liquidity of the Group. As part of the Board's decision-making, stakeholder views were considered including feedback from investors and the need to create long-term value for shareholders.

The Board considered that the refinancing would allow management to maintain its clear focus on the delivery of the strategic roadmap and benefit from the expected construction market recovery when it occurs. In addition, the refinancing would provide certainty on the Group's long-term funding to shareholders, customers, suppliers and to the Group's employees. Following a thorough review, the Board decided that the refinancing would be for the benefit of its members as a whole, having given fair consideration to all members and key stakeholders of the Group.

The Board worked closely with the Group's financial advisor and lead advisor bank to ensure that the refinancing resulted in the optimal result for the Group. The Board was involved in the drafting and review of the Offering Memorandum for the new bond, working closely with the Group's legal advisors.

The Board ensured that employees were aware of their obligations under the UK Market Abuse Regulation prior to announcing the transaction to the market. The Board is confident that the refinancing will deliver benefits for all members and stakeholders of the Group.

How our Board is structured

To ensure the Board performs effectively, there is a clear division of responsibilities between the leadership of the Board, its Committees and the ELT.

Shareholders

Our shareholders are the ultimate owners of the Company and play an important role in the governance structure.

More information on our engagement with shareholders can be found on page 76.

The Board

The role of the Board is to promote the long-term sustainable success of the Group, generating value for shareholders and contributing to wider society. More information on the Board's responsibilities can be found in the Schedule of Matters Reserved for the Board and the Board's terms of reference, available on our website.

Committees of the Board

Audit & Risk Committee

Monitors the integrity of financial reporting and the performance of the external Auditor and reviews the effectiveness of the Group's risk management and internal control framework and related compliance activities.

Read more on pages 88 to 95

Nominations Committee

Regularly reviews the structure, size and composition of the Board and oversees the development of a diverse pipeline for orderly succession to the Board and senior management positions. Working with HR, takes an active role in setting and working towards diversity objectives and strategies for the Group.

Read more on pages 84 to 87

Remuneration Committee

Agrees with the Board the framework or broad policy of remuneration for the Chairman, Executive Directors and senior executives, and sets their remuneration. Reviews remuneration policies across the Group, ensuring the alignment of workforce remuneration and incentives with the Group's culture and strategy.

Read more on pages 98 to 119

Executive Leadership Team

The ELT addresses operational issues and is responsible for implementing Group strategy and policies, day-to-day management and monitoring performance.

Members are those individuals listed on pages 80 to 81

Relationship with CD&R

SIG's relationship with CD&R is governed by the Relationship Agreement entered into in 2020. Under the Relationship Agreement, CD&R has the right to nominate two non-independent Non-Executive Directors. The CD&R nominated Non-Executive Directors are Bruno Deschamps and Diego Straziota. Bruno is a member of the Nominations Committee and the Remuneration Committee. Diego attends Audit & Risk Committee meetings as an observer.

The Relationship Agreement provides for the CD&R Non-Executive Directors to have a regular meeting with the CEO and management. This is fulfilled through operational review meetings involving the Chairman, CEO, CFO, Group General Counsel & Company Secretary and, by invitation, one of the independent Non-Executive Directors. Meetings are structured as two sections: either with two operating companies or with one operating company and a second session dealing with a separate business matter. During 2024, each operating company presented to at least one operational review meeting. All papers for operational review meetings are made available to the full Board. A debrief on the matters discussed at each meeting is provided by the CD&R Non-Executive Directors at the subsequent Board meeting.

Bruno and Diego's industry experience and knowledge is of significant value to the operating companies. Under the Relationship Agreement, any actual or potential conflict between the interests of CD&R and/or either of the CD&R Non-Executive Directors and SIG must be declared, and the relevant CD&R Non-Executive Director may be prevented from voting on any such matter. At each Board meeting all Directors are required to declare any new conflicts of interest. The Board greatly appreciates the contribution made during 2024 by Bruno and Diego, and CD&R more generally, and believes it significantly benefits all of SIG's shareholders and stakeholders.

Board roles and responsibilities

Non-Executive Directors

Chairman
- Leads the Board, responsible for its overall effectiveness in directing the Group.
- Chairs Board and Nominations Committee meetings and setting agendas for those meetings.
- Shapes the culture in the Boardroom, ensuring that all Directors contribute effectively, and leads Board succession planning.
- Ensures an appropriate balance is maintained between the interests of shareholders and other stakeholders.
- Promotes high standards of corporate governance.
- Ensures all Directors receive a substantive induction on joining the Board.

Senior Independent Director
- Acts as a sounding board for the Chairman.
- Available for approach by shareholders, where communications through the Chairman or Executive Directors may not be appropriate.
- Attends sufficient meetings with major shareholders to obtain a balanced understanding of the issues and concerns of such shareholders.
- Leads the evaluation of the Chairman's performance at least once a year, meeting with the Non-Executive Directors, without the Chairman being present.
- Leads the succession process for the Chairman.

Non-Executive Directors
- Provide constructive challenge to the Executive Directors.
- Provide strategic guidance to the Company.
- Offer specialist advice.
- Scrutinise and hold to account the performance of the Executive Directors against agreed performance objectives.

Designated Non-Executive Director for Workforce Engagement
- Oversees the Board's engagement with the Group's workforce.
- Gathers views of employees through a variety of formal and informal channels and identifies any areas of concern.
- Strengthens the link between the Board and employees.

Executive Directors

Chief Executive Officer
- Ensures effective leadership and day-to-day running of the Company.
- Responsible for proposing, delivering and implementing the strategy approved by the Board.
- Leads the ELT and oversees key functions.
- Regularly reviews the organisational structure including development and succession planning.
- Responsible for setting an example to the Group's workforce, for communicating to them the expectations in respect of the Group's culture and for ensuring that operational policies and practices drive appropriate behaviour.
- Ensures the Chairman and Board are advised and updated regarding key matters.

Chief Financial Officer
- Leadership, direction and management of Group Finance, including tax and treasury matters.
- Leads financing and funding matters.
- Oversight of, and guidance to, the operating companies' Finance teams.
- Responsible for monitoring and driving financial performance across the Group with rigour and consistency.
- Establishing and maintaining adequate internal controls and ensuring the integrity of all internal and external financial reporting.
- Oversees the production of the Group's annual budget for approval by the Board.
- Develops long-term financial plans.
- Investor relations.

Group General Counsel & Company Secretary

Independent advisor to the Board and Chief Legal Officer to the Group.

- Keeps the Board up to date on all relevant legal and governance requirements.
- Supports the Chairman and Committee Chairs to set meeting agendas and ensure Directors receive accurate, timely and clear information.
- Ensures Board procedures and best practice governance arrangements are followed, and decisions are implemented.

Our Executive Leadership Team

as at 4 March 2025

1 2 3 4 5

Division of responsibilities

Gavin Slark
Chief Executive Officer

See Gavin's biography on page 70.

Ian Ashton
Chief Financial Officer

See Ian's biography on page 70.

Julie Armstrong
Chief People Officer

Julie joined SIG as Chief People Officer in 2021, bringing over 21 years' experience across various roles in and outside of HR roles. Prior to joining SIG, Julie was Chief People Officer at Calisen Group. Prior to this, Julie held the position of Group HR Director at Thomas Cook and served as Customer Services Director at Manchester Airports Group.

David Hope
Managing Director UK Specialist Markets

David re-joined SIG in 2020. He has over 26 years of industry expertise and held various roles at SIG from 2007 to 2017. He was appointed Managing Director UK Construction Accessories and Specialist Markets in 2022 and joined the ELT in 2023. David was previously Managing Director UK & Ireland Packaging at Antalis and Managing Director of Springvale EPS Insulation, a business division of CRH plc.

Alfons Horn
Managing Director Germany

Alfons re-joined SIG in 2021 and has over 26 years' experience in the distribution and building materials industry. From 1998 to 2016, he held various positions with SIG Germany, including Managing Director and Chairman of the Management Board. Alfons has held several senior executive and advisory roles within the industry, he served as Regional President for BMI Monier and Managing Director for Contract Company Holding GmbH.

Chris Lodge
Managing Director UK Roofing

Chris joined SIG through an acquisition in 2005 and has held several finance roles including, most recently, UK Finance Director. In 2023, he became Managing Director UK Exteriors and joined the ELT. Chris brings over 27 years of experience in specialist merchanting, with prior roles held at SIG Roofline & Building Products and Omnico Plastics Limited.

Howard Luft
Managing Director UK Interiors

Howard joined SIG in October 2024 as Managing Director UK Interiors. He has a strong background in building materials with over 40 years of experience in the sector. Prior to joining SIG, Howard was Chief Executive Officer at Selco Builders Warehouse. He previously served as Managing Director of CCF at Travis Perkins Group plc and Managing Director of Crown Paints at Buck & Hickman.

Julien Monteiro
Managing Director France

Julien joined SIG in 2018 as Managing Director of SIG France. Prior to joining SIG, Julien served as Managing Director at Brammer Group and held senior positions at Nacco Materials Group. Julien has over 16 years of international experience in the specialist industrial distribution industry.

Sarah Ogilvie
Head of Investor Relations & Communications

Sarah joined SIG in 2022 and joined the ELT in 2023, overseeing investor relations and communications. Sarah has over 21 years' experience in corporate affairs and investor relations, holding prior roles at Intertek Group plc, Accys Technologies plc and Good Energy plc. Her career began in corporate law and corporate affairs in the telecommunications sector.

Bert de Ru
Managing Director Benelux

Bert joined SIG in 2023 as Managing Director Benelux. He brings a wealth of expertise in the building materials and pitched and flat roofing markets, having gained experience with renowned international companies, including BMI Monier and Icopal over the last 14 years.

Marcin Szczygiel
Managing Director Poland

Marcin joined SIG in 1999 as Managing Director of SIG Poland. With over 26 years of experience in the specialist construction distribution industry, he previously served as Managing Director at Sitaco. Prior to this, he held various positions at Saint Gobain Isover before becoming Sales and Marketing Director for Isover Poland.

Andrew Watkins
Group General Counsel & Company Secretary

Andrew joined SIG in 2019. He has over 26 years' experience as legal counsel across public and private sectors. Prior to joining SIG, Andrew was General Counsel at Hyve Group plc and General Counsel & Company Secretary at Ebiquity plc. Andrew began his career working in law firms, including Towers & Hamlins LLP where he was a Partner.

Kevin Windle
Managing Director Ireland

Kevin joined SIG in 2014 as Finance Director Ireland and was appointed Managing Director Ireland in 2019. Prior to joining SIG, Kevin was the EMEA Finance Director for Glanbia Performance Nutrition and held the position of Finance Director for Grafton Merchanting Ireland. Kevin has over 23 years of experience in finance and leadership roles within the building merchanting industry.

Board arrangements

Managing time commitments

The Board is satisfied that there is no compromise to the independence of Directors who have other external appointments. Each of the Non-Executive Directors brings their own senior level of experience and expertise, and the balance between non-executive and executive representation encourages healthy independent challenge.

Prior to appointment, Directors are required to disclose other directorships. The Nominations Committee reviews the commitments of Directors upon appointment, any proposal for reappointment and following a change in roles, to ensure that each of the Directors has sufficient time to fulfil their responsibilities. Directors must not take on additional external appointments without the approval of the Board.

Board support

The Directors have full access to the Company Secretary, whose responsibility is to ensure that Board policies and procedures are followed, including minuting of any unresolved concerns that any Director may have in connection with the Group. During the year there were no such unresolved issues.

Directors wishing to take independent legal advice in the furtherance of their duties may do so at the Group's expense. On resignation, if a Non-Executive Director had any concerns, the Chairman would invite them to provide a written statement to the Board. The appointment and removal of the Company Secretary is a matter reserved for the Board. The Board and its Committees are provided with sufficient resources to undertake their duties. Appropriate training is available to all Directors on appointment and on an ongoing basis as required.

The Group operates a paperless meeting system for the Board and its Committees, which supports our online drive across the Group and impact on the environment. Board and Committee papers are accessible to Directors through an electronic portal as well as information such as analyst and shareholding reports and financial results. There is a 'Reading Room' within the portal where Directors can view other relevant Company information. The Group General Counsel & Company Secretary attends all Board meetings and is at hand to answer questions or offer independent advice or expertise to Directors.

Election and re-election of Directors

All Directors are subject to election at the AGM following their appointment and to re-election every three years. In accordance with the Code, all Directors seek election or re-election at the AGM each year.

The 2025 Notice of AGM includes the skills and experience that each Director has, and a statement as to why their contribution is and continues to be important to the Group's long-term sustainable success.

It is the view of the Board that each of the Non-Executive Directors standing for re-election brings considerable management experience and an independent perspective to Board discussions and is considered independent of management. Each of the independent Non-Executive Directors standing for re-election is considered free from any relationship or circumstance that could affect, or appear to affect, the exercise of their independent judgement.

The Chairman intends to confirm at the AGM that, as evidenced by the 2024 Board performance review, the performance of each individual Director continues to be effective, and each Director acts with integrity, leads by example, promotes the desired culture and demonstrates commitment to the role.

The terms of the Directors' service contracts are disclosed in the Directors' remuneration report on page 118. Full details of Directors' remuneration, interests in the share capital of the Company and share options held are set out on page 115. Directors' service contracts and the letters of appointment of the Non-Executive Directors are available for inspection at the Company's registered office and will be available at the 2025 AGM.

Training and induction

The Chairman reviews with the Board its training and development needs. All Directors receive induction training on their Directors' duties, the responsibilities of a listed issuer, and the obligations of a company admitted to the Equity Shares (Commercial Companies) category of the Official List of the FCA. The Board receives appropriate presentations from advisors and management on a range of topical issues, such as from the Group's financial advisors in relation to the macroeconomic and industry backdrop and sector dynamics that SIG faces.

On appointment, Directors receive an induction to the Group. This involves meetings with each Board member, ELT members, external advisors (such as brokers, auditors and financial advisors), visits to branches, and access to key corporate materials. The programme ensures that they are well briefed on current Board topic areas, the Group's strategy, purpose and structure, stakeholder engagement activities, operations, finance and the industry.

Board performance review

The Board undertakes an annual review of its own and its Committees' performance.

The recommendations from the 2023 performance review are set out below together with a summary of the progress that was made to satisfy the recommendations during the year.

2023 recommendations	Action taken during 2024
Maintain the Group's focus on short-term financial performance, within the context of prevailing market conditions, alongside continuing focus on long-term value creation	Prevailing market conditions in the majority of the Group's countries of operation, including notably its largest markets in the UK, France and Germany, were challenging. Accordingly, the Board spent significant time during the year reviewing current trading and considering ways in which the short-term performance of the business could be safeguarded and improved. The Board also remained mindful of the need to sustain and build long-term value creation. The decision to refinance the Group's senior debt in the second half of the year was to provide a secure funding platform from which value can be driven across the medium-term, for the benefit of shareholders and all stakeholders.
Continue the turnaround in the UK Interiors business	Considerable work has been done in recent years to improve the UK Interiors business, much of which has been masked, in terms of financial improvements, by the difficult market conditions that have prevailed in this time. To build upon these improvements, a new Managing Director joined the business in October with a clear objective to deliver improved financial returns.
Review of, and ongoing visibility over, the strategic and operational plans of each operating company to achieve their medium-term margin targets	The Board reviewed plans from the operating companies that set out how each of them intends to achieve their medium-term margin targets. The Board critically assessed the plans and passed feedback to the executive management to be considered by the operating company management teams for the further iteration of those plans.
Further development of talent and culture across the organisation	The Board was pleased that, despite the challenging trading markets experienced in the year, the results from the 2024 employee engagement survey were broadly consistent with the previous year. Notably, there was modest improvement in the overall response rate together with slight improvement in the culture index. The Board was also pleased to receive from the Nominations Committee updates on measures taken to develop talent across the Group.

Process and outcomes of the 2024 Board and Committee performance review

During the year, the Board approved a questionnaire to be completed by all Directors with certain questions requiring, in addition, open text comment answers. The questionnaire focused on several key topics aligned to the Code, including Board leadership and culture; Group purpose and strategy; and Board and ELT composition and succession, including diversity, equality and inclusion. There were subsets of the questionnaire specific to each of the Audit & Risk Committee, the Remuneration Committee and the Nominations Committee.

The 2024 Board and Committee performance review was led by the Chairman and the Group General Counsel & Company Secretary and the responses to the questionnaire were discussed with the Chairs of each of the Committees regarding the sections of the questionnaire specific to those Committees. As part of the review, the Chairman met with the Non-Executive Directors individually to discuss the feedback on their performance, and the SID met with the Chairman to discuss his performance.

The Board priorities for 2025 include:

- Developing the plan to make the Group a profitable, cash generative, and financially sustainable business and one thereby capable of creating value for shareholders.
- Making material progress in addressing the UK Interiors business through focused Board reviews, understanding the issues and challenges, and supporting the management team.
- Continuing to drive the talent agenda, ensuring retention and strong incentivisation of high performing leaders whilst also addressing areas of weakness and underperformance. Board review of culture.

Further information on the objectives set by each Committee for 2025 can be found in their reports.

Nominations Committee report

1 2 3 4 5

Composition, succession and evaluation

Andrew Allner
Chair of the Nominations Committee

Committee members

Andrew Allner[1] (Chairman)
Alan Lovell
Bruno Deschamps
Gillian Kent
Kath Durrant
Shatish Dasani
Simon King

1. Independent on appointment.

On behalf of the Nominations Committee ('the Committee'), I am pleased to present its report for the year ended 31 December 2024. The report describes how the Committee has carried out its responsibilities during the year.

Committee purpose and aims

To lead the process for Board appointments, ensure plans are in place for orderly succession to both Board and senior management positions, and oversee the development of a diverse talent pipeline for succession.

The Committee aims to maintain the appropriate balance of skills, knowledge, experience, diversity and independence of the Board and its Committees to ensure their continued effectiveness.

Role and responsibilities

To review the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board compared to its current position and in light of future challenges affecting the business.

To make recommendations to the Board regarding any changes, to ensure that plans are in place for the orderly succession and development of Directors and other senior executives, and to oversee the development of a diverse pipeline for succession. To ensure that all newly appointed Directors undertake appropriate induction training to ensure that they are fully informed of the strategic and commercial issues affecting the Group and the markets in which it operates, as well as their duties and responsibilities as a Director of the Board.

Working with the Chief People Officer, to take an active role in setting and meeting diversity objectives and strategies for the Group as a whole.

Meetings and membership

During the year, the Committee met on four occasions. The quorum for meetings is three members, the majority of whom must be independent Non-Executive Directors. Members of the Committee are not involved in matters affecting their own position.

The Committee comprises the Chairman and six Non-Executive Directors of whom five are independent Non-Executive Directors. No Executive Directors are appointed to the Committee; however, they may attend by invitation if the matters to be discussed require their participation. The Chief People Officer attends Committee meetings. Attendance at Committee meetings is set out on page 74.

Highlights from the year

- Reviewed succession planning and talent development for the Board and senior management.
- Considered the Executive Leadership Team composition including changes to membership during the year.
- Reviewed the Board composition and membership of Committees.
- Reviewed diversity and inclusion across the Group.

Board composition (%)

Independent Non-Executive Directors	6
Non-Independent	2
Executive Directors	2

Board gender balance (%)

Male	8
Female	2

Board tenure (%)

0-4 years	4
4+ years	6

Ethnic diversity (%)

White British/other white	9
Asian/Asian British	1

Summary of Directors' skills[1]
As at 4 March 2025

1. The Board were asked to score themselves from 0 (no/little experience) to 3 (detailed knowledge/experience) to give a score out of 30 for each topic.

The Committee in 2024

Board composition and succession planning

The Board comprises ten Directors: the Chairman of the Board, two Executive Directors, and seven Non-Executive Directors, of whom five are independent Non-Executive Directors.

During the year, and in accordance with its usual practice, the Committee reviewed the wider composition and balance of the Board. The review considered the membership of the Committees of the Board, the balance on the Board between Executive and Non-Executive Directors, the tenure of the Directors, diversity on the Board and the independence of the Non-Executive Directors. The Non-Executive Directors, other than Bruno Deschamps and Diego Straziota who are CD&R representatives on the Board, are considered independent as at the date of this report. On appointment to the Board, the Chairman was considered independent in accordance with the terms of the Code.

There were no changes to the composition of the Board during the year. The Committee will continue to keep under review the skills and experience of the Board, covering both Executive and Non-Executive positions, ensuring plans are in place for orderly succession, to ensure the Group continues to compete effectively in the markets in which it operates.

The Committee acknowledges that Board succession planning will be a topic of focus in the coming years, as several Directors near the end of their tenures. The Committee will lead the appointment process for new Director appointments and take into consideration the need for diversity on the Board. For more information on the biographical details for each Director see pages 70 to 71.

Nominations Committee report continued

Non-Executive Directors are initially appointed for a three-year term and their reappointment for a further term is a matter for approval by the Committee. In making recommendations for the annual re-election of the Chairman and Non-Executive Directors, the Committee considers the skills, knowledge, experience, independence and the time commitments of each Director to ensure that they have sufficient time to fulfil their responsibilities to the Group. In accordance with the Code all Directors will accordingly be put forward for re-election at the 2025 AGM. Details of the reasons each Director continues to contribute to the success of the Group are contained in the Notice of AGM.

Group Executive Leadership Team changes

In August, it was announced that Howard Luft would join SIG as Managing Director of UK Interiors. Howard joined the Group from Selco Builders Warehouse where he served as CEO for seven years. Howard has a strong background in building materials distribution with over forty years of experience in the sector. Biographical details of ELT members can be found on pages 80 to 81.

Talent and succession planning

During 2024, the Committee considered succession planning for both the ELT and the European Leadership Group ('ELG'). The Committee has visibility of a range of employees who have been identified as potential succession candidates for such roles in the short, medium and long-term. The Committee reviews the development programmes for these individuals to ensure there is a diverse pipeline of future leaders.

The Committee is committed to proactively identifying and developing leadership from within the Group whilst ensuring that we attract applications from high calibre external candidates. To achieve this we will continue to invest in leadership and executive development to ensure a diverse balance of future successors for key roles within the Group.

Diversity and inclusion

The Board acknowledges the importance of diversity in its broadest sense in the Boardroom as a driver of Board effectiveness. The Board recognises that gender, ethnic, and social and cultural diversity of boards are significant aspects of diversity and acknowledges the role that women and those of different ethnic, social and cultural backgrounds with the right skills, experience, cognitive and personal strengths can play in contributing to diversity of perspective in the Boardroom. The Board also aspires to achieve diversity levels for each of its Committees at least consistent with the diversity achieved for the Board itself. The policy on Board diversity, which complements the Group's wider diversity policies and our strategic vision, was reviewed by the Board during the year and is available on the Group's website.

The Board acknowledges that, as at 31 December 2024, whilst it met two out of the three UK Listing Rules ('UKLR') diversity targets, its composition did not yet meet the UKLR requirement of female representation of at least 40%. The Board comprises ten Directors, of whom two are women. Of the six independent Non-Executive Directors, one-third are women. CD&R has the right to appoint two Directors, under the Relationship Agreement, and CD&R's two appointees to the Board are both male. On a statistical level, this makes meeting higher thresholds of gender diversity more challenging whilst maintaining what the Board considers to be an appropriate and effective size. With Kath Durrant being SID we have achieved the UKLR requirement of having at least one senior Board position held by a female. We also meet the Parker Review and UKLR target of ensuring at least one Board member is from an ethnic minority background.

As at 31 December 2024, representation of women within the ELT was 21%, and within the ELT and their direct reports was 28%. The Committee recognises that female representation at Board level and at our most senior levels can be improved. The Board and senior leadership's gender identity and ethnicity data presented in accordance with Listing Rule 6.6.6R (9) can be found on page 121.

The Committee receives regular information on diversity from across the Group except from those countries where the law does not permit such information to be gathered. The Group continues to ensure where possible that recruitment for any new roles has a short-list of diverse candidates.

In 2022, SIG established a Group-wide diversity, equality and inclusion ('DEI') forum, including representation from each operating company and employees across the business. A Group DEI framework was established to guide activities across the business, while allowing each operating company flexibility to ensure alignment to local culture. The programme aims to enhance DEI awareness across SIG. Further information on our Group-wide DEI activities during the year can be found on page 40.

Review of Committee terms of reference

During the year, the Board reviewed the terms of reference of the Committee and made a number of non-material updates to them. These can be found on the Group's website at **www.sigplc.com**.

Committee performance review

An internal performance review of the Committee was conducted for 2024 and further details can be found on page 83. The recommendations from the Committee's 2023 performance review are set out below together with a summary of the progress that was made to satisfy the recommendations during the year:

2023 recommendations	Action taken during 2024
Succession planning for Board membership	The Committee reviewed the tenures of each of the Directors, noting that some Directors are now serving, or are due to shortly begin serving, their final terms of office. The Committee, including the Chairman, also considered the skills of the Board together with the skills that the Board is likely to require to assist the Group in delivering its medium-term margin targets. This work has provided a platform from which the Committee can take forward its succession planning for the Board during 2025 and beyond.
ELT succession planning	During the year, there was one change made to the membership of the ELT, which was to the Managing Director of the UK Interiors business. The Committee considered the stage of the turnaround of the business and the skills and experience required to advance the turnaround through its next phases. The Committee's view was that Howard Luft was the right appointment for the operating company. More broadly, the Committee built on its work in previous years in reviewing succession planning for the ELT which this year included a review of the first-line reports of the operating company Managing Directors.
Identification and preparation of diverse talent pipelines	During the year, each of the operating companies completed a talent and organisation capability review with the CEO and Chief People Officer. The review assessed the strength of talent and succession pipelines, diversity and how each business developed their skills, knowledge and specialisms to deliver the business strategy. The Committee reviewed the outputs of these sessions, which covered the key issues and progress of each operating company to develop diverse talent pipelines.

The priorities that the Committee has established for 2025 include:

- Board structure and succession.
- Review of ELT talent and succession.
- Review of talent pipelines for leadership and critical roles.

Audit & Risk Committee report

Shatish Dasani
Chair of the Audit & Risk Committee

Committee members

- Shatish Dasani (Chair)
- Alan Lovell
- Gillian Kent
- Kath Durrant
- Simon King

On behalf of the Audit & Risk Committee ('the Committee'), I am pleased to present its report for the year ended 31 December 2024. The report describes how the Committee has carried out its responsibilities during the year.

Committee purpose and aims

To provide effective oversight and governance over the integrity of the Group's financial reporting (including climate-related financial disclosures) so as to ensure that the interests of the Company's shareholders and other key stakeholders are considered and protected.

To make recommendations on the reporting, control, risk management and compliance aspects of the Directors' and Group's responsibilities, providing independent monitoring, guidance and challenge to senior management in these areas.

The Committee's aims are to ensure high standards of corporate and regulatory reporting; an effective risk management and internal control framework; and effective compliance monitoring. The Committee believes that excellence in these areas enhances effectiveness and reduces the risks of the Group to an acceptable level.

Role and responsibilities

The Committee supports the Board in fulfilling its oversight responsibilities in ensuring the integrity of the Group's financial reporting, internal controls and overall risk management process, and relationship with the Company's external Auditor.

Financial reporting

- Monitoring and reviewing the Group's accounting principles, practices and policies, including the integrity of the Group's consolidated financial statements, and compliance with legal and regulatory requirements and financial reporting standards, including climate-related financial disclosures.
- Providing advice on whether 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 and performance, business model and strategy.
- Reviewing external financial reporting and associated announcements, including significant financial reporting judgements contained in them.

Risk management and internal control framework

- Overseeing the adequacy and effectiveness of the internal control framework.
- Reviewing and monitoring the effectiveness of the risk management procedures in place and the steps being taken to mitigate the Group's risks.

External audit

- Making recommendations to the Board on the appointment, removal, remuneration and terms of engagement of the external Auditor.
- Reviewing and assessing the external Auditor's independence and objectivity taking into account relevant UK law and professional and regulatory requirements.
- Developing and implementing a formal policy on non-audit services.
- Reviewing and approving the annual audit plan and assessing the effectiveness of the audit process.

Risk & Assurance

- Monitoring and reviewing the effectiveness of the Group's Risk & Assurance function.
- Reviewing and approving the annual internal audit plan and monitoring its effectiveness, including reviewing timely implementation of management actions on agreed control recommendations.

Meetings and membership

The Committee meets regularly throughout the year, with four meetings being held during 2024. Key matters considered at meetings of the Committee are set out below.

The Board considers that each member of the Committee was independent throughout the year, and remains so, and there are no circumstances which are likely to impair their independence according to the factors set out in the Code or otherwise. The knowledge and experience of the Committee members means that the Committee is competent in the sector in which the Group operates. All Committee members have a wide range of business experience and expertise such that the Committee can fulfil its responsibilities.

Shatish Dasani, as Chair of the Committee, is a chartered accountant and has recent and relevant financial experience for the purposes of the Code. For more information on the skills and experience of each Committee member see pages 70 to 71.

Attendance by individual members of the Committee is disclosed in the table on page 74. The Committee Chair regularly invites senior management to attend meetings of the Committee to discuss or present specific items.

The CFO, Ian Ashton, and the CEO, Gavin Slark, attended all of the Committee meetings in 2024, as did the Chairman of the Board. The external Auditor, the Group Director of Audit and Risk and the Group Financial Controller also attended all meetings of the Committee and have direct access to the Committee Chair.

The Committee meets regularly with the external Auditor and the Group Director of Audit and Risk without the Executive Directors being present, and the Committee Chair also meets with the external Auditor, the CFO, the Group Financial Controller and the Group Director of Audit and Risk in advance of Committee meetings.

In accordance with the Relationship Agreement with CD&R, Diego Straziota, a Director nominated by CD&R, attended as an observer all Committee meetings held this year. As an observer, Diego is entitled to attend meetings but cannot affect the decision-making of the Committee.

Highlights from the year

- Finance organisation review
- Review of the 2023 Annual Report and Accounts, including key judgements, the going concern basis of preparation and viability statement
- Group risk register and principal risk review, including deep dive of specific and emerging risks
- Risk update and Annual Report disclosure
- Review of 2024 half-year results announcement
- Post-investment reviews
- Review of the revised UK Corporate Governance Code 2024
- Biannual cyber security review

At every meeting the Committee considers:

- Report of the CFO
- Report of the external Auditor
- Report of the Group Director of Audit and Risk
- Minutes and actions from previous meetings

The Committee also considered during the year:

- Internal controls and the control framework
- Senior Accounting Officer annual review
- Annual external Auditor evaluation
- Report on Tax and Treasury matters
- Review and approval of non-audit services from the external Auditor
- Committee performance review and 2024 actions
- Review of the effectiveness of the Internal Audit function
- Review of the Committee terms of reference
- Fraud risk assessment
- Customer credit risk
- ESG reporting and assurance
- Rationalisation of the Group's company structure

Audit & Risk Committee report continued

The Committee in 2024

Significant financial judgements

The Committee considered a number of significant accounting matters during the year, related to areas requiring management to exercise particular judgement or a high degree of estimation. These matters were discussed and reviewed with management and the external Auditor and the Committee challenged judgements and sought clarification where necessary. The matters and how they were addressed by the Committee are set out below:

Key financial reporting and significant financial judgements considered in relation to the financial statements		How the issue was addressed by the Committee
Carrying value of goodwill and other non-current assets	The carrying value of goodwill and other non-current assets is reviewed at the mid-year point and at year end. The Group estimates a recoverable amount for each individual cash-generating unit ('CGU') based on forecast revenues, operating margins and discount rate risk adjusted where appropriate. For Benelux and UK Interiors the recoverable amount is determined based on fair value less costs of disposal as this is higher than value in use.	The results of the 2024 impairment review have been reviewed. For the CGUs where the assessment is based on value in use, as a result of the prevailing market conditions in 2024, the level of headroom for a number of CGUs has reduced compared to 31 December 2023. The Committee considered the sensitivity analysis performed, in particular the percentage change in the key assumptions that would be required to lead the value in use to equal carrying value. The percentage changes in revenue and gross margin for the Miers and France Roofing CGUs, and the percentage changes in revenue for the UK Specialist Markets and Building Solutions CGUs are considered to be reasonably possible scenarios given current uncertainties regarding market demand and the forecast revenue growth included in the forecasts, and the Committee has reviewed the disclosures in the Consolidated financial statements in relation to this. For the UK Interiors and Benelux CGUs, the Committee has considered the assessment of recoverable amount based on fair value less costs of disposal. The value of the property right-of-use assets is supported by independent third party valuations for a number of properties, based on the potential rental income to be obtained from subletting. An impairment of £7.3m has been recognised against fleet right-of-use assets in UK Interiors, where there is no right of sublet or early termination under current contractual terms. The Committee is satisfied with the conclusions reached and the disclosures in the Consolidated financial statements.
Recognition and measurement of supplier rebate income	Procedures and controls are in place to ensure that the reporting, reviewing and accounting for supplier rebate income is properly managed and that supplier rebates are recognised appropriately in the Consolidated financial statements.	The Committee considered the adequacy of work performed in the year to gain assurance that procedures and controls in place were effective. This included the Committee considering the controls in relation to the reporting, reviewing and accounting for supplier rebates, and considered the level of supplier rebate receivable balances at 31 December 2024 compared to the supplier rebate income recognised, and has reviewed the relevant disclosures in the Consolidated financial statements.
Disclosure of Other items	The Group presents income statement items in the middle column of the Consolidated income statement, entitled Other items, when they are significant in size and nature, and either do not form part of the trading activities of the Group or where their separate presentation enhances understanding of the financial performance of the Group.	The Committee carefully considered the judgements made in the separate disclosure of Other items. In particular, the Committee sought to ensure that the treatment followed consistent principles and that reporting in the Consolidated financial statements is suitably clear and understandable.
Going concern basis and viability statement	The Group is required to assess if it has access to sufficient resources to continue as a going concern and assess the period of viability.	The Committee considered the review of going concern and longer-term viability performed by management and reviewed the financial statement disclosures. On the basis of the financing the Group has in place and the Group's latest financial forecasts, the Committee is satisfied with the conclusions over going concern and longer-term viability. Further detail on the going concern assessment prepared by the Group is included on page 59.

Oversight of risk management and internal controls

The Committee reviews and examines the effectiveness of the Group's risk management and internal control framework and advises the Board in the exercise of its responsibility for maintaining sound risk management and internal control systems. The Board has approved a set of policies, procedures and frameworks for effective internal control and risk management.

These procedures are subject to regular review and provide an ongoing process for identifying, evaluating, and managing the significant risks faced by the Group. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatements or loss.

Risk management

The Committee supports the Board in its oversight of ensuring the integrity of the Group's financial reporting, internal controls, risk management processes and the relationship with the external Auditor. On an annual basis the Committee oversees the review of the Group's key strategic risks and uncertainties. In performing this review, the Committee seeks the opinions, and takes into consideration the inputs, of a broad range of SIG stakeholders. This included the consideration of the outputs of individual strategic risk assessments, performed at each of our operating companies, the insight and views of the ELT and the outputs of one-to-one meetings held between the Group Director of Audit and Risk and individual Board members and senior management.

These risks are also subject to review on a periodic basis whereby the Committee considers the impacts of any changes to SIG's risk profile arising from updates from the Group Director of Audit and Risk on key issues in relation to the Group's risk management systems and processes, the outputs of deep-dive risk reviews, updates to individual operating companies' strategic risk registers and issues identified through other assurance activities completed across the Group during the year.

Risk management roles and responsibilities:

The Committee

- Has responsibility for reviewing and examining the effectiveness of the risk management and internal control framework implemented by management.
- Reviews and recommends the annual strategic risk reporting process to the Board for approval. On a periodic basis, it reviews the status of key risks and uncertainties, the effectiveness of internal controls or other mitigations implemented and trends and issues arising from key risk indicators.

Executive Leadership Team

- Each ELT member is responsible for reviewing, at least biannually, the status of strategic risks and uncertainties relevant to their area of responsibility.

Operating company Managing Directors

- Responsible for ensuring their operating company has an appropriate and proportionate risk management process which captures, assesses and prioritises business risks and identifies appropriate mitigation strategies. This process is reviewed and, if necessary, updated, on a regular basis or when changes in business activities or external events are likely to have a reasonable impact on the operating company's risk profile. Each operating company's Managing Director is also responsible for formally approving and signing-off their operating company's strategic risk report.

Group Director of Audit and Risk

- Provides advice and, where requested, support to Group and operating companies' management to ensure their completion of risk management activities.
- Regularly reviews the output of operating companies' and Group functions' risk management activities and processes in order to provide reasonable assurance to the Committee that appropriate internal controls have been implemented to mitigate the likelihood of risks materialising and minimising potential impacts arising.
- Works collaboratively with the Committee, ELT and operating company Managing Directors to prepare an annual review of strategic risks and uncertainties to ensure that the nature and treatment of critical risks and uncertainties (relative to both the Group and each operating company's strategic plans) are appropriately articulated, and that appropriate mitigations are implemented where necessary.

Internal control framework

The Group has adopted an assurance framework which provides a structured means to support the ongoing process of identification, evaluation and management of significant risks faced by the Group. The aim of the framework is to ensure that a single easily explainable framework exists for all aspects of control (financial and non-financial), with individual elements clearly defined and understood and a clear linkage throughout the framework from a branch to Board level. The framework is the basis on which the annual plan is built.

Some major activities performed as part of the annual controls plan for 2024 were:

- Operating company controls reviews;
- France controls enhancement;
- Benelux controls programme;
- Key controls framework assessment; and
- Monitoring actions and supporting owners with remediation activities with regular reporting to the Committee.

The Committee has responsibility for reviewing the adequacy and effectiveness of the Group's internal control framework. At each Committee meeting, reports are provided on the findings of the operating companies, reviews conducted by the Group Head of Internal Controls and Internal Audit, investigations and management agreed actions. The Committee receives regular reports on progress and any issues arising.

Audit & Risk Committee report continued

Oversight of Internal Audit

The Group Internal Audit function provides independent assurance to senior management and the Board on the adequacy and effectiveness of SIG's risk management and internal control framework. Internal audit forms an independent and objective assessment as to whether risks have been adequately identified, appropriate internal controls are in place to manage those risks, and whether the controls are working effectively.

The Committee reviewed the remit, organisation, and resources of the function, together with the internal audit plan. The internal audit plan was regularly reviewed during the year to ensure it remained aligned to the key risks of the business and that the function was appropriately resourced.

The Internal Audit function includes French and Polish speakers as well as English. External resources continue to provide co-sourced support, when necessary, to Group Internal Audit to cover specialist areas.

Audit reports were presented to the Committee with areas of weakness resulting in action plans being developed and follow-up reports required to ensure that actions had been completed acceptably.

Examples of internal audit reports issued during the year include:

- UK Cash Management
- SIG UK Fleet Management
- SIG Germany Supplier Rebates
- SIG France property management
- SIG UK Finance Outsourcing review

Consistent with previous years, the Committee agreed the process for the evaluation of the performance of the Group Internal Audit function which involved the circulation of a questionnaire tailored for several participating stakeholder groups. The questionnaire was sent to the Committee, Executive Directors, Managing Directors and Finance Directors of the operating companies and the external Auditor. Members of the Internal Audit team were also asked to complete a questionnaire by way of self-assessment.

The areas of focus for the Group Internal Audit function for 2024 are set out below together with a summary of how these were addressed during the year:

1. Greater visibility of the preparation process in determining the annual audit plan and discussion at Audit & Risk Committee meetings.

Key areas of risk were discussed with Board members as part of the year-end principal risks and uncertainties review process. The risks identified were considered as part of the audit planning process and formed the basis of an indicative 2024 internal audit plan presented to the Committee in December, prior to its final approval in February 2024.

2. Assess the quantity of audits to be conducted during the year and maintain focus on ensuring audits have the right level of resource and are completed within the agreed timeframe.

Regular updates regarding performance of the audit plan and any changes are communicated regularly to the Board through formal updates at each Committee meeting and as part of the CFO's regular updates to the Board.

3. Explore the use of data analytics to provide insight on the control environment and look at how to streamline the control framework across the operating companies.

The Group Internal Audit function continued to utilise internal operating company resource to interrogate data using Power BI data visualisation tools. Opportunities were assessed to enhance data analytic capabilities of audit processes, through advanced data analytics software, supported by an external provider, to enable more effective reviews of data sets containing large volumes of structured and unstructured data.

4. Recruit additional European language skills into the Internal Audit function to ensure efficiency of audits.

The Internal Audit function includes native speakers of French and Polish, as well as English. Other internal resources and external providers are utilised to assist with other languages when this is required.

The evaluation for 2024 found that the Group Internal Audit function adds value, maintains its independence, provides a broad range of assurance and is effective overall.

The areas of focus for 2025 were agreed by the Committee and include:

- Greater understanding of the risk factors and prior findings used to prepare the annual plan and opportunity for the Committee to review the plan earlier during the planning process.
- Assess the quantity of audits to be conducted during the year, aim to complete audits within the agreed timeframe to mitigate disruption to the operating company and ensure findings and remediation are discussed, taking account of the level of resource and costs.
- Explore the use of technology and further embedding of data analytics techniques to continue to develop the effectiveness and efficiency of the internal audit.
- Ongoing focus required to continue to improve the timeliness of management response to audit findings and drive actions in line with the agreed timetable.

Oversight of external Auditor

The Committee is responsible for maintaining the relationship with the external Auditor on behalf of the Board. The Committee ensures that the external Auditor has full access to Company employees and records. Ernst & Young LLP were appointed as the Group's external Auditor in July 2018 following a tender. Shareholders formally approved their reappointment at the Annual General Meeting in May 2024.

This financial year end is Ernst & Young's seventh year in office as external Auditor. There is no intention to conduct any retendering exercise currently, but this will be reviewed annually, taking into account the performance and effectiveness of the Auditor, as assessed by the Committee.

The Committee makes recommendations to the Board in relation to the appointment, reappointment and removal of the external Auditor. The Committee approves the external Auditor's terms of engagement and remuneration and reviews the scope of the audit plan.

The Committee monitors the rotation of the lead audit partner every five years in accordance with the FRC's Ethical Standard. The current lead audit partner, Mr Adrian Roberts, has completed his second year as lead audit partner.

How the Committee assessed the audit quality and effectiveness

The Committee considers the effectiveness of the external Auditor regularly during the year, including its independence, objectivity, appropriate mindset and professional scepticism. This is assessed through:

- Monitoring the external Auditor's progress against the agreed audit plan, taking into consideration UK professional and regulatory requirements.
- Quality of the external Auditor's reports, communications and support to the Committee.
- Robustness of the external Auditor's handling of significant financial judgements.
- Interaction between management and the external Auditor.
- Provision of non-audit services.
- Performance evaluation of the external Auditor.

In October, the external Auditor provided the Committee with their plan for undertaking the year-end audit which highlighted the proposed approach and scope of the audit and identified key areas of audit risk, including the audit approach for these areas. The Committee reviewed and, where appropriate, challenged the basis for the audit plan before agreeing the proposed approach and scope of the external audit.

The external Auditor prepared a report of their audit findings at year end, which they presented to the Committee. The findings were reviewed and discussed in detail by the Committee. The Committee assessed the quality of the audit planning, delivery and execution and the quality of knowledge and service of the audit team. The Committee assessed the Auditor's approach to providing auditor services and concluded that the audit team was providing the required quality in relation to the provision of their services, with appropriate rigour and challenge, and had applied appropriate professional scepticism throughout the audit.

External Auditor performance evaluation

For the year ended 31 December 2023, the Group assessed the external Auditor's performance using a questionnaire sent to key finance and non-finance stakeholders across the Group, a commentary-based survey of Committee members and a review of other published information on audit quality.

The questionnaire was sent to the Finance Directors of all in-scope operating companies together with all key members of the Group finance team and others who had involvement with the Auditor, including Tax and Treasury, Company Secretariat, HR, Risk and Internal Audit.

The questionnaire covered a range of topics including the audit firm itself, the partner role and involvement, the audit team, audit planning and execution, fees, communication and governance and independence, with respondents asked to rate the Auditor on a scale of 1 to 5 and to provide any additional comments alongside their ratings.

Overall the ratings were substantially similar to the ratings for the year ended 31 December 2022 across all areas. There was a slight decrease in ratings compared to 2022 mainly due to Benelux being included in scope for the Group audit for the first time and changes in the finance team in France. Overall most areas were rated highly with a small number of exceptions including most notably audit fees.

Results from the feedback process have been shared with the external Auditor and a number of actions taken to address matters raised. The Committee, having reviewed the performance and effectiveness of the external Auditor, was satisfied with the independence, review and challenge, objectivity, expertise, resources and general effectiveness of Ernst & Young LLP and satisfied that the Group is subject to a rigorous audit process.

External Auditor independence assessment

The Committee monitors the need for the external Auditor to have an appropriate degree of independence and objectivity. The Committee invites challenge by the external Auditor, giving due consideration to points raised and making changes to the financial statements in response and where appropriate. During the year, the external Auditor demonstrated valuable judgement, opinion, challenge and debate.

The external Auditor reports to the Committee each year on the actions taken to comply with professional and regulatory requirements and best practice designed to ensure its independence, including the rotation of key members of the external audit team. Ernst & Young LLP has formally confirmed its independence to the Committee in respect of the period covered by these consolidated financial statements.

Policy on non-audit services

The Group has a policy with regard to the provision of audit and non-audit services by the external Auditor, which operated throughout 2024.

The policy is based on the principle that the external Auditor should undertake non-audit services only where they are the most appropriate and cost-effective provider of the service, and where the provision of non-audit services does not impair, and could not reasonably be perceived to impair, the external Auditor's independence and objectivity. It categorises such services as auditor-permitted services, auditor-excluded services and auditor-authorised services. A number of services as defined by the Committee, require prior approval before the external Auditors are engaged in connection with such service.

Audit & Risk Committee report continued

The fees permissible for non-audit services should not exceed 70% of the average audit fees paid to the Group's external Auditor in the last three consecutive financial years. The policy was reviewed during 2024 and is reviewed annually. It defines the types of services falling under each category and sets out the criteria to be met and the internal approvals required prior to the commencement of any auditor-authorised services. In all cases, any instruction must be pre-approved by the CFO and the Committee Chair before the external Auditor is engaged. The external Auditor cannot be engaged to perform any assignment where the output is then subject to their review as external Auditor.

The Committee regularly reviews an analysis of all services provided by the external Auditor. The policy and the external Auditor's fees are reviewed and set annually by the Committee and are approved by the Board.

The total fees payable by the Group to its external Auditor for non-audit services in 2024 were £0.4m, primarily the interim review (2023: £0.2m) and assurance services in connection with the refinancing completed this year (2023: £nil). The total fees payable to the external Auditor for audit services in respect of the same period were £2.6m (2023: £2.5m). Current year costs include £nil in relation to the 2023 audit (2023: £nil in relation to the 2022 audit).

The ratio of audit to non-audit fees was 6.5:1 in respect of the audit for the current year. Details of each non-audit service and reasons for using the Group's external Auditor are provided in Note 3 to the Consolidated financial statements on page 149.

A full breakdown of external Auditor fees is disclosed in Note 3 to the Consolidated financial statements on page 149.

Resolution to reappoint external Auditor

The Committee recommends, and the Board agrees, that a resolution for the reappointment of Ernst & Young LLP as Auditor of the Company for a further year will be proposed at the 2025 Annual General Meeting.

Fair, balanced and understandable

The Board had the opportunity to review early drafts of the Annual Report and Accounts and provided input.

Following this, the Committee has reviewed the contents of this year's Annual Report and Accounts and advised the Board that, in its view, the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the necessary information to enable shareholders to assess the position and performance, strategy and business model of the Group.

In reaching this conclusion the Committee has considered the following:

- the preparation of the Annual Report is a collaborative process between the Finance, Investor Relations & Communications, Legal, Company Secretariat, and Human Resources functions within the Group, ensuring the appropriate professional input to each section. External guidance and advice is sought where appropriate;
- the coordination and project management is undertaken by a central team to ensure consistency and completeness of the document;
- an extensive review process is undertaken, both internally and using external advisors;
- a report is prepared internally to assess the Annual Report and how it addresses the fair, balanced and understandable assertion; and
- a final draft is reviewed by the Committee members prior to consideration by the Board.

Terms of reference

During the year the Board reviewed the terms of reference of the Committee and made a number of non-material updates to them. These can be found on the Group's website at **www.sigplc.com**.

Committee performance review

An internal performance review of the Committee was conducted for 2024 and further details can be found on page 83. The recommendations from the Committee's 2023 performance review are set out below together with a summary of the progress that was made to satisfy the recommendations during the year:

2023 recommendations	Action taken during 2024
Monitor the quality and performance of Finance leadership teams	The Committee received and reviewed a report from the Chief Financial Officer regarding the Finance leadership teams at Group and at operating company level. The Committee also considered the feedback from the Directors who attend the operating review meetings regarding their direct experience of the operating company Finance Directors. The Committee's conclusion was that the Finance leadership across SIG is of a consistently high standard.
Maintain focus on overseeing the completion of management agreed actions (MAAs) from audits	A process is in place to follow up and report on the progress of MAAs within the CFO report. The report of the Director of Risk and Audit to each meeting of the Committee contains a section describing the outstanding MAAs.
Continue the monitoring of risk topics and the reviewing of measures being taken to mitigate risks	The Committee conducted deep-dive reviews of several risk topics during the year which included reviewing the current and any proposed additional mitigation measures proposed by management. Cyber risk was presented on two occasions during the year with other risk topics considered including fraud and Benelux internal controls.

The priorities that the Committee has established for 2025 include:

- Continue monitoring key and emerging risks faced by the business, including that created by the tough trading situation.
- Continue to oversee effectiveness of the Finance function across the Group.
- Maintain focus on integrity of financial information and control standards.
- Oversee implementation of new reporting and governance requirements so as to ensure a balanced approach.

Shatish Dasani
Chair of the Audit & Risk Committee

4 March 2025

Risk management and internal control

The Board has ultimate responsibility for establishing and maintaining an effective risk management and internal control framework and determining the nature and extent of the principal risks the Group is willing to take in order to achieve its long-term strategic objectives. The Board delegates responsibility to the Audit & Risk Committee to consider the adequacy of the risk management and internal control framework, to agree the risk-based internal audit programme and to ensure the risk management and internal control structure and frameworks are robust.

The ELT has responsibility for ensuring that risk management is embedded into all processes and for ensuring that risk profile is in line with the approved risk appetite. Local controls managers support process owners to develop controls and to ensure appropriate control design effectiveness is in place. Group Internal Audit is then responsible for ensuring appropriate operational effectiveness of controls and assurance is provided through a cyclical programme of control effectiveness reviews. Internal Audit also provides regular assurance regarding the quality of the risk management processes, developing a risk-based internal audit programme and providing independent assurance to the Board and the Audit & Risk Committee that the controls in place are designed appropriately and operating effectively.

The Group Internal Audit function comprises an in-house team supported by external resources, where necessary, to assist in providing assurance on specialist areas. The Audit & Risk Committee on behalf of the Board regularly reviews the need for the Group Internal Audit function and its effectiveness in providing regular assurance.

Information on the activities of the Audit & Risk Committee during the year can be found on pages 88 to 95.

Key elements of ongoing process for risk management and internal control

The Group Internal Audit function periodically reviews local risk management arrangements in order to provide reasonable assurance to both the Audit & Risk Committee and the Board that appropriate internal controls have been implemented to mitigate the likelihood of risks materialising and effectively minimising potential impacts arising. In addition, on at least an annual basis, the Group Director of Audit and Risk meets with the operating company leadership teams to perform a detailed review of their key strategic risks and uncertainties, which is used as an input to the annual Group strategic risk review.

The key elements of the existing systems for risk management and internal control, in accordance with the FRC's Guidance on Risk Management and Internal Control and Related Financial and Business Reporting (September 2014), are as follows:

Risk management

- The documented Group risk management framework, approved by the Audit & Risk Committee, provides an overview of the agreed risk management processes within the Group and gives practical guidance to operating companies and individual functions on the management of risk.
- In accordance with the Group risk management framework, the Group Director of Audit and Risk works with the operating companies and central function leadership teams to ensure appropriate local risk registers are maintained.
- The Board maintains an overall Group risk register, the content of which is reviewed and assessed at least twice a year by the Board and includes regular input from the Audit & Risk Committee. A review of the Group's principal risks and how it manages or mitigates them is presented in the Strategic report on pages 62 to 67.
- The Group risk register has been reviewed and updated and contains the principal risks faced by the Group, assessing the potential risk having taken into account likelihood, impact and the current controls to mitigate an identified risk and any further actions required to bring the risk to within risk appetite. Once identified, emerging risks are assessed by identifying and mapping out the core elements of the risk, identifying owners for each element in the operating companies, holding workshops or conducting audits with risk owners to assess the level of risk, identifying potential mitigating actions that reduce the impact of the risk and seeking external guidance if required. Potential emerging risks are monitored and assessed regularly during the year by the Audit & Risk Committee for their relevance and significance.

The Audit & Risk Committee regularly assesses the Group's emerging and principal risks and considers that its assessment is robust. The Audit & Risk Committee reports to the Board following its assessments. A consolidated Group strategic risk report was prepared for review by the ELT and was recommended to the Board for approval in early 2025.

Internal control

The Group assurance framework is the basis on which our operating companies' internal controls functions, the Group Controls function and the Group Internal Audit teams base their annual plan. The controls plan for 2024 was defined, communicated and agreed with operating companies, and the teams made progress on the delivery of the plan. The teams support the creation and maintenance of a robust financial control environment, and they raise controls awareness across SIG by providing operating companies and Group functions with practical and hands-on support and advice. Group Internal Audit proposed and delivered a rolling audit plan for 2024 across the Group, together with a branch audit programme. Regular updates were provided through the year.

Key control activities include:

- operating company controls reviews: in order to continue to build up controls documentation across core financial processes within the operating companies, the 2024 plan contained a number of controls reviews. The objective of controls reviews is to support the operating companies in enhancing their control environments and to build the Risk and Control Matrices (‘RACMs’) and process map documentation;
- entity-level controls: a high-level comparison against the COSO Internal Control Framework was performed to assess SIG’s processes around culture and values, governance, monitoring, and Board oversight. COSO is an internationally recognised framework used to establish internal controls to be integrated into business processes. The processes in place ensure the tone from the top is set appropriately through the code of conduct communication, key Group policies and procedures, and ongoing training;
- Key Control Framework (‘KCF’) submissions: on a quarterly basis operating companies are required to self-certify against 32 areas covering financial controls, entity-level controls, operational controls and IT General Controls. The Group Controls function performs a review of the responses received to ensure consistency of responses compared to other sources of assurance, as well as to identify significant issues or control weaknesses;
- action remediation and tracking: the Group Controls function documents and monitors progress on all remediation actions arising from controls work. Monthly updates are obtained from operating companies, which are analysed, investigated and reported to the ELT and the Audit & Risk Committee;
- during 2024 the Group Internal Audit team also performed reviews of control effectiveness of RACMs relating to purchase-to-pay and supplier rebates across our UK, Poland and Germany operating companies. Further RACM reviews were also undertaken in the UK operating company in the areas of customer rebates and order-to-cash processes.
- the Group Delegation of Authority policy was refreshed and approved by the Board in January 2024 and it was communicated to the operating companies and Group functions during the year;
- training and guidance: to raise the awareness of controls across the business, the Group Controls function delivered a series of training modules and guidance covering control topics relevant to operating companies and the Group;
- UK Corporate Reform update: the Group Controls function has considered the Government’s decision not to press ahead with the legislation in this area together with the FRC’s decision to only make limited changes to the Corporate Governance Code introduced from January 2025. The SIG controls programme since 2021 has been built to ensure readiness for any potential future legislative developments. These activities, which focus on formalising, documenting, remediating and evidencing controls as well as training stakeholders, remain valid given the current regulatory requirements. The Government’s decision provides greater flexibility than would have been the case and the team continues to assess the controls programme to ensure it remains suitable for the Group.
- as part of the sanctions policy adopted in 2022, Internal Audit regularly screens the top 20 product suppliers for each operating company and other strategic suppliers, and no compliance exceptions were noted;
- to help assess and prioritise investments in IT infrastructure, applications and services, the Internal Audit team continues to review and assess IT capabilities based on an industry standard process assessment methodology. During 2024, the business continuity capability at the Group’s Polish business was reviewed, assessing the quality of project control implemented to support the implementation of a new ERP system.

Financial reporting

- In addition to the general internal controls and risk management processes described on pages 62 to 67, the Group also has specific systems and controls to govern the financial reporting process and preparation of the Annual Report and Accounts.
- These systems include clear policies and the procedures for ensuring that the Group’s financial reporting processes and the preparation of its financial statements comply with all relevant reporting requirements.
- Group accounting policies are comprehensively detailed in the Group accounting policy manual, which all businesses are required to comply with in the preparation of their results.
- Financial reporting control requirements are set out in relevant RACMs, which have been reviewed and updated during the current year.

Annual assessment of the effectiveness of risk management and internal control systems

The Board assessed the effectiveness of the Group’s system of risk management and internal controls. This assessment covered all controls including operational, compliance and risk management procedures, as well as financial controls.

The Board considers that the information that it receives is sufficient to enable it to review the effectiveness of the Group’s risk management and internal controls in accordance with the FRC’s guidance. The Board considers that the framework of controls in place is effective and enables risk to be assessed and managed. The Board also considers its risk management and internal control processes provide it with the assurance that all the necessary resources are in place for the Group to meet its objectives and to measure performance against them for 2024 and up to and including the date of this report.

Directors' remuneration report

Kath Durrant
Chair of Remuneration Committee

Committee Members

- Kath Durrant
- Alan Lovell
- Andrew Allner
- Bruno Deschamps
- Gillian Kent
- Shatish Dasani
- Simon King

Dear Shareholder,

On behalf of the Remuneration Committee, I am pleased to present the Directors' remuneration report for 2024. As in previous years, the Annual report on remuneration and this annual statement are subject to an advisory vote at the 2025 AGM.

The Committee was appreciative of the high level of shareholder approval at the 2024 AGM for the 2023 Directors' remuneration report, which received 96.6% of votes in favour of the resolution.

Role and responsibilities

To provide effective governance over the integrity of the Group's remuneration arrangements for executive and senior management and to ensure they are aligned to the interests of the Company's shareholders.

The key role of the Committee is to assist the Board in discharging its responsibilities for:

- Reviewing the broad remuneration policy for senior management;
- Recommending and monitoring the level and structure of remuneration for senior management;
- Governing all share plans; and
- Reviewing any major changes in employee remuneration and benefit structures throughout the Group.

Remuneration Policy

The Committee considers that the current Policy continues to appropriately support our remuneration principles, which are designed to:

- Attract and retain the best talent;
- Encourage behaviours that support delivery of the Group's strategy and business objectives, which are developed in the long-term interests of the Company and its shareholders;
- Incentivise employees to deliver our business goals together by rewarding individual and team contribution and performance; and
- Ensure that a significant percentage of the overall remuneration package of the Executive Directors and senior management remains at risk, dependent on performance, and that their pay and benefits adequately take account of reward versus risk.

The suitability of the Policy is monitored by the Committee to ensure that it meets these principles.

Performance in 2024

As set out in further detail in the Strategic Report, in 2024 we experienced a prolonged period of challenging trading conditions, most notably in UK Interiors, France and Germany. However, all the businesses performed well relative to their markets, most notably Germany and UK Roofing.

The Group has reported an underlying operating profit of £25m at an operating margin of 1.0%, with effective cost actions mitigating in part the impact of lower sales from the weaker markets. However, this was below the expectations we had at the beginning of the year, and this is reflected in the lower than target bonus payments for the Executive Directors and Executive Leadership Team. The Group reported a statutory loss before tax, after interest and Other items, of £45m.

All businesses continued to show disciplined cash management against the headwinds of lower profit, with FY24 net debt of £497m post-IFRS 16 leases. The lower than expected sales and profit during the year were partially offset by reduction in trade working capital.

Group performance

Metric	2024	2023
Revenue	**£2,611.8m**	£2,761.2m
Like-for-like sales growth	**(4)%**	(2)%
Gross margin	**24.5%**	25.3%
Underlying operating profit	**£25.1m**	£53.1m
Average trade working capital to sales ratio	**13.9%**	14.3%
Underlying operating margin	**1.0%**	1.9%

In 2024, we took further actions to reduce our permanent cost base to support profitability, and made progress against our continuing strategic initiatives as set out on pages 20 to 23.

The Group continued to make good progress on sustainability. For 2024, all members of the Executive Leadership Team had robust and stretching objectives that contain ESG measures, which make up 20% of the annual bonus measures. To take one example of progress made, GHG emissions per £m of revenue decreased to 16.9 metric tonnes from 17.1 metric tonnes in 2023.

We have continued to maintain good employee engagement and our people continued to show good commitment during 2024. Employee engagement in 2024 was maintained at the same level as 2023 at 71%. Customer NPS delivered a score of +51 compared to +50 in 2023 and employee NPS was at +9 vs +14 in 2023.

These results remained positive overall, whilst also reflecting some expected impact from the challenging market environment and the restructuring and headcount reductions made to manage cost.

At SIG, we believe that all employees, customers and suppliers should be able to work in a safely managed environment, and our Executive and Senior leaders are incentivised through the annual bonus scheme on evidence of a positive health and safety culture. In 2024, the lost time injury frequency rate (LTIFR) has reduced to 8.0 from 8.4 in 2023, as a result of a continued focus on our health and safety strategy and the associated activities during the year.

Turning to the individual performance of the CEO and CFO, clear objectives were set at the start of the year and agreed with the Committee. The Group's performance management system supported the Committee's consideration of personal performance. More detail can be found on pages 113 and 114.

Corporate governance and remuneration

The Committee sets high standards in corporate governance, and during the year the Committee:

- Approved 2023 annual bonus outcomes for the Executive Directors and Executive Leadership Team, taking into consideration business performance, stakeholder interests, Health and Safety performance, and achievement against individual strategic objectives;
- Approved the grant of Restricted Share Awards to 64 individuals, including the Executive Directors, under the terms of the SIG plc 2020 Restricted Share Plan;
- Approved the vesting of the March and October 2021 Restricted Share Awards and approved in principle the March 2022 award vesting;
- Received data, information and analysis on all employee terms and conditions of employment across the Group and used this information in making executive remuneration decisions;
- Reviewed the effectiveness of the advice received from Korn Ferry in supporting the Committee. The Committee is satisfied with the high-quality support and advice it receives from Korn Ferry;
- Approved funding for the independently managed Employee Benefit Trust ("EBT") to buy shares in the market; and
- Formally reviewed an analysis of the underpin and windfall tests that apply to the outstanding Restricted Share Plan ('RSP') awards.

An internal evaluation of the Committee was conducted for 2024 and further details can be found on page 119.

Salary increases

Throughout our businesses we have implemented an annual salary review. The Committee, with the Executive Directors agreed that the pay for the CEO and CFO would not increase for 2025. The UK workforce received an average increase of 2%. The Committee also determined that the Chairman and Non-Executive Director fees would not increase for 2025. Annual salary reviews in France, Germany, Poland and Ireland take place between January and April, with average increases ranging from 1.5% and 7%. The annual salary reviews in our Benelux operation are subject to a collective labour agreement.

Directors' remuneration report continued

Annual bonus outcomes for 2024

In reviewing the overall remuneration outcomes, the Committee ensured they were reflective of the business performance and the experience of our stakeholders.

In assessing this, the Committee reflected on the overall level of bonus that the achievement against the targets generated relative to overall corporate performance. The outcome was the exercise of downwards discretion, reducing the strategic element by a third to 10% out of 20%. The resulting level of bonus was 13.9% of the maximum for the year.

Annual bonus design for 2025

Financial measures will represent 90% of the overall opportunity with the remainder reflecting strategic objectives. Underlying operating profit will continue as the measure of profit representing a 60% weighting, with cash-based measures having a 30% weighting. The weighting on individual strategic objectives is being halved to 10% to enable a greater focus on the key financial measures.

Two-thirds of the cash weighting will be on average Group working capital divided by sales, with the remaining one-third on Group free cash flow. An ESG measure will again be included in individual strategic objectives for the Executive Directors and Executive Leadership Team.

RSP awards

Under the terms of the 2020 Restricted Share Plan, awards granted in March 2022 will vest on 14 March 2025. The Committee have considered the underpinning factors and assessed whether a windfall gain may have been created and concluded that neither the underpinning factors nor the windfall gain test gave rise to scaling back of any award.

The Committee intends to make awards in 2025 of 125% of salary to the CEO and 100% of salary to the CFO, subject to a similar underpin.

Focus for the year ahead

The objectives that the Committee has established for 2025 include:

- Evaluate incentive arrangements and ensure those in place support the timely delivery of the Group strategy balancing short and longer-term requirements
- Review and operate the annual bonus plans and RSP to ensure they deliver performance against the set targets/underpins
- Ensure that talent is appropriately incentivised, and that SIG remains able to attract and retain the right capabilities
- Appraise incentives containing ESG measures; and
- Review updates received from the Chief People Officer regarding developments in workforce reward, incentive, and benefit structures including a focus on Branch Management.

Looking forward, the Committee remains focused on supporting the Group to achieve its strategic objectives and continuing to operate with rigour and transparency.

I hope you find this report clear and useful in explaining our approach to remuneration. If you have any questions on the policy or the report, please contact me through the Group General Counsel & Company Secretary.

Kath Durrant
Chair of the Remuneration Committee

4 March 2025

How do our incentives align to our strategy?

Our business strategy is aimed on improving the Group's medium-term financial performance to achieve a 5% operating margin, enhancing value for shareholders and all other stakeholders. As set out in our remuneration policy, the RSP operates a general underpin on business performance, allowing the Committee to review holistically the overall performance of the Group, individual performance, and wider Group considerations. In addition, we continually consider the performance measures we use for the annual bonus incentives to ensure they support the delivery of our strategy.

Our vision

To be the best provider of specialist construction and insulation products in Europe.

Our medium-term strategic pillars

Grow
1 **Continue above-market growth**

Execute
2 **Strengthen execution and margin across geographies**

Modernise
3 **Greater productivity through modernisation**

Specialise
4 **Accelerate in specialist, higher return businesses**

Our key performance indicators

- Like-for-like sales
- Gross margin
- Operating margin
- Average trade working capital to sales ratio
- LTIFR
- NPS
- GHG emissions per £m of revenue
- eNPS

Annual bonus

Measures	Link to strategy	Link to KPIs
Underlying operating profit	Focus on growth in sales and returns Key measure of organic growth Linked to shareholder value	✓
Working capital **Free cash flow**	Focus on operational efficiency Focus on sustainable investment Linked to shareholder value	✓
Strategic objectives	Strategic objectives and targets for the bonus are commercially sensitive and will be disclosed retrospectively	✓
Health and safety override	Focus on safe working environments, evidenced by positive health and safety culture including visible leadership, sufficient resources, effective reporting and follow-up, employee feedback, and improvements in metrics	✓

RSP

Measures	Link to strategy	Link to KPIs
General underpin	Focus on long-term sustainable performance, including our sustainability objectives Allows both individual and Group performance considerations such as the level of employee and customer engagement to be taken into account	✓
Shareholding guidelines	Linked to shareholder value	✓

Directors' remuneration report continued

The UK Corporate Governance Code (the 'Code') requires the Committee to determine the policy and practices for Executive Directors in line with a number of factors set out in Provision 40. The following table sets out how the remuneration policy aligns with the Code.

Provision 40 element	How the remuneration policy aligns
Clarity – remuneration arrangements should be transparent and promote effective engagement with stakeholders and the workforce.	The annual bonus plan performance conditions are based on the core KPIs of the strategy and therefore there is a clear link to all stakeholders between their delivery and reward provided to management. There is a logical flow of similar KPIs in the incentive schemes that apply to different parts of the workforce. Engagement of Remuneration Committee members with the workforce on a wide range of topics including remuneration takes place.
Simplicity – remuneration structures should avoid complexity and be easy to understand.	The performance conditions for the annual bonus plan are based on the Group's KPIs. To ensure simplicity, reward is aligned with the delivery of the key markers that indicate the successful implementation of strategy. Restricted shares are a simple mechanism and avoid the setting of long-term performance conditions which tend to make remuneration inherently more complex.
Risk – remuneration arrangements should avoid reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans.	The remuneration policy includes: – setting defined limits on the maximum awards which can be earned; – requiring the deferral of a substantial proportion of the incentives in shares for a material period of time; – aligning the performance conditions with the strategy of the Group; – ensuring a focus on long-term sustainable performance through the RSP; and – ensuring there is sufficient flexibility to adjust payments through malus and clawback and an overriding discretion to depart from formulaic outcomes. These elements mitigate against the risk of target-based incentives by: – limiting the maximum value that can be earned; – deferring the value in shares for the long-term, which helps ensure that the performance earning the award was sustainable and thereby discourages short-term behaviours; – aligning any reward to the agreed strategy of the Group; – supporting a focus on the sustainability of the performance over the longer term through the use of an RSP; – reducing the awards or cancelling them if the behaviours giving rise to the awards are inappropriate; and – reducing the awards or cancelling them, if it appears that the criteria on which the award was based do not reflect the underlying performance of the Group.
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 remuneration policy sets out clearly the range of values, limits and discretions in respect of the remuneration of management. The RSP increases the predictability of the rewards received by management.
Proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the Group should be clear. Outcomes should not reward poor performance.	The remuneration policy sets out clearly the range of values and discretions in respect of the remuneration of management. In a competitive market for quality leaders the Group pays sufficiently to attract, incentivise and retain. The primary value of an RSP discounted vs a traditional LTIP is in share price appreciation over time and is therefore aligned with the development of a sustainable business and shareholder value.
Alignment to culture – incentive schemes should drive behaviours consistent with Group purpose, behaviours and strategy.	The annual bonus plan drives behaviours consistent with SIG's strategy and there is a logical flow of similar KPIs through the incentive schemes that apply to the workforce. The RSP drives behaviours consistent with the Group's purpose and values which are focused on the long-term future of the business.

Remuneration principles

Our remuneration principles remain relevant and are designed to support and reinforce our culture and behaviours. They provide a best practice framework for the design, implementation and operation of Group and local reward policies and practices and apply across the Group.

	In action
Alignment and fairness	– Clear and appropriate governance structures are in place for decision making at all levels. – Remuneration programmes and processes are run fairly, with integrity and are supported with clear communication to individuals. – Pay arrangements are fair and equitable across the Group.
Rewarding contribution and performance	– Bonus plans are designed for the Executives and all other employees to incentivise sustainable profitable growth and cash generation. – Incentive plans reward the delivery of our business strategy, targets are appropriately stretching, and objectives are focused on value creation. – Performance measures are reviewed regularly, personal and strategic objectives are accurately assessed, and targets are set relative to strategic priorities. – Health and safety is a feature of all management and executive plans.
Transparency and participation	– There is a focus on effectively communicating remuneration decisions through stakeholder engagement. – Incentive and benefits plans are clear, simple and understood by participants to maximise engagement.

Wider workforce considerations and remuneration

The Committee considers the wider workforce when making pay decisions and it reviews employee policies and practices to ensure reward and incentives are aligned with SIG's strategy, vision and culture.

In addition to the Executive Directors, its remit extends to senior management teams operating across all countries within the Group, and to ensuring that their annual bonus plans and share incentive plans align with those of the Executive Directors, creating a shared strategic focus. The Committee believes that it is important to be transparent with how decisions on reward are made and this section seeks to provide context to our Director pay by providing information on whether our approach to executive remuneration is consistent with the wider workforce.

Delivery of our strategy depends on attracting and retaining an engaged workforce that has the right skills and behaviours to make a valuable contribution to our business. The Remuneration Committee ensures that appropriate engagement takes place with employees to explain how executive remuneration aligns with SIG's approach to wider Group pay. During the year the Committee undertook a review of workforce terms and conditions and engaged directly with employees through listening sessions hosted by the Designated Non-Executive Director for Workforce Engagement to solicit employee views and sentiment, including discussions focused on executive remuneration and corporate governance led by the Group Head of Reward. Additionally, a review of the Group-wide employee engagement survey was undertaken by the Board to ensure that employee sentiment was understood and considered as part of their decision-making.

Engagement with shareholders

We have received views from key shareholders on remuneration and the application of the policy, and we are grateful for their feedback.

Key elements of remuneration

The Committee reviews all key elements of remuneration across the Group annually. The levels and types of remuneration vary across the Group depending on the employee's level of seniority, country of operation and role. The Group operates a broad range of benefits including an all-employee Share Incentive Plan ('SIP') in the UK.

It is important to highlight that the Committee is not looking for a homogeneous approach across the Group. However, when conducting its review, it pays particular attention to:

- Whether the element of remuneration is consistent with the Group remuneration principles (see above);
- If there are differences, they are objectively justifiable; and
- If the approach seems fair and equitable in the context of other employees.

Directors' remuneration report continued

A summary of the employee remuneration structure and how it compares to the remuneration of the Executive Directors is below:

Pay element	Employees	Executive Directors
Salary	We conduct an annual pay review for all employees. In setting the budget, many factors are considered, such as market rates, economic context, business performance and affordability. In 2024, the average UK employee base salary increase was 3.75%.	Salary increases are considered in the context of the wider workforce review and performance of the Group. A salary increase of 3% was awarded to the CEO and CFO in 2024.
Pensions and benefits	We offer market-aligned benefits packages reflecting normal practice in each country in which we operate. Where appropriate, we offer benefit choices to our employees.	Pension contributions are no higher than those provided to UK employees. Benefits are aligned to the senior leadership team in the country of operation.
Bonus plan	Over 92% of our workforce participate in a cash bonus scheme. The level and performance targets differ depending on the role and country of operation.	CEO annual bonus of up to 150% of base salary, CFO annual bonus of up to 125% of base salary. One-third of the total amount payable in shares, and the remaining two-thirds payable in cash.
RSP	62 senior leaders participated in the RSP in 2024, with a range of annual awards between 10% and 80% of salary. A holding period does not apply below the Executive Director level.	Maximum annual award of 125% of salary; three-year vesting period with underpin on vesting; and a two-year holding period. An award of 125% of salary was made to the CEO, and an award of 100% of salary was made to the CFO in 2024.
SIP	All UK employees are invited to participate in the SIP.	Executive Directors are invited to participate in the SIP.

In summary, the Committee is satisfied that the approach to remuneration across the Group is consistent with the Group's principles of remuneration. Further, in the Committee's opinion the approach to executive remuneration aligns with the wider Group pay policy, and there are no anomalies specific to the Executive Directors.

Summary of the application of the remuneration policy

We have set out in the following table how the remuneration policy operated in 2024. The full remuneration policy is detailed in the policy section of this annual report.

The Group's policy is to provide remuneration packages that fairly reward the Executive Directors for the contribution they make to the business and that are appropriately competitive to attract, retain and motivate Executive Directors and senior managers of the right calibre. A significant proportion of remuneration takes the form of variable pay, which is linked to the achievement of specific and stretching targets that align with the creation of shareholder value and the Group's strategic goals.

In order to avoid any conflict of interest, remuneration is managed through well-defined processes ensuring no individual is involved in the decision-making process related to their own remuneration. In particular, the remuneration of all Executive Directors is set and approved by the Committee; none of the Executive Directors are involved in the determination of their own remuneration arrangements.

The Committee also receives support from external advisors and evaluates the support provided by these advisors annually to ensure that advice is independent, appropriate and cost-effective.

Element and link to strategy	How we implemented the policy in 2024	How we will implement the policy in 2025
Base salary		
Provides a base level of remuneration to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Group's strategy.	Executive Director salaries for 2024 were as follows: – CEO – £695,250 – CFO – £424,000 The general UK employee base salary increase was 3.75%.	Executive Director salaries for 2025 will remain at: – CEO – £695,250 – CFO – £424,000 The general employee base salary increase in the UK was 2%.
Pension		
Provides a fair level of pension provision for all employees.	The Executive Directors received a pension allowance of 5% of salary. This is 2.5% of salary below the workforce rate and what is permissible under the policy.	No change.
Benefits		
Provides a market standard level of benefits.	The benefits received were as follows: – Car allowance – Private medical insurance – Group income protection – Group life assurance	No change.
Annual bonus		
The annual bonus plan provides a significant incentive to the Executive Directors linked to achievement in delivering goals that are closely aligned with the Group's strategy and the creation of value for shareholders. Bonus operation: – one-third of any bonus earned is deferred in shares for three years.	Maximum opportunity in 2024 was as follows: – CEO – 150% of base salary – CFO – 125% of base salary Any bonus is subject to a health and safety override, where the Committee will review the health and safety performance of the Group for the year in question. See page 113 for bonus outcomes for 2024.	No change. The health and safety override will continue to operate in 2025. The performance measures for 2025 are underlying operating profit (60%), free cash flow (10%), average Group working capital divided by annual sales (20%) and strategic objectives (10%). The Committee does not disclose the bonus targets in advance due to commercial sensitivity over budgeted future profit and debt levels. The Committee will, however, provide full retrospective disclosure to enable shareholders to judge the level of award against the targets set.

Directors' remuneration report continued

Element and link to strategy	How we implemented the policy in 2024	How we will implement the policy in 2025
RSP		
Awards are designed to incentivise the Executive Directors over the longer term to successfully implement the Group's strategy. RSP operation: – maximum annual award up to 125% of salary based on the market value at the date of grant; – awards vest at the end of a three-year period subject to: · continued employment to the date of vesting; · the satisfaction of an underpin (whereby the Committee can adjust vesting for business, individual and wider Group performance). Further details of the underpin test are included in the remuneration policy section; and · a two-year holding period will then apply.	RSP awards granted in 2024 were as follows: – CEO – 125% of base salary – CFO – 100% of base salary The Committee regularly reviews Group and individual performance against the underpin and considers whether a windfall was felt to be made for all outstanding awards each year.	No change.
Share ownership requirements		
The Group has established the principle of requiring Executive Directors to build up and maintain a beneficial holding of shares in the Company. It is expected that this should be achieved within five years of the relevant Executive Director's appointment. Adherence to these guidelines is a condition of continued participation in the share incentive arrangements. Executive Directors will be required to retain 100% of the post-tax amount of vested shares until the minimum shareholding requirement is met and maintained.	Share ownership requirements: – CEO – 300% of base salary – CFO – 300% of base salary This applies for two years post-cessation, or the actual shareholding on cessation if lower.	No change.
Chairman and Non-Executive Directors' fees		
Provides a level of fees to support recruitment and retention of a Chair and Non-Executive Directors with the necessary experience to advise and assist with establishing and monitoring the Group's strategic objectives.	Fees for 2024 were increased by 3%, which was below the general workforce increase for the UK. Fees for 2024 were as follows: – Chairman – £240,776 – Non-Executive Directors' fee – £67,193 – Senior Independent Director – £10,000 – Designated Non-Executive Director for Workforce Engagement – £10,000 – Remuneration Committee Chair – £12,000 – Audit & Risk Committee Chair – £12,000	Fees were reviewed in December 2024 and it was agreed that in line with the Executive Directors the fees would not increase for 2025.

Directors' remuneration policy

This section of the report sets out a summary of the Company's remuneration policy for Executive and Non-Executive Directors, which was approved by shareholders at the Annual General Meeting on 4 May 2023. The remuneration policy is intended to operate for up to three years. The full remuneration policy can be found in the 2022 Annual Reports and Accounts.

Directors' remuneration policy table

Element and link to strategy	Operation	Maximum	Performance conditions and recovery provisions
Salary			
Provides a base level of remuneration to support recruitment of Executive Directors with the necessary experience and expertise to deliver the Group's strategy.	An Executive Director's basic salary is set on appointment and reviewed annually or when there is a change in position or responsibility. When determining an appropriate level of salary, the Committee considers: – pay increases for other employees; – remuneration practices within the Group; – any change in scope, role and responsibilities; – the general performance of the Group and each individual; – the experience of the relevant Director; and the economic environment. Individuals who join the Board may, on occasion, have their salaries set below the targeted policy level until they become established in their role. In such cases subsequent increases in salary may be higher than the general rises for employees until the target positioning is achieved.	The Committee ensures that maximum salary levels are positioned in line with companies of a similar size or sector to SIG and validated against an appropriate comparator group, so that they are competitive against the market. The Committee intends to review the comparators each year and will add or remove companies from the groups as it considers appropriate. In general, salary increases for Executive Directors will be in line with the increase for employees. However, larger increases may be offered if there is a material change in the size and responsibilities of the role (which covers significant changes in Group size and/or complexity).	A broad assessment of individual and business performance is used as part of the salary review. No recovery provisions apply.

Directors’ remuneration report continued

Element and link to strategy	Operation	Maximum	Performance conditions and recovery provisions
Pension			
Provides a fair level of pension provision for all employees.	The Group provides a pension contribution allowance that is fair, competitive and in line with corporate governance best practice. Pension contributions will be a non-consolidated allowance and will not impact any incentive calculations.	The maximum value of the pension contribution allowance for Executive Directors will be aligned to that available to the majority of the UK workforce.	No performance or recovery provisions apply.
Benefits			
Provides a market standard level of benefits.	Benefits include market standard benefits. The Committee recognises the need to maintain suitable flexibility in the benefits provided to ensure it is able to support its objective of attracting and retaining personnel in order to deliver the Group strategy. Additional benefits which are available to other employees (including any all-employee plans) on broadly similar terms may therefore be offered, such as relocation allowances on recruitment.	The maximum is the cost of providing the relevant benefits and in the case of all-employee plans, in line with HMRC approved limits.	No performance or recovery provisions applicable.

Element and link to strategy	Operation	Maximum	Performance conditions and recovery provisions
Annual bonus plan			
The annual bonus plan provides a significant incentive to the Executive Directors linked to achievement in delivering goals that are closely aligned with the Group's strategy and the creation of value for shareholders. In particular, the annual bonus plan supports the Group's objectives, allowing the setting of targets for the year based on the Group's strategic objectives at that time, meaning that a wider range of performance metrics can be used that are relevant and achievable.	The Committee will determine the maximum annual participation in the annual bonus plan for each year, which will not exceed 150% of salary. Details of the performance conditions, targets and their level of satisfaction for the year being reported on will be set out in the Annual report on remuneration. In extreme circumstances as determined by the Committee, targets may be established for periods of less than a full year, for example six months. At the end of the period, targets will be reviewed and adjusted for the remainder of the year. The Committee can determine that part of the bonus earned under the annual bonus plan is provided as an award of deferred shares. One-third of any bonus earned is deferred in shares. The Committee may determine that a greater portion or in some cases the entire bonus be paid in deferred shares. The main terms of these deferred share awards are: – minimum deferral period of three years; and – the participant's continued employment at the end of the deferral period unless he/she is a good leaver. The Committee may award dividend equivalents on deferred bonus awards to the extent that these vest.	The Committee will determine the maximum annual participation in the annual bonus plan for each year, which will not exceed 150% of salary. Percentage of bonus maximum earned for levels of performance: – threshold up to 25% – target 50% – maximum 100%	The annual bonus plan is based on a mix of financial and strategic/operational conditions. Measures will normally be set across one financial year and shall be measured accordingly. The financial measures will account for no less than 50% of the bonus opportunity. The Committee retains discretion in exceptional circumstances to change performance measures and targets and the weightings attached to performance measures part-way through a performance year if there is a significant and material event which causes the Committee to believe the original measures, weightings and targets are no longer appropriate. Discretion may also be exercised where the Committee believes that the bonus outcome is not a fair and accurate reflection of business, individual and wider Group performance. The exercise of this discretion may result in a downward or upward movement in the amount of bonus earned resulting from the application of the performance measures. Any adjustments or discretion applied by the Committee will be fully disclosed in the following year's Directors' remuneration report. The Committee is of the opinion that given the commercial sensitivity arising in relation to the detailed financial targets used for the annual bonus, disclosing precise targets for the annual bonus plan in advance would not be in shareholder interests. Actual targets, performance achieved, and awards made will be published in the Directors' remuneration report at the end of the performance periods, so shareholders can fully assess the basis for any payouts under the annual bonus. The annual bonus plan contains malus and clawback provisions.

Directors' remuneration report continued

Element and link to strategy	Operation	Maximum	Performance conditions and recovery provisions
RSP			
Awards are designed to incentivise the Executive Directors over the longer term to successfully implement the Group's strategy.	Awards are granted annually to Executive Directors in the form of conditional awards or options. Awards vest at the end of a three-year period subject to: – the Executive Director's continued employment at the date of vesting; and – the satisfaction of an underpin as determined by the Committee whereby the Committee can adjust vesting for business, individual and wider Group performance. A two-year holding period will apply following the three-year vesting period for all awards granted to the Executive Directors. Upon vesting, sufficient shares may be sold to pay tax on the shares. The Committee may award dividend equivalents on RSP awards to the extent that these vest.	Maximum value of 125% of salary per annum based on the market value at the date of grant in accordance with the rules of the RSP. There are no performance conditions on grant, however the Committee will consider prior year business and personal performance to determine whether the level of grant remains appropriate.	No specific performance conditions are required for the vesting of RSP awards but there will be an underpin as the Committee will have the discretion to adjust vesting taking into account business, individual and wider company performance. The Committee considers the following factors (amongst others) when exercising its discretion to adjust the number of shares vesting: – whether threshold performance levels have been achieved for the performance conditions for the annual bonus plan for each of the three years covered by the vesting period for the restricted shares; – whether there have been any sanctions or fines issued by a regulatory body; – participant responsibility may be allocated collectively or individually; – any material damage to the reputation of the Group; – the potential for windfall gains; – whether there has been sufficient progress against the sustainability plan approved by the Board; and – the level of employee and customer engagement over the period. Awards are subject to clawback and malus provisions.

Shareholding requirement

The Committee has in place strong shareholding requirements of 300% of base salary that encourage Executive Directors to build up their holdings over a five-year period. Adherence to these guidelines is a condition of continued participation in the share incentive arrangements.

Executive Directors are required to retain 100% of the post-tax amount of vested shares from the Company incentive plans until the minimum shareholding requirement is met and maintained. There is a post-cessation shareholding requirement aligned to the full in-employment requirement (or the Executive Director's actual shareholding on cessation if lower) for two years following cessation of employment.

Non-Executive Directors' remuneration policy table

Chair & Non-Executive Director fees	Operation	Maximum	Performance conditions and recovery provisions
Provides a level of fees to support recruitment and retention of a Chair and Non-Executive Directors with the necessary experience to advise and assist with establishing and monitoring the Group's strategic objectives.	The Board is responsible for setting the remuneration of the Non-Executive Directors. The Committee is responsible for setting the Chair's fees. Non-Executive Directors are paid an annual basic fee and additional fees for chairing of committees. The Group retains the flexibility to pay fees for the membership of committees. The Chair does not receive any additional fees for membership of committees. Further, additional fees may be paid by the Group to the Chair and Non-Executive Directors for additional time commitments or roles outside the normal scope of their appointments. Fees are reviewed annually based on equivalent roles in the comparator group used to review salaries paid to the Executive Directors. Non-Executive Directors and the Chair do not participate in any variable remuneration or benefits arrangements.	The fees for Non-Executive Directors and the Chair are broadly set at a competitive level against the comparator group. In general, the level of fee increase for the Non-Executive Directors and the Chair will be set taking account of any change in responsibility and will take into account the general rise in salaries across the UK workforce. The Group will pay reasonable expenses incurred by the Non-Executive Directors and Chair and may settle any tax incurred in relation to these.	No performance or recovery provisions applicable.

Annual report on remuneration

The following section provides details of how SIG's remuneration policy was implemented during the financial year ended 31 December 2024.

This part of the report has been prepared in accordance with the Companies Act, various companies regulations, and relevant sections of the Listing Rules. The Annual report on remuneration and the Chair's statement will be put to an advisory shareholder vote at the 2025 AGM. The information on pages 112 to 118 has been audited where required under the regulations and indicated as such.

Single total figure of remuneration for Executive Directors (audited)

The table below sets out the single total figure of remuneration received by each Executive Director for the year ended 31 December 2024 and the prior year.

Executive Director		Base salary[1] £'000	Taxable benefits[2] £'000	Annual bonus[3] £'000	LTIP £'000	Pension[4] £'000	Other £'000	Total remuneration £'000	Total fixed remuneration £'000	Total variable remuneration £'000
Gavin Slark	**2024**	**695**	**11**	**145**	**0**	**35**	**0**	**886**	**741**	**145**
	2023	619	16	208	0	31	0	874	666	208
Ian Ashton	**2024**	**424**	**20**	**74**	**281**[5]	**21**	**0**	**820**	**465**	**355**
	2023	412	23	108	632[6]	21	0	1,196	456	740

The figures in the table above have been calculated as follows:

1. Base salary: amount earned for the year as Directors and rounded.
2. Taxable benefits: include, but are not limited to, car allowance/company car, private medical insurance and income protection. Group Life Assurance has been removed from the 2024 calculations (2023= £3k for Gavin Slark and £2k for Ian Ashton).
3. Annual bonus: payment for performance during the year (including any deferred portion).
4. Pension: the Company's pension contribution during the year of 5% of salary.
5. The value for the RSP represents the award vesting on 14 March 2025 and has been based on the three-month average to 31 December 2024 of 20.09p. As the award will not vest before the publication of the 2024 annual results and the value at vesting will not be known, this estimated value will be restated next year when the actual execution price at vesting is known. Based on the one-month average of the share price to 28 February 2025 the amount would be circa £185k, which gives a better view of the likely value on vesting. The award is not subject to performance conditions but is subject to an underpin applicable during the three-year vesting period.
6. The value for the RSP represents the awards that vested on 1 December 2023 and 29 March 2024, based on executed prices of 28.725p and 27.95p respectively. The March 2024 award vested after publication of the 2023 Annual Report, and the value was estimated and included in that report using an estimated price, namely the three-month average to 31 December 2023 of 30.59p. As a result the total award for 2023 has been restated from £658k in the 2023 Annual Report to the £632k shown above.
7. There has been no payments for loss of office and payments to past Directors.

Single total figure of remuneration for Non-Executive Directors (audited)

The table below sets out the single total figure of remuneration received by each Non-Executive Director for services rendered to the Group as a Non-Executive Director for the year ended 31 December 2024 and the prior year.

	Base fee		Committee Chair/Senior Independent Director fees		Total fees	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Andrew Allner (Chairman)	**241**	234	**–**	–	**241**	234
Alan Lovell[1]	**67**	65	**–**	7	**67**	72
Bruno Deschamps[2]	**67**	65	**–**	–	**67**	65
Gillian Kent	**67**	65	**–**	–	**67**	65
Kath Durrant[3]	**67**	65	**22**	15	**89**	80
Shatish Dasani	**67**	65	**12**	12	**79**	77
Simon King	**67**	65	**10**	10	**77**	75
Diego Straziota[2,4]	**67**	43	**–**	–	**67**	43

1. Alan Lovell stood down as Senior Independent Director on 25 September 2023 and his fees for 2023 reflect the reduction in remuneration earned from that date.
2. The fees paid to Bruno Deschamps and Diego Straziota are not retained by them individually but paid to CD&R.
3. Kath Durrant was appointed as Senior Independent Director on 25 September 2023 and her fees for 2023 reflect the additional remuneration earned from that date.
4. Diego Straziota was appointed as a Non-Executive Director on 4 May 2023 and his fees for 2023 reflect remuneration earned from that date.

2024 bonus out-turn

The maximum potential bonus opportunity for Gavin Slark (CEO) was 150% of salary and for Ian Ashton (CFO) was 125% of salary. The table below sets out the targets and level of achievement that were considered when determining the bonus. The Committee also considered the targets that would apply to the Executive Leadership Team for 2024, which were based on operating profit, average working capital and free cash flow.

Performance condition (weighting)	Actual	Threshold	Interim	Maximum	Outcome	CEO Actual £'000	CFO Actual £'000
Operating profit (60%)[1]		25%	50%	100%	0%	0	0
	£25m	£48.0m	£55.2m	£61.2m			
Average working capital[2] (10%)		25%	50%	100%	39%	41	21
	13.9%	14.3%	13.6%	12.9%			
Free cash flow[3] (10%)		25%	50%	100%	0%	0	0
	£(32.1)m	£(29.6)m	£(23.7)m	£(17.8)m			
Strategic objectives (20%)	See below pay-out level				50%	104	53
Total[4]						**145**	**74**

1. Group underlying operating profit, adjusted for M&A during the year. No M&A transactions were made in 2024.
2. Average working capital – average of month end trade balances divided by annual sales.
3. Free cash flow – all cash flows excluding M&A transactions, dividend payments and financing transactions.
4. The Committee reviewed health and safety leadership and performance and determined that there was no requirement to exercise its override discretions.

Chief Executive Officer

Bonusable Objectives	Measures	Outcome
Operational Excellence	Drive short-term operational and cash performance, ensuring that issues are identified and mitigating actions are taken.	Markets continued to be weak across 2024 requiring ongoing execution of significiant restructuring activities throughout the year to mitigate the market effect.
UK Interiors turnaround	Assure turnaround plans are in place for UK Interiors business, including leadership and incentives, and consideration of strategic options.	Turnaround plan and leadership incentives in place with opex cost reduction achieved and critical new hire secured in the year.
Strategy and Performance	Ensure detailed and granular plans and milestones are prepared for each operating company to achieve its medium-term margin target.	Each Opco has a mid-term plan in place as presented to the Board. In addition, the refinancing process was successfully completed earlier than planned in a challenging market environment.
Modernisation	Significant progress and real momentum in modernising the business including the use of digitisation, AI, and technology.	Across the business, key modernisation and upgrade activities were completed in all Opcos ranging from e-commerce to CRM and ERP projects.
ESG/People	Support the execution of the talent agenda to ensure SIG has in place the right level of leadership, engaged talent and robust succession planning.	Organisation Capability & Talent Reviews were completed measuring talent and succession bench strength improvements and progress on organisation readiness to achieve business goals.

The Committee evaluated the performance of the CEO against the above outcomes and scored this part of the bonus at 15% out of the 20% available for these strategic objectives. However, reflecting on the overall level of bonus that this would generate, considering the overall corporate performance for the year, the Committee exercised downwards discretion on the strategic elements, reducing the payout on these to 10% out of 20%.

Annual report on remuneration continued

Chief Financial Officer

Bonusable Objectives	Measures	Outcome
Business Performance	Pathway to 5% operating margin in place for medium-term, and ensure plans in place across all businesses. Drive short-term operational and cash performance, including meaningful mitigations in the event of continued market weakness.	Ongoing market weakness in 2024 delayed planned progress to 5% operating margin. Material cost savings executed to mitigate market weakness and build more efficient platform for medium-term.
Corporate Development & Investor Relations	Rigorously assess M&A and other development opportunities. Create expanded pipeline of new equity investors.	Whilst certain opportunities were reviewed, no mergers or acquisitions were pursued during the year. Ongoing work undertaken to ensure positive engagement of investors.
People	Continued development of key Finance talent and function capability.	Actions to develop key talent and enhance function's capability progressed well.
Balance Sheet	Execute the optimal refinancing for the Group, or ensure clear plans in place for early 2025.	Refinancing process completed successfully and earlier than originally planned, despite challenging market backdrop.
ESG	Ensure 2024 milestones met against the Group's roadmap for delivery of emissions targets.	Key milestones progressed as agreed in the year, and trade-offs with financial performance well managed.

The Committee evaluated the performance of the CFO against the above outcomes and scored this part of the bonus at 15% out of the 20% available for these strategic objectives. However, reflecting on the overall level of bonus that this would generate, considering the overall corporate performance for the year, the Committee exercised downwards discretion on the strategic elements, reducing the payout on these to 10% out of 20%

Restricted share plan awards vesting in March 2025

Awards granted under the RSP on 14 March 2022 are due to vest shortly after the date of publication of this document.

As part of its final assessment of the underpin, the following factors have been considered:

- whether threshold performance levels have been achieved for the performance conditions for the Bonus Plan for each of the three years covered by the vesting period for the RSP award;
- whether there have been any sanctions or fines issued by a Regulatory Body; (in which case participant responsibility may be allocated collectively or individually);
- whether there has been material damage to the reputation of the Company; (in which case participant responsibility may be allocated collectively or individually);
- the level of employee and customer engagement over the period; and
- in all cases subject to the Committee's holistic assessment at vesting based on business performance, individual performance or wider Company considerations.

In relation to the operation of the underpins, the Remuneration Committee's intention is not to reduce the value of the awards unless there are clear and specific failures to achieve the underpins. The failure to achieve the threshold performance measure in any one year is not, in itself a reason to reduce the value of the award.

The Committee is comfortable the requirements under the underpin have been met and the awards will vest in full.

2024 restricted share plan awards

Gavin Slark and Ian Ashton were granted RSP awards of 125% and 100% of salary, respectively on 21 March 2024. No consideration was paid for the grant of the awards which are structured as nil-cost options. The number of ordinary shares over which RSP awards were granted was based on an ordinary share price of 29.96 pence per share, which was 75% of the price used for the previous year's grant.

The normal vesting date of the awards will be 21 March 2027, being the third anniversary of the award date. The awards will ordinarily vest after three years subject to continued service and a discretionary underpin that allows the Remuneration Committee to make adjustments to the level of vesting if it believes due to business performance, individual performance or wider Group considerations that the vesting should be adjusted. This will include consideration of all relevant factors, including any windfall gains. Once vested, the awards will normally be exercisable until the day before the tenth anniversary of the award date. The awards are subject to a two-year holding period commencing on vesting.

Executive Director	Date of grant	% of award for minimum performance	Shares subject to award	Face value at date of award
Gavin Slark	21 March 2024	100	2,900,742	£869,062
Ian Ashton	21 March 2024	100	1,415,206	£423,996

Directors' interests in SIG shares (audited)

The interests of the Directors in office during the year ended 31 December 2024, and their families, in the ordinary shares of the Company at the dates below were as follows:

	Shares held		Nil-cost options held					
	Owned outright or vested	Vested but subject to holding period	Vested but not exercised	Unvested subject to vesting and holding period	Unvested and subject to deferral	Shareholding required (% basic salary)[1]	Current shareholding as a % of basic salary[2]	Requirement met[2]
Gavin Slark[3]	890,000	—	—	5,246,885	—	300%	87%	No
Ian Ashton[4]	166,666	1,209,209	—	4,472,707	—	300%	146%	No
Andrew Allner	288,384	—	—	—	—	—	—	—
Kath Durrant	100,774	—	—	—	—	—	—	—
Gillian Kent	Nil	—	—	—	—	—	—	—
Alan Lovell	330,000	—	—	—	—	—	—	—
Bruno Deschamps	Nil	—	—	—	—	—	—	—
Simon King	166,666	—	—	—	—	—	—	—
Shatish Dasani	320,000	—	—	—	—	—	—	—
Diego Straziota	Nil	—	—	—	—	—	—	—

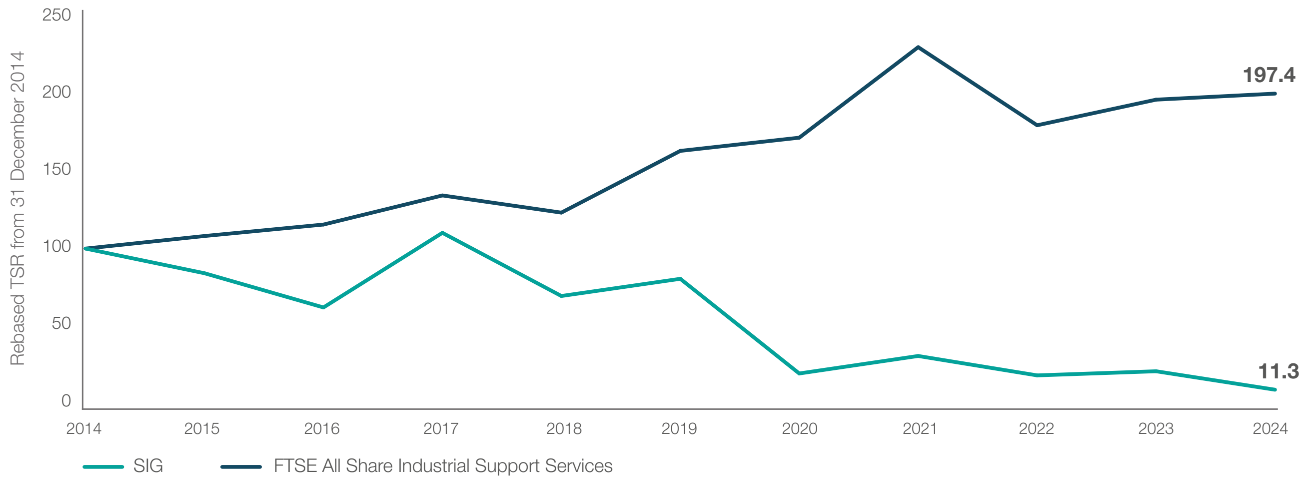
1. This relates to the in-employment shareholding requirement. Executive Directors are expected to achieve target shareholdings within five years of appointment. In the event of cessation, Executive Directors are expected to hold the lower of this shareholding requirement and their actual holding on cessation.
2. Gavin Slark and Ian Ashton's holdings are based on SIG share price of 16.48p as at 31 December 2024. The post-tax value of the RSP awards granted in March 2022, March 2023 and March 2024 have been included in the current shareholding figure. The % shareholding will fluctuate due to share price movements at each year-end.
3. Gavin Slark was appointed as CEO on 1 February 2023.
4. Ian Ashton was appointed as CFO on 1 July 2020. Ian Ashton exercised 1,056,089 share options during the year and the pre-tax gain on exercise was £296,304 (2023: £359,063).

There have been no changes to shareholdings between 1 January 2025 and the date of this report.

Total Shareholder Return ("TSR")

The graph below shows the Group's TSR performance (share price plus dividends paid) compared with the performance of the FTSE All Share Industrial Support Services Index over the ten-year period to 31 December 2024. This index has been selected because the Group believes that the constituent companies comprising the FTSE All Share Industrial Support Services Index are the most appropriate for this comparison as they are affected by similar commercial and economic factors to SIG.

Ten Year Company TSR Performance v FTSE All Share Industrial Support Services



Annual report on remuneration continued

CEO pay in the last ten years

The table below shows how pay for the CEO role has changed in the last ten years.

Year	2015 £'000	2016 £'000	2016 £'000	2017 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000	2023 £'000	2024 £'000
Incumbent	Stuart Mitchell	Stuart Mitchell[2]	Mel Ewell[3]	Mel Ewell	Meinie Oldersma[4]	Meinie Oldersma	Meinie Oldersma	Meinie Oldersma[5]	Steve Francis[6]	Steve Francis	Steve Francis	Steve Francis[7]	Gavin Slark[8]	Gavin Slark
Single figure of remuneration	765	581	100	150	794	669	688	258	850	1,315	1,435	876	874	**886**
% of max annual bonus earned	0[1]	n/a	n/a	n/a	70	0	0	0	57	87	96.5	22.1	22.5	**13.9**
% of max LTIP awards vesting	19.5	n/a	n/a	n/a	n/a	n/a	0	n/a	n/a	n/a	n/a	100	n/a	**n/a**

1. Stuart Mitchell took the decision to waive his entitlement to the 2015 annual bonus.
2. Stuart Mitchell stepped down as CEO with effect from 11 November 2016, and his remuneration relates to the period served. He did not receive a bonus for 2016, and his outstanding LTIP awards lapsed.
3. Mel Ewell was appointed as Interim CEO with effect from 11 November 2016 and stepped down on 31 March 2017. He continued as an Executive Director until 20 April 2017, and his remuneration relates to the period served as CEO. Mel Ewell did not participate in any Group incentive schemes.
4. Meinie Oldersma was appointed CEO on 3 April 2017. The 2017 figure pertains to the period 3 April 2017 to 31 December 2017.
5. Meinie Oldersma stepped down as CEO with effect from 24 February 2020, and his remuneration relates to the period served. He did not receive a bonus for 2020, and his outstanding LTIP awards lapsed.
6. Steve Francis was appointed CEO on 25 February 2020. The 2020 figure pertains to the period 25 February 2020 to 31 December 2020. His single figure reflects the temporary 20% salary reduction between 1 April 2020 and 30 June 2020 as a result of the Covid-19 pandemic as well as the one-off bonus arrangement received for 2020.
7. Steve Francis stepped down from his role as CEO on 1 February 2023, and his remuneration relates to the period he served. As per his settlement agreement, he received a pro-rata bonus for 2023 and his outstanding RSP awards were also pro-rated.
8. Gavin Slark was appointed CEO on 1 February 2023. The 2023 figure pertains to the period 1 February to 31 December 2023.

Percentage change in Directors' remuneration

The Executive Directors are the only employees of SIG plc on the Board. The table below shows the annual percentage change in salary/fees, benefits and bonus between 2024 and 2023, 2023 and 2022, 2022 and 2021 of the Directors of the Group compared to the average for all other UK-based employees. The year-on-year analysis prior to this is not presented as the comparatives were not meaningful: Ian Ashton joined the Company during 2020 and did not serve a whole year in office during that year.

	% change 2024 v 2023			% change 2023 v 2022			% change 2022 v 2021		
	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
Gavin Slark (CEO)[1]	**12.4**	**(31.2)**	**(30.5)**	—	—	—	—	—	—
Ian Ashton (CFO)	**3**	**(13.3)**	**(31.8)**	5	2	(77)	3	0.6	12.4
Andrew Allner (Chairman)	**3**	**—**	**—**	4	—	—	3	—	—
Shatish Dasani[2]	**2.5**	**—**	**—**	3	—	—	11.8	—	—
Bruno Deschamps	**3**	**—**	**—**	4	—	—	3	—	—
Kath Durrant[2]	**11.6**	**—**	**—**	7	—	—	3	—	—
Gillian Kent	**3**	**—**	**—**	4	—	—	3	—	—
Simon King[2]	**2.6**	**—**	**—**	3	—	—	19.4	—	—
Alan Lovell[2]	**(7.4)**	**—**	**—**	(0.25)	—	—	3	—	—
Diego Straziota[3]	**56.4**	**—**	**—**	—	—	—	—	—	—
Average % increase for employees	**3.6**	**1.0**	**(4.0)**	6.7	0	(41.1)	5.6	(5.6)	(18.3)

1. Gavin Slark received 3% increase in his base salary and was remunerated for the full year.
2. 3% increase in fees with a change to duties.
3. Diego Straziota received 3% increase in his fees and was remunerated for the full year.

CEO pay ratio

Financial year	Method used	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2024	**Option B (Gender Pay Data)**	**30:1**	**26:1**	**18:1**
2023	Option B (Gender Pay Data)	66:1	49:1	39:1
2022	Option B (Gender Pay Data)	46:1	42:1	27:1
2021	Option B (Gender Pay Data)	53:1	45:1	31:1
2020	Option B (Gender Pay data)	44:1	38:1	31:1
2019	Option B (Gender Pay data)	32:1	28:1	20:1

For 2024, the Company has used Option B given the availability of data, in order that a direct comparison can be shown against last year. Gender Pay for 2024 has been calculated in line with the guidance and details of the data used in the analysis can be found in the Gender Pay Gap Report which was published on our website (**www.sigplc.com**) in late March 2024.

In determining the quartile figures, one UK employee with the relevant hourly rate was chosen for each quartile and the single total remuneration figure was calculated for them to compare to the CEO.

The Group feels that 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.

	2024				2023			
	CEO	25th	50th	75th	CEO	25th	50th	75th
Basic salary	**695,250**	**28,319**	**28,227**	**42,538**	665,795	23,387	32,812	40,090
Benefits	**11,278**	**0**	**0**	**819**	18,433	0	0	0
Pension	**34,762**	**693**	**2,300**	**3,337**	33,290	1,754	2,574	3,145
Bonus plan	**144,960**	**500**	**3,285**	**1,276**	224,359	1,200	0	1,876
LTIP	**0**	**0**	**0**	**0**	809,263	0	0	0
Total pay	**886,250**	**29,512**	**34,052**	**47,970**	**1,751,140**	**26,341**	**35,386**	**45,111**

CEO pay for 2024 has been calculated for the period 1 January 2024 to 31 December 2024 based on the single total figure of remuneration table.

The following elements have been used to calculate the single total figure of remuneration for the employee at each quartile; base salary, bonus, employer pension contribution, car/car allowance, private medical insurance, Group income protection, and employer share incentive plan contribution. No pay elements were omitted or adjusted to calculate CEO pay. Non-guaranteed overtime was omitted for employees due to its variable nature.

The reduction in the CEO pay ratio for 2024 versus the previous year is largely driven by the fact the current CEO, appointed February 2023, did not have share awards vest during 2024, whilst the former CEO, who stood down in February 2023, had awards vest under SIG plc's 2020 Restricted Share Plan in December 2023 and March 2024, which were included in the CEO pay for the calculation of the 2023 pay ratio. We expect the CEO pay ratio to show less movement in future years until the first vesting of the current CEO's RSP awards in March 2026.

To ensure pay is managed appropriately at all levels in the organisation, we regularly review our salaries against those of similar roles in both the wider market and our sector. We also undertake additional pay analysis, such as gender pay reporting, to ensure we can identify, and, if appropriate, address any pay issues that arise. The ratio is driven by the differences in the structure of the pay of our CEO, which is made up of a higher proportion of variable pay, versus that of our wider workforce employees. This reflects the diverse range of roles and skillsets required to effectively operate our organisation; from the operational employees in our distribution centres, to, for example, specialist technical roles in our IT departments. What is important from our perspective is that this ratio is influenced only by the differences in structure, and not by divergence in fixed pay between the CEO and wider workforce.

Annual report on remuneration continued

Relative importance of the spend on pay

The table below shows the percentage change in total employee pay expenditure and shareholder distribution (i.e. dividends and share buybacks) from the financial year ended 31 December 2023 to the financial year ended 31 December 2024.

	2024 £m	2023 £m	% Change
Distribution to shareholders	**—**	—	—
Employee remuneration[1]	**327.0**[2]	342.4	(4.5)%

1. Continuing operations employee remuneration.
2. In addition to the above, redundancy and related staff costs of £6.5m (2023: £6.7m) have been included within Other items (Note 2), including £nil (2023: £0.4m) share-based payment expense.

The Company has declared that no final dividend would be paid for 2024 and no interim dividend was paid in 2024 (2023: nil).

Service contracts and letters of appointments

The Committee's policy for setting notice periods is that normally they will be a maximum of 12 months. The Non-Executive Directors of the Company do not have service contracts. The Non-Executive Directors are appointed by letters of appointment. Each independent Non-Executive Director's term of office runs for a three-year period.

The details of the service contracts currently in place are as follows:

Executive Directors

Name	Date of contract	Company notice	Executive notice	Guaranteed payments on change of control or cessation
Gavin Slark	1 February 2023	12 months	12 months	None
Ian Ashton	1 July 2020	6 months	6 months	None

Terms of appointment of the Non-Executive Directors

Name	Date of appointment	Date of most recent term	Date of expiry
Alan Lovell	1 August 2018	13 May 2024	12 May 2027
Andrew Allner	1 November 2017	1 November 2023	31 October 2026
Bruno Deschamps	10 July 2020	10 July 2023	9 July 2026
Diego Straziota	4 May 2023	4 May 2023	3 May 2026
Gillian Kent	1 July 2019	12 May 2022	11 May 2025
Kath Durrant	1 January 2021	1 January 2024	31 December 2026
Shatish Dasani	1 February 2021	1 February 2024	31 January 2027
Simon King	1 July 2020	1 July 2023	30 June 2026

Advisors to the Remuneration Committee

External

To ensure that the Group's remuneration practices are in line with best practice, the Committee appointed independent external remuneration advisors, Korn Ferry, through a competitive tender process in 2021. Korn Ferry confirms that it has no connection with the Company or its individual directors.

The Committee sought advice from Korn Ferry in relation to various matters including emerging market practices in executive and wider workforce incentive design and peer group analysis.

Korn Ferry is a member of the Remuneration Consultants Group and adheres to its Code of Conduct in its dealings with the Committee. The Committee has reviewed, and is satisfied that, the advice received during 2024 was independent and robust.

The fees for the advice provided by Korn Ferry in 2024 were £66,968 (2023: £90,250) and were based on the time spent during the year.

Internal

The Committee also sought internal support from the CEO, CFO, Chief People Officer, Group Head of Reward, and the Company Secretary, at Committee meetings to address specific question and matters on the performance and remuneration of the senior management team. This excluded any matter concerning their own remuneration. The Company Secretary acts as secretary to the Committee.

Voting outcomes

The following table shows the results of the advisory vote on the 2023 Directors' remuneration report at the AGM held on 2 May 2024 and the vote to approve the remuneration policy from the AGM held on 4 May 2023.

Resolution	Votes cast 'for'	%	Votes cast 'against'	%	Votes 'withheld'
To approve the annual statement by the Chair of the Remuneration Committee and the Directors' remuneration report for the year ended 31 December 2023	945,578,316	96.6	32,850,159	3.4	37,226
To approve the Directors' remuneration policy	925,096,437	96.8	29,655,028	3.2	5,835,784

Review of Committee terms of reference

Revised terms of reference were adopted in December 2020. During 2024 the Committee has reviewed the appropriateness of these terms and made a number of reasonably minor amendments. The latest version can be found on the Group's website at **www.sigplc.com**.

Committee performance review

An internal performance review of the Committee was conducted for 2024 and further details can be found on page 83. The recommendations from the Committee's 2023 performance review are set out below together with a summary of the progress that was made to satisfy the recommendations during the year:

2023 Recommendations	Action taken during 2024
Monitoring the impact of the execution of the Group's new four-pillar business strategy and ensuring that incentive arrangements and targets remain appropriate to support that in a volatile economic environment.	The Committee regularly monitored the execution progress of the business strategy and progress towards incentive targets set. In addition, the Committee reviewed more broadly the appropriateness of incentive arrangements aligned to delivery of the strategy.
Operating the annual bonus plans and RSP and assessing performance against the corresponding targets/underpins.	The Committee reviewed the incentive arrangements across the Group as well as progress against targets set ensuring the right performance and behaviours were being driven. In addition, underpin and windfall tests were regularly reviewed. Recommendations put by Management and agreed by the Committee on the bonus incentives for implementation in 2024 were also reviewed for progress by the Committee.
Ensuring talent is appropriately incentivised and that SIG remains able to attract the right capabilities to meet the differing needs of its different businesses.	The Committee reviewed the remuneration and incentives of the senior leaders, identified talent and more broadly workforce terms and conditions, ensuring that remuneration and incentives were appropriately applied and differentiated to the variable needs of different businesses.

Kath Durrant
Chair of the Remuneration Committee

4 March 2025

Directors' report

The Directors present their report and consolidated financial statements of the Group for the year ended 31 December 2024.

In accordance with the Companies Act 2006 ("CA 2006") other information required to be included in this Directors' report are included in the Strategic Report on pages 1 to 67. The Corporate Governance Report is deemed to be incorporated into this Directors' report by reference and can be found on pages 68 to 119. Further disclosure requirements contained in the CA 2006, Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Part 3 of the Companies (Miscellaneous Reporting) Regulations 2018, the UK Listing Rules ('UKLR') and the Disclosure Guidance and Transparency Rules ('DTRs') of the Financial Conduct Authority, which are not located in this Directors' report can be found:

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Substantial shareholdings

The Company had received notification of the following shareholdings in its issued share capital pursuant to the DTRs as at 31 December 2024 and 4 March 2025.

Shareholder	Interests disclosed to the Company as at 31 December 2024	%	Interests disclosed to the Company as at 4 March 2025	%
CD&R Sunshine S. a. r. l.	342,220,120	28.96%	342,220,120	28.96%
IKO Enterprises Limited	174,918,803	14.80%	174,918,803	14.80%
AzValor Asset Management	119,010,152[1]	10.07%	136,879,816	11.59%
Aberforth Partners LLP	86,508,997	7.33%	86,508,997	7.33%
BlackRock Investment Management	73,341,875	6.20%	59,733,214	5.03%
Wellcome Trust	38,247,837	3.23%	38,247,837	3.23%

1. Notification received after 31 December 2024 in respect of a holding reached in October 2024.

Whistleblowing

The Group has in place a Whistleblowing policy under which employees may, in confidence, raise concerns about possible wrongdoing in financial reporting or other matters. A copy of this policy is available on the Group's website (**www.sigplc.com**).

The Group also has a confidential hotline in place, which is available to all Group employees and provides a facility for them to bring matters to management's attention on a confidential basis. The hotline is provided by an independent third party. During 2024, these systems were operational throughout the Group.

A full investigation is carried out on all matters raised and where a whistleblowing report has been prepared, an update is provided to the Board as part of the Group General Counsel & Company Secretary's report. The Group General Counsel & Company Secretary also reports to the Board concerning ongoing investigations and conclusions reached. During 2024, Group employees used this system to raise concerns about a number of separate issues, all of which were appropriately responded to.

Statement of the Directors on the disclosure of information to the Auditor

The Directors who held office at the date of approval of the Directors' report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- each Director has taken all steps that they ought to have taken as a Director 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 CA 2006.

On the recommendation of the Audit & Risk Committee (see page 94, in accordance with Section 489 of the CA 2006, resolutions are to be proposed at the AGM for the reappointment of Ernst & Young LLP as Auditor of the Company and to authorise the Audit & Risk Committee to agree its remuneration. The remuneration of the Auditor for the year ended 31 December 2024 is fully disclosed in Note 3 to the Consolidated financial statements on page 149.

Powers of Directors

The Directors are responsible for the management of the business of the Company and may exercise all powers of the Company subject to the provisions of the Company's articles and of the CA 2006. A copy of the articles is available at **www.sigplc.com**.

Employees

The Group is committed to investing in, and rewarding, its workforce and accordingly it continues to develop and improve upon local recognition programmes, which recognise outstanding work, efforts and achievements that are aligned with Group behaviours. The Group provides regular training opportunities for its employees and also operates a share incentive plan for UK employees.

It is important that each employee understands the Group's strategies, policies and procedures. Regular communication with employees takes place through Workplace and employees are invited to attend results presentations held by the CEO and CFO. Employee views are sought through the annual employee engagement survey. Further information on employee engagement activities can be found on pages 75 to 77.

Numerical diversity data as at 31 December 2024

Our gender identity and ethnicity data in accordance with UKLR 6.6.6R (9) in the format set out in UKLR 6 Annex 1 at the year-end is set out below. Board members and ELT members were asked to complete a standardised diversity disclosure form on a confidential and voluntary basis, self-reporting to questions aligned to the data required by, and definitions set out in, the UKLR.

Gender identity	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chairman)	Number in executive management (ELT)	Percentage of executive management (ELT)
Men	8	80%	3	11	79%
Women	2	20%	1	3	21%
Not specified/prefer not to say	—	—	—	—	—

Directors' report continued

Ethnic background	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chairman)	Number in executive management (ELT)	Percentage of executive management (ELT)
White British or other White (including minority-white groups)	9	90%	4	14	100%
Mixed/Multiple Ethnic Groups	—	—	—	—	—
Asian/Asian British	1	10%	—	—	—
Black/African/Caribbean/Black British	—	—	—	—	—
Other ethnic group	—	—	—	—	—
Not specified/prefer not to say	—	—	—	—	—

Publication of Annual Report and Notice of AGM

Shareholders are to note that the SIG plc 2024 Annual Report together with the notice convening the 2025 AGM will be published on the Group's website (**www.sigplc.com**). If shareholders have elected to receive shareholder correspondence in hard copy, then the Annual Report and notice convening the AGM will be distributed to them.

Political donations

During the year, the Company and its subsidiaries did not make any political donations or incur any political expenditure. At the forthcoming Annual General Meeting shareholders will be asked to approve, on a precautionary basis, for the Company and its subsidiaries to make political donations and incur political expenditure for the year ending 31 December 2025. Details of the Group's policies in relation to corporate governance are disclosed on page 51.

Group results and dividends

The Consolidated income statement for the year ended 31 December 2024 is shown on page 127. The movement in Group reserves during the year is shown on page 130 in the Consolidated statement of changes in equity. Segmental information is set out in Note 1 to the Consolidated financial statements on pages 146 to 148.

The Board has taken the decision not to declare a final dividend for the year ended 31 December 2024 (2023: nil). No interim dividend was paid in 2024 (2023: nil). Therefore, the total dividend paid in 2024 was nil (2023: nil).

Related party transactions

Except as disclosed in Note 30 to the Consolidated financial statements on page 183, and except for Directors' service contracts and the Relationship Agreement with CD&R, the Company did not have any material transactions or transactions of an unusual nature with, and did not make loans to, related parties in the periods in which any Director is or was materially interested.

Summary of key terms of the CD&R Relationship Agreement

The Company entered into a Relationship Agreement with CD&R on 29 May 2020, which will remain effective as long as CD&R is entitled to exercise 10% or more of the votes able to be cast on matters at general meetings of the Company. The Relationship Agreement regulates the Company's relationship with CD&R. It includes agreement by CD&R that it shall (and ensure that its associates shall), among other things, conduct all transactions with the Group at arm's length and on normal commercial terms, not take actions that would have the effect of preventing the Group from carrying on its business independently and not take any action that would prevent the Group from complying with its obligations under the UKLR and other applicable laws and regulations. More details on the content of the Relationship Agreement can be found in the prospectus dated 19 June 2020, which is available on the Group's website (**www.sigplc.com**). As far as the Group is aware the undertakings included in the Relationship Agreement have been complied with during the period under review.

Further details on the CD&R relationship in practice can be found on page 78.

Directors' and officers' liability insurance and indemnities

The Company purchases liability insurance cover for Directors and officers of the Company and its subsidiaries, which gives appropriate cover for any legal action brought against them. The Company has also provided an indemnity, which was in force during the financial year for its Directors to the extent permitted by the law in respect of liabilities incurred as a result of their office. The indemnity would not provide any coverage to the extent that a Director is proven to have acted fraudulently or dishonestly.

No claims or qualifying indemnity provisions and no qualifying pension scheme indemnity provisions have been made either during the year or by the date of approval of this Directors' report.

Share capital

The Company has a single class of share capital, which is divided into ordinary shares of 10p each. At 31 December 2024, the Company had a called-up share capital of £118,155,697.70 divided into ordinary shares of 10p each (2023: £118,155,697.70).

During the year ended 31 December 2024, Directors' options over 2,077,720 ordinary shares vested under the Company's share option schemes. No new ordinary shares were allotted to satisfy the vesting of these options and no new ordinary shares have been allotted under these schemes since the end of the financial year to the date of this report. Details of outstanding options under the Group's employee and executive schemes are set out in Note 9 on page 153, which also contains details of options granted over unissued share capital.

Rights attaching to shares

The rights attaching to the ordinary shares are defined in the Company's Articles of Association. The Articles of Association may be changed by special resolution of the Company. A shareholder whose name appears on the Company's Register of Members can choose whether their shares are evidenced by share certificates (e.g. in certificated form) or held in electronic (e.g. uncertificated) form in CREST (the electronic settlement system in the UK).

Subject to any restrictions below, shareholders may attend any general meetings of the Company and, on a show of hands, every shareholder (or their representative) who is present at a general meeting has one vote on each resolution and, on a poll, every shareholder (or their representative) who is present has one vote on each resolution for every ordinary share of which they are the registered shareholder.

A resolution put to the vote of a general meeting is decided on a show of hands unless before or on the declaration of the result of a vote on a show of hands, a poll is demanded by the Chairman of the meeting, or by at least five shareholders (or their representatives) present in person and having the right to vote, or by any shareholders (or their representatives) present in person having at least 10% of the total voting rights of all shareholders, or by any shareholders (or their representatives) present in person holding ordinary shares in which an aggregate sum has been paid up of at least one-tenth of the total sum paid up on all ordinary shares.

Shareholders can declare final dividends by passing an ordinary resolution, but the amount of such dividends cannot exceed the amount recommended by the Board. The Board can pay interim dividends on any class of shares of the amounts and on the dates and for the periods they decide provided the distributable profits of the Company justify such payment. The Board may, if authorised by an ordinary resolution of the shareholders, offer any shareholder the right to elect to receive new ordinary shares, which will be credited as fully paid, instead of their cash dividend.

Any dividend that has not been claimed for 12 years after it became due for payment will be forfeited and will then belong to the Company unless the Directors decide otherwise.

If the Company is wound up, the liquidator can, with the sanction of an extraordinary resolution passed by the shareholders, divide among the shareholders all or any part of the assets of the Company and they can value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator can also transfer the whole or any part of the assets to trustees upon any trusts for the benefit of the members. No shareholders can be compelled to accept any asset which would give them a liability.

Under the Company's share incentive scheme (the 'SIP'), the SIP trustee holds shares on behalf of employee participants. In accordance with the SIP trust deed and rules, the SIP trustee must act in accordance with any directions given by a SIP participant in respect of their SIP shares. In the absence of any such directions from a SIP participant the SIP trustee will not take any action in respect of SIP shares.

Under the SIG employee benefit trust (the 'EBT'), the EBT trustee holds shares to be used for the settlement of awards granted under the Company's incentive plans. The EBT trustee has, under the trust deed establishing the EBT, waived all rights to vote in respect of any shares held in the EBT, except any shares participants own beneficially, in respect of which it will invite participants to direct how the trustee shall act in relation to the shares held on their behalf. The number of shares held in the EBT on 4 March 2025 was 20,614,080. The EBT trustee also waives any dividends on shares held in the EBT.

Further information relating to the change of control provisions under the Group's incentive plans appears within the remuneration policy available on the Group's website (**www.sigplc.com**).

Voting at general meetings

Any form of proxy sent by the Company to shareholders in relation to any general meeting must be delivered to the Company, whether in written or electronic form, no less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote.

The Board may determine that the shareholder is not entitled to exercise any right conferred by being a shareholder if they or any person with an interest in shares has been sent a notice under Section 793 of the CA 2006 (which confers upon public companies the power to require information with respect to interests in their voting shares) and they or any interested person failed to supply the Company with the information requested within 14 days after delivery of that notice. The Board may also decide that no dividend is payable in respect of those default shares and that no transfer of any default shares shall be registered.

These restrictions end seven days after receipt by the Company of a notice of an approved transfer of the shares or all the information required by the relevant Section 793 Notice, whichever is the earlier.

Transfer of shares

The Board may refuse to register a transfer of a certificated share that is not fully paid, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis. The Board may also refuse to register a transfer of a certificated share unless: (i) the instrument of transfer is lodged, duly stamped (if necessary), at the registered office of the Company or any other place decided by the Board accompanied by a certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; (ii) is in respect of only one class of shares; and (iii) is in favour of not more than four transferees.

Transfer of uncertificated shares must be carried out using CREST and the Board can refuse to register a transfer of an uncertificated share in accordance with the regulations governing the operation of CREST.

Directors' report continued

Variation of rights

If at any time the capital of the Company is divided into different classes of shares, the special rights attaching to any class may be varied or revoked either:

- with the written consent of the holders of at least 75% in nominal value of the issued shares of the class; or
- with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class.

The Company can issue new shares and attach any rights to them. If there is no restriction by special rights attaching to existing shares, rights attaching to new shares can take priority over the rights of existing shares, or the new shares and the existing shares are deemed to be varied (unless the rights expressly allow it) by a reduction of paid up capital, or if another share of that same class is issued and ranks in priority for payment of dividend, or in respect of capital or more favourable voting rights.

Election and re-election of Directors

The Company may, by ordinary resolution, of which special notice has been given in accordance with the CA 2006, remove any Director before the expiration of their period of office. The office of a Director shall be vacated if:

- they cease to be a Director by virtue of any provision of law or are removed pursuant to the Company's Articles of Association or they become prohibited by law from being a Director;
- they become bankrupt or compound with their creditors generally;
- they become of unsound mind or a patient for any purpose of any statute relating to mental health and the Board resolves that their office is vacated;
- they resign;
- they fail to attend Board meetings for six consecutive months without leave of absence from the Board and the Board resolves that the office is vacated;
- their appointment terminates in accordance with the provisions of the Company's Articles;
- they are dismissed from executive office;
- they are convicted of an indictable offence and the Directors resolve that it is undesirable in the interests of the Company that they remain as a Director; or
- the conduct of the Director is the subject of an investigation and the Directors resolve that it is undesirable in the interests of the Company that they remain a Director.

The Board may, from time to time, appoint one or more Directors as Managing Director or to fulfil any other executive function within the Company for such term, remuneration and other conditions of appointment as it may determine, and it may revoke such appointment (subject to the provisions of the CA 2006).

Agreements with employees and significant agreements (contracts of significance)

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

The Company's borrowing arrangements are terminable upon a change of control of the Company.

Fixed assets

In the opinion of the Directors, there is no material difference between the book value and the current open market value of the Group's interests in land and buildings.

CREST

The Company's ordinary shares are in CREST, the settlement system for stocks and shares.

2025 Interim Report

Current regulations permit the Company not to send hard copies of its Interim Reports to shareholders and therefore the Company intends to publish its Interim Report on its website at **www.sigplc.com**.

Authority to purchase own ordinary shares

Shareholders' authority for the purchase by the Company of 118,155,698 of its own shares existed at the end of the year. The Company has made no purchases of its own ordinary shares pursuant to this authority. The Company will seek to renew this authority.

Cautionary statement

The cautionary statement can be found on page 61 of the Strategic report.

Approval of the Directors' report

The Directors' report set out on pages 120 to 124 was approved by the Board of Directors on 4 March 2025 and signed on its behalf by:

Andrew Watkins
Group General Counsel & Company Secretary

4 March 2025

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable 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 Financial Statements in accordance with UK adopted international accounting standards and the requirements of the Companies Act 2006. The Directors have elected to prepare the Parent Company Financial Statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). 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 Group and the Company and of the profit and loss of the Group and the company for that period.

In preparing the Parent Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 inappropriate to presume that the Company will continue in business.

In preparing the Group Financial Statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- 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 the UK adopted international accounting standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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 Group at that time 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

The Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;

The Strategic report includes a fair review of the development and performance of the business and the position of the Company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and

The Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 4 March 2025 and is signed on its behalf by:

Gavin Slark
Chief Executive Officer

Ian Ashton
Chief Financial Officer

4 March 2025

Financial statements

Financials

Consolidated income statement

for the year ended 31 December 2024

	Note	Underlying[1] 2024 £m	Other items[2] 2024 £m	Total 2024 £m	Underlying[1] 2023 £m	Other items[2] 2023 £m	Total 2023 £m
Revenue	1	**2,611.8**	**—**	**2,611.8**	2,761.2	—	2,761.2
Cost of sales		**(1,971.8)**	**—**	**(1,971.8)**	(2,061.6)	—	(2,061.6)
Gross profit		**640.0**	**—**	**640.0**	699.6	—	699.6
Other operating expenses	2	**(609.1)**	**(28.9)**	**(638.0)**	(640.6)	(50.2)	(690.8)
Impairment (losses)/gains on financial assets	2	**(5.8)**	**—**	**(5.8)**	(9.6)	1.1	(8.5)
Gain on disposal of property	2	**—**	**—**	**—**	3.7	—	3.7
Operating profit/(loss)	3	**25.1**	**(28.9)**	**(3.8)**	53.1	(49.1)	4.0
Finance income	5	**2.7**	**—**	**2.7**	2.2	—	2.2
Finance costs	5	**(42.1)**	**(1.6)**	**(43.7)**	(37.9)	(0.2)	(38.1)
(Loss)/profit before tax		**(14.3)**	**(30.5)**	**(44.8)**	17.4	(49.3)	(31.9)
Income tax (expense)/credit	6	**(5.4)**	**1.6**	**(3.8)**	(13.0)	1.5	(11.5)
(Loss)/profit after tax		**(19.7)**	**(28.9)**	**(48.6)**	4.4	(47.8)	(43.4)
Attributable to:							
Equity holders of the Company		**(19.7)**	**(28.9)**	**(48.6)**	4.4	(47.8)	(43.4)
Loss per share							
Basic	8			**(4.2)p**			(3.8)p
Diluted	8			**(4.2)p**			(3.8)p

1. Underlying represents the results before Other items. See the Accounting policies for further details.
2. Other items have been disclosed separately in order to give an indication of the underlying earnings of the Group. Other items are defined in the Accounting policies and further details are disclosed in Note 2.

All results are from continuing operations.

The accompanying Accounting policies and Notes to the consolidated financial statements are an integral part of this Consolidated income statement.

Consolidated statement of comprehensive income

for the year ended 31 December 2024

	Note	2024 £m	2023 £m
Loss after tax for the year		**(48.6)**	(43.4)
Items that will not subsequently be reclassified to the Consolidated income statement:			
Remeasurement of defined benefit pension liability	28	**(0.2)**	1.1
Deferred tax movement associated with remeasurement of defined benefit pension liability	22	**—**	(0.1)
		(0.2)	1.0
Items that may subsequently be reclassified to the Consolidated income statement:			
Exchange difference on retranslation of foreign currency goodwill and intangibles		**(2.2)**	(1.1)
Exchange difference on retranslation of foreign currency net investments (excluding goodwill and intangibles)		**(13.1)**	(2.8)
Exchange and fair value movements associated with borrowings and derivative financial instruments		**12.3**	5.8
Losses and gains on cash flow hedges		**(1.1)**	(1.1)
Transfer to profit and loss on cash flow hedges		**1.0**	(1.5)
		(3.1)	(0.7)
Other comprehensive (expense)/income		**(3.3)**	0.3
Total comprehensive expense		**(51.9)**	(43.1)
Attributable to:			
Equity holders of the Company		**(51.9)**	(43.1)

The accompanying Accounting policies and Notes to the consolidated financial statements are an integral part of this Consolidated statement of comprehensive income.

Consolidated balance sheet

as at 31 December 2024

	Note	2024 £m	2023 £m
Non-current assets			
Property, plant and equipment	10	**64.9**	65.4
Right-of-use assets	23	**250.3**	263.1
Goodwill	11	**129.0**	131.2
Intangible assets	12	**12.5**	15.3
Lease receivables	23	**1.9**	2.2
Deferred tax assets	22	**4.6**	4.4
Non-current financial assets	18	**0.3**	0.2
		463.5	481.8
Current assets			
Inventories	14	**253.8**	259.1
Lease receivables	23	**0.3**	1.1
Trade and other receivables	15	**370.8**	389.1
Current tax assets	15	**2.3**	3.6
Current financial assets	18	**0.1**	—
Cash at bank and on hand	18	**87.4**	132.2
		714.7	785.1
Total assets		**1,178.2**	1,266.9
Current liabilities			
Trade and other payables	16	**358.6**	385.8
Lease liabilities	16	**64.9**	64.9
Interest-bearing loans and borrowings	17	**5.2**	0.8
Deferred consideration	16	**—**	1.8
Derivative financial instruments	16,18	**1.3**	1.0
Current tax liabilities	16	**1.7**	6.9
Provisions	21	**7.6**	7.9
		439.3	469.1
Non-current liabilities			
Lease liabilities	23	**258.7**	264.9
Interest-bearing loans and borrowings	17	**256.9**	260.0
Derivative financial instruments	18	**0.1**	0.1
Other payables		**2.8**	3.0
Retirement benefit obligations	28	**18.2**	20.3
Provisions	21	**22.4**	21.0
		559.1	569.3
Total liabilities		**998.4**	1,038.4
Net assets		**179.8**	228.5
Capital and reserves			
Called up share capital	24	**118.2**	118.2
Treasury shares reserve	24	**(8.6)**	(11.6)
Capital redemption reserve		**0.3**	0.3
Share option reserve		**7.8**	7.6
Hedging and translation reserves		**0.7**	3.8
Cost of hedging reserve		**0.1**	0.1
Merger reserve		**92.5**	92.5
Retained (losses)/profits		**(31.2)**	17.6
Attributable to equity holders of the Company		**179.8**	228.5
Total equity		**179.8**	228.5

The accompanying Accounting policies and Notes to the consolidated financial statements are an integral part of this Consolidated balance sheet.

The Consolidated financial statements were approved by the Board of Directors on 4 March 2025 and signed on its behalf by:

Gavin Slark
Director

Ian Ashton
Director

Registered in England: 00998314

Consolidated statement of changes in equity

for the year ended 31 December 2024

	Called up share capital £m	Treasury shares reserve £m	Capital redemption reserve £m	Share option reserve £m	Hedging and translation reserves £m	Cost of hedging reserve £m	Merger reserve £m	Retained profits/ (losses) £m	Total £m
As at 1 January 2023	118.2	(16.4)	0.3	8.6	4.5	0.1	92.5	60.0	267.8
Loss after tax	—	—	—	—	—	—	—	(43.4)	(43.4)
Other comprehensive (expense)/income	—	—	—	—	(0.7)	—	—	1.0	0.3
Total comprehensive expense	—	—	—	—	(0.7)	—	—	(42.4)	(43.1)
Purchase of treasury shares	—	(1.7)	—	—	—	—	—	—	(1.7)
Credit to share option reserve	—	—	—	5.5	—	—	—	—	5.5
Settlement of share options	—	6.5	—	(6.5)	—	—	—	—	—
As at 31 December 2023	118.2	(11.6)	0.3	7.6	3.8	0.1	92.5	17.6	228.5
Loss after tax	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(48.6)**	**(48.6)**
Other comprehensive expense	**—**	**—**	**—**	**—**	**(3.1)**	**—**	**—**	**(0.2)**	**(3.3)**
Total comprehensive expense	**—**	**—**	**—**	**—**	**(3.1)**	**—**	**—**	**(48.8)**	**(51.9)**
Purchase of treasury shares	**—**	**(0.9)**	**—**	**—**	**—**	**—**	**—**	**—**	**(0.9)**
Credit to share option reserve	**—**	**—**	**—**	**4.1**	**—**	**—**	**—**	**—**	**4.1**
Settlement of share options	**—**	**3.9**	**—**	**(3.9)**	**—**	**—**	**—**	**—**	**—**
As at 31 December 2024	**118.2**	**(8.6)**	**0.3**	**7.8**	**0.7**	**0.1**	**92.5**	**(31.2)**	**179.8**

The share option reserve represents the cumulative equity-settled share option charge under IFRS 2 "Share-based payment" less the value of any share options that have been exercised.

The hedging and translation reserves represent movements in the Consolidated balance sheet as a result of movements in exchange rates and movements in the fair value of cash flow hedges which are reflected in equity through Other comprehensive income as detailed in the Accounting policies.

Treasury shares relate to shares purchased by the SIG Employee Benefit Trust ("EBT") to satisfy awards made under the Group's share plans which are not vested and beneficially owned by employees.

The merger reserve represents the premium on ordinary shares issued in a previous year through the use of a cash box structure.

The accompanying Accounting policies and Notes to the consolidated financial statements are an integral part of this Consolidated statement of changes in equity.

Consolidated cash flow statement

for the year ended 31 December 2024

	Note	2024 £m	2023 £m
Net cash flow from operating activities			
Cash generated from operating activities	25	**83.5**	128.4
Income tax paid		**(8.0)**	(14.0)
Net cash generated from operating activities		**75.5**	114.4
Cash flows from investing activities			
Finance income received		**2.7**	2.2
Purchase of property, plant and equipment and computer software		**(16.1)**	(15.7)
Initial direct costs of right-of-use assets		**(0.6)**	(0.1)
Proceeds from sale of property, plant and equipment		**1.8**	5.6
Settlement of amounts payable for previous purchases of businesses	13	**(4.4)**	(0.7)
Net cash flow from investing activities		**(16.6)**	(8.7)
Cash flows from financing activities			
Finance costs paid		**(37.5)**	(36.9)
Repayment of lease liabilities		**(67.5)**	(63.6)
Repayment of borrowings		**(239.7)**	(0.8)
Proceeds from borrowings		**247.0**	—
Acquisition of treasury shares		**(0.9)**	(1.7)
Net cash flow from financing activities		**(98.6)**	(103.0)
(Decrease)/increase in cash and cash equivalents in the year	26	**(39.7)**	2.7
Cash and cash equivalents at beginning of the year[1]	27	**132.2**	130.1
Effect of foreign exchange rate changes	27	**(5.1)**	(0.6)
Cash and cash equivalents at end of the year[1]	27	**87.4**	132.2

1. Cash and cash equivalents comprise cash at bank and on hand of £87.4m (2023: £132.2m) less bank overdrafts of £nil (2023: £nil).

The accompanying Accounting policies and Notes to the consolidated financial statements are an integral part of this Consolidated cash flow statement.

Accounting policies

for the year ended 31 December 2024

The material accounting policy information relating to this Annual Report and Accounts for the year ended 31 December 2024 is set out below.

Basis of preparation

The Consolidated financial statements are prepared in accordance with UK adopted international accounting standards.

The Consolidated financial statements have been prepared under the historical cost convention except for derivative financial instruments and unquoted investments which are stated at their fair value. The principal accounting policies applied in the preparation of these Consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The qualifying partnership, The SIG 2018 Scottish Limited Partnership, which is included in these Consolidated financial statements, is entitled to exemption under Regulation 7(1) from the requirements of Regulations 4 to 6 of Part 2 of The Partnerships (Accounts) Regulations 2008 in relation to preparation and audit of annual financial statements of the partnership. Advantage has been taken of the exemption conferred by this regulation.

The Consolidated financial statements have been prepared on a going concern basis as set out below.

In preparing the Consolidated financial statements, management has considered the impact of climate change, particularly in the context of the financial statements as a whole, in addition to disclosures included in the Strategic report this year. This included an assessment of the impact on the carrying value of non-current assets and the impact on forecasts used in the impairment review and the assessments of going concern and longer term viability. These considerations did not have a material impact on the financial reporting judgements and estimates, consistent with the assessment that climate change is not expected to have a significant impact on the Group's going concern assessment to 31 March 2026 nor the viability of the Group over the next three years.

Going concern

The Group closely monitors its funding position throughout the year, including monitoring compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations.

The Group's financing facilities comprise €300m fixed rate secured notes, due October 2029, €13.5m fixed rate secured notes, due November 2026, and a £90m Revolving Credit Facility (RCF) that expires in April 2029. One of the trading businesses also has a £1.3m bank loan repayable over the period to June 2026. The secured notes are subject to incurrence-based covenants only, and the RCF has a leverage maintenance covenant which is only effective if the facility is over 40% (i.e. £36m) drawn at a quarter end reporting date. The RCF was undrawn at 31 December 2024 and has remained undrawn subsequent to the year end.

The Group has significant available liquidity and on the basis of current forecasts is expected to remain in compliance with all banking covenants throughout the forecast period to 31 March 2026 ("the going concern period").

The Directors have considered the Group's forecasts which support the view that the Group will be able to continue to operate within its banking facilities and comply with its banking covenants. The Directors have considered the following principal risks and uncertainties that could potentially impact the Group's ability to fund its future activities and adhere to its banking covenants, including:

- prolonged challenging trading conditions in the Group's larger businesses, leading to lower volumes;
- pricing pressure on sales and modest net input cost deflation; and
- current economic and political uncertainties, potentially further impacting market demand.

The forecasts on which the going concern assessment is based have been subject to sensitivity analysis and stress testing to assess the impact of the above risks and the Directors have also reviewed mitigating actions that could be taken. Following two years of market-driven downturn, with a LFL revenue decline of 2% in 2023 and 4% in 2024, and continued market uncertainty, a severe but plausible downside scenario has been modelled, which factors in a 2.5% reduction in revenue, a reduction in gross margin and a resulting 32% reduction in underlying operating profit from the base forecast for the 12 months to 31 March 2026. Certain mitigations are also included, for example delaying non-essential capital expenditure. Under this scenario the analysis shows that sufficient cash would be available without triggering a covenant breach, as the RCF is not expected to be drawn above the £36m at a relevant quarter end date, and furthermore the leverage covenant would also be below the required threshold. Reverse stress testing has also been performed, which shows that the Group could withstand up to an 11% reduction in revenue from the base forecasts for the nine months to the forecast liquidity low point of 30 September 2025, or up to 13% reduction for the 12 months to 31 March 2026, before triggering a covenant breach. Up to £90m RCF is available to meet working capital requirements during the month, providing this is reduced to £36m before the quarter end date if the leverage covenant is expected to be breached. Further cash phasing mitigations would also be available to avoid the requirement to draw over £36m at a quarter end date if required.

The Directors have considered the impact of climate-related matters on the going concern assessment and this is not expected to have a significant impact on the Group's going concern assessment to 31 March 2026.

On consideration of the above, the Directors believe that the Group has adequate resources to continue in operational existence for the forecast period to 31 March 2026 and the Directors therefore consider it is appropriate to adopt the going concern basis in preparing the 2024 Consolidated financial statements.

New standards, interpretations and amendments adopted

The Group has adopted the following new standards, amendments and interpretations which apply for the first time in 2024:

– Amendments to IAS 1: Classification of liabilities as current or non-current and non-current liabilities with covenants
– Amendments to IFRS 16: Lease liability in sale and leaseback
– Amendments to IAS 7 and IFRS 7: Supplier finance arrangements

As a result of the adoption of the amendments to IAS 7 and IFRS 7, the Group has provided new disclosures relating to liabilities under supplier finance arrangements in Note 16. The other amendments have not had a material impact on the Financial statements of the Group.

New standards, amendments and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. IFRS 18 "Presentation and Disclosure in Financial Statements" will be effective for the financial year ending 31 December 2027, with retrospective application required. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but will have an impact on presentation and disclosure, which the Group is currently assessing. None of the other new standards, amendments or interpretations are expected to have a material impact on the Group in the current or future reporting periods or on foreseeable future transactions.

Basis of consolidation

The Consolidated financial statements incorporate the Financial statements of the Company and each of its subsidiary undertakings after eliminating all significant intercompany transactions and balances. The results of subsidiary undertakings acquired or sold are consolidated for the periods from or to the date on which control passed.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the shareholders of the Company.

Profit and loss on disposal is calculated as the difference between the aggregate of the fair value of the consideration received and the previous carrying amount of the net assets (including goodwill and intangible assets) of the businesses.

Goodwill and business combinations

All business combinations are accounted for by applying the purchase method. Goodwill arising on consolidation represents the excess of the cost of the acquisition over the Group's interest in the fair value of identifiable assets (including intangible assets) and liabilities of the business acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is not amortised but is tested annually for impairment, or more frequently when there is an indication that goodwill may be impaired. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units ("CGUs") expected to benefit from the synergies of the combination. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset in the CGU. Right-of-use assets recognised on adoption of IFRS 16 are included in the carrying amount of the CGU, with cash flows and discount rates adapted accordingly to calculate value in use on a consistent basis. An impairment loss recognised against goodwill cannot be reversed in a subsequent period.

A CGU is the lowest level at which independent cash inflows can be identified, which is considered to be at an operating company level. Each operating company includes a number of branches, but due to the interdependency of various elements of the branch operations and sharing of resources, the operating company is considered to be the most appropriate CGU.

On disposal of a subsidiary, the attributable amount of remaining goodwill relating to the entity disposed of is included in the determination of any profit or loss on disposal.

Goodwill recorded in foreign currencies is retranslated at each period end. Any movements in the carrying value of goodwill as a result of foreign exchange rate movements are recognised in the Consolidated statement of comprehensive income.

Any excess of the fair value of net assets over consideration arising on an acquisition is recognised immediately in the Consolidated income statement.

Accounting policies continued

for the year ended 31 December 2024

Foreign currency

Transactions denominated in foreign currencies are recorded in the local currency and converted at actual exchange rates at the date of the transaction. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Consolidated income statement.

At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange prevailing at that date.

On consolidation, assets and liabilities of overseas subsidiary undertakings are translated into sterling at the rate of exchange prevailing at the balance sheet date. Income and expense items are translated into sterling at the average rate of exchange for the year as an approximation where actual rates do not fluctuate significantly.

Exchange differences arising on translation of the opening net assets and results of overseas operations, and on foreign currency borrowings, to the extent that they hedge the Group's investment in such operations, are reported in the Consolidated statement of comprehensive income.

On the disposal of a foreign operation the exchange differences accumulated in equity in respect of that operation are reclassified to the Consolidated income statement.

Consolidated income statement disclosure

Income statement items are presented in the middle column of the Consolidated income statement entitled Other items where they are significant in size and nature, and either they do not form part of the trading activities of the Group, or their separate presentation enhances understanding of the financial performance of the Group.

Items classified as Other items relevant to the current and prior year are as follows:

– **Costs related to acquisitions**
  The Group has made a number of acquisitions in previous years. There are a number of specific costs relating to these acquisitions which make comparison of performance of the businesses and segments difficult. Therefore the following items are recorded as Other items to provide a more comparable view of the businesses and enhance the clarity of the performance of the Group and its businesses to the readers of the Financial statements:

  (i) amortisation of intangible assets acquired through business combinations;

  (ii) expenses related to contingent consideration required to be treated as remuneration for acquired businesses;

  (iii) costs and credits arising from the re-estimation of deferred and contingent consideration payable in respect of acquisitions; and

  (iv) costs related to the acquisition of businesses.

– **Impairment charges**
  Impairment charges related to non-current assets are non-cash items and tend to be significant in size. The presentation of these as Other items further enhances the understanding of the ongoing performance of the Group. Impairments of property, intangible assets and other tangible fixed assets are included in Other items if related to the overall annual impairment review of goodwill and other non-current assets, a fundamental restructuring project or other fundamental project or if significant in size. Other impairments are included in underlying results.

– **Net restructuring costs**
  Restructuring costs are classified as Other items if they relate to a fundamental change in the organisational structure of the Group or a fundamental change in the operating model of a business within the Group. Costs may include redundancy, property closure costs and consultancy costs, which are significant in size and will not be incurred under the ongoing structure or operating model of the Group. These costs are therefore recorded as Other items in order to provide a better understanding of the ongoing financial performance of the Group. Careful consideration is applied by management in assessing whether these costs relate to fundamental restructuring and changing the structure and operating model of the business as opposed to costs incurred in the normal course of business.

– **Costs associated with refinancing**
  Costs associated with the refinancing and changes to debt facility agreements during the year are included within Other items as they are significant in size, do not form part of the underlying trading activities and will not be incurred on an ongoing basis.

– **Cloud based ERP implementation costs**
  Costs incurred in relation to the implementation of Software as a Service ("SaaS") arrangements which are recognised as expenses in the Consolidated income statement are included within Other items if they relate to significant strategic projects such as ERP implementations and are considered to meet the Group's definition of Other items.

– **Other specific items**
  Other specific items are recorded in Other items where they do not form part of the underlying trading activities of the Group in order to enhance the understanding of the financial performance of the Group. This includes, for example, profit on sale of property not related to ongoing operations (i.e. related to a branch or business closure) or property sold as part of a fundamental restructuring programme. Profit on the sale of property in connection with branch or office moves in the normal course of business is included within underlying results. A full breakdown of other specific items is included in Note 2 to the Consolidated financial statements.

– Other items within finance income and finance costs
The write-off of arrangement fees related to the previous debt arrangements is included within finance costs in Other items, as this is significant in size, does not form part of the underlying trading activities and will not be incurred on an ongoing basis, consistent with other costs associated with the refinancing as above.

– Taxation
The taxation effect of Other items is shown within Other items in order to enhance the understanding of the underlying tax position of the Group.

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

a) Sale of goods

The majority of the Group's revenue arises from contracts with customers for the sale of goods, with one performance obligation. Revenue is recognised at the point in time that control of the goods passes to the customer, usually on delivery to the customer. Standard payment terms vary across the different businesses but generally range from 8 to 60 days from end of month. The amount of revenue recognised is impacted by the following:

Volume rebates:
The Group provides retrospective volume rebates to certain customers, which give rise to variable consideration. The Group estimates the expected volume rebates using an expected value approach based on expected volumes and thresholds in the contracts. The Group then applies the constraint regarding variable consideration and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Expected volume rebates due to customers are recognised as a reduction to trade receivables.

Early settlement discounts:
Early settlement discounts are estimated using the expected value approach based on past experience and are recognised at the time of recognising the revenue, subject to the constraint regarding variable consideration that it is highly probable that a change in estimate would not result in a significant reversal of the cumulative revenue recognised.

b) Construction contracts

The Group has contracts for the provision of industrial services which fall under the category of "construction contracts".

One of the Group's business in Ireland provides industrial painting, coating and repair services. Revenue from these contracts is recognised over time, as the entity's performance enhances a customer-controlled asset, using an output method to measure progress towards completion, based on agreed rates and/or valuation schedules agreed with the customer which confirm the amounts invoiced each month, depending on individual contract terms.

Any earned consideration that is conditional is recorded as a contract asset. A contract asset becomes a receivable when receipt is conditional only on the passage of time. Therefore, revenue recognised from construction contracts described above which has not yet been invoiced is recognised as a contract asset, which is shown as a separate line item on the Consolidated balance sheet rather than as part of trade and other receivables (£nil in 2024 and 2023). Invoices are raised as the contract progresses based on agreed milestones, rates or valuation schedules depending on the terms of individual contracts, with subsequent payment in accordance with agreed payment terms.

c) Presentation and disclosure requirements

The Group has disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group has also disclosed information about the relationship between the disclosure of disaggregated revenue and the revenue information disclosed for each reportable segment. Refer to Note 1 for the disclosure on disaggregated revenue.

Supplier rebates

Supplier rebate income is significant to the Group's results, with a substantial proportion of purchases covered by rebate agreements. Some supplier rebate agreements are non-coterminous with the Group's financial year, and firm confirmation of amounts due may not be received until after the balance sheet date.

Where the Group relies on estimates, these are made with reference to contracts or other agreements, management forecasts and detailed operational workbooks. Supplier rebate income estimates are regularly reviewed by senior management.

Outstanding amounts at the balance sheet date are included in trade payables when the Group has the right to offset against amounts owing to the supplier and therefore settles on a net basis, in line with IAS 32 criteria. Where the supplier rebates are not netted off the amounts owing to that supplier, the outstanding amount is included within prepayments and accrued income. The carrying value of inventory is reduced by the associated amount where the inventory has yet to be sold at the balance sheet date.

Operating profit

Operating profit is stated after charging distribution costs, selling and marketing costs and administrative expenses, but before finance income and finance costs.

Accounting policies continued

for the year ended 31 December 2024

Taxation

Income tax on the profit or loss for the periods presented comprises both current and deferred tax. Income tax is recognised in the Consolidated income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in the Consolidated statement of comprehensive income or the Consolidated statement of changes in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates that have been enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Uncertain tax treatments are accounted for in accordance with IFRIC 23. The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

Deferred tax is provided using the balance sheet liability method, providing for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

In accordance with IAS 12, the following temporary differences are not provided for:

- Goodwill not deductible for taxation purposes.
- The initial recognition of assets or liabilities that affect neither accounting nor taxable profit.
- Differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future and the Group is able to control the reversal.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted by the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group applies the exception in IAS 12 “Income taxes” from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Share-based payment transactions

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). Equity settled share-based payments are measured at fair value at the date of grant based on the Group’s estimate of the number of shares that will eventually vest. The fair value determined is then expensed in the Consolidated income statement on a straight-line basis over the vesting period, with a corresponding increase in equity. The fair value of the options is measured using the Black-Scholes option pricing model.

The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

For equity-settled share options, at each balance sheet date the Group revises its estimate of the number of share options expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the Consolidated income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The EBT purchases shares in the Company in order to satisfy awards made under the Company’s share plans. The EBT is included in the Consolidated financial statements of the Group. Shares held by the EBT which are not vested and beneficially owned by employees are treated as treasury shares and a deduction is included in the Company’s weighted average number of shares in issue for the purpose of calculating earnings/(loss) per share.

Intangible assets

The Group recognises intangible assets at cost less accumulated amortisation and impairment losses. The Group recognises two types of intangible asset: acquired and purchased. Acquired intangible assets arise as a result of applying IFRS 3 “Business Combinations” which requires the separate recognition of intangible assets from goodwill on all business combinations. Purchased intangible assets relate primarily to software that is separable from any associated hardware.

Intangible assets are amortised on a straight-line basis over their useful economic lives as follows:

	Amortisation period	Current average useful life
Customer relationships	Life of the relationship	7 to 10 years
Non-compete contracts	Life of the contract	3 years
Computer software	Useful life of the software	3 to 10 years

Assets in the course of construction are carried at cost, with amortisation commencing once the assets are ready for their intended use.

Software as a service (“SaaS”) arrangements

SaaS arrangements are arrangements in which the Group does not currently control the underlying software used in the arrangement. These arrangements are accounted for as a service contract over the contract period. The Group’s policy in relation to costs incurred to configure or customise the software to specific requirements is as follows:

- Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where the Group has the power to obtain the future economic benefit flowing from the underlying resource and to restrict the access of others to those benefits, such costs are capitalised as separate software intangible assets and amortised over the useful life of the software on a straight-line basis.
- Where costs incurred to configure or customise do not result in the recognition of an intangible software asset then those costs that provide the Group with a distinct service (in addition to the SaaS access) are recognised as expenses when the supplier provides the services. When such costs incurred do not provide a distinct service, the costs are expensed as incurred. Costs are included within Other items in the Consolidated income statement if they relate to significant strategic projects such as ERP implementations and are considered to meet the Group’s definition of Other items.

Property, plant and equipment

Property, plant and equipment is shown at original cost to the Group less accumulated depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost less the estimated residual value of property, plant and equipment on a straight-line basis over their estimated useful lives as follows:

	Current estimate of useful life
Freehold buildings	50 years
Leasehold properties and improvements	Period of lease (3 to 25 years)
Plant and machinery (including motor vehicles)	3 to 8 years

Freehold land is not depreciated.

Residual values, which are based on market rates, are reassessed annually. Assets in the course of construction are carried at cost, with depreciation charged on the same basis as all other assets once those assets are ready for their intended use.

Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition the Group has chosen to apply the cost model. Investment properties are therefore recognised at cost and depreciated over the useful life and are impaired when appropriate in accordance with IAS 16 “Property, plant and equipment”.

Transfers are made to or from investment property only when there is a change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Accounting policies continued

for the year ended 31 December 2024

Finance income and expenses

Finance income comprises interest income on bank deposits and is recognised as it accrues using the effective interest method.

Finance expenses comprise interest and fees on bank facilities, loans, secured notes, leases and defined benefit pension schemes and the unwinding of discounts on provisions. Interest expense is recognised in the Consolidated income statement using the effective interest method and includes the amortisation of fees associated with the arrangement of financing.

Leases and hire purchase agreements

Leases and hire purchase agreements are recognised in accordance with IFRS 16 “Leases”.

The Group’s leasing activities

The Group leases various offices, warehouses, branches, equipment and vehicles. Rental contracts are typically made for fixed periods of 3 to 10 years but may have extension or early termination options. Certain property leases have a term of up to 25 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

How leases are accounted for

A lease liability is recognised based on the discounted present value of total future lease payments, with a corresponding right-of-use asset including any initial direct costs recognised and depreciated over the lease term. The lease payments are discounted using the lessee’s incremental borrowing rate or the interest rate implicit in the lease. The Group remeasures lease liabilities and right-of-use assets when there is a change of lease term, lease payments or a change in the assessment of exercising of a purchase option. The impact of these changes is included within modifications in Note 23.

Where a lease liability relates to an onerous lease contract the right-of-use asset is assessed for impairment. Payments due under the lease continue to be included in the lease liability, therefore a separate provision is not required. Provisions for short-term onerous lease contracts continue to be recognised.

Definition of a lease

A lease is a contract (i.e. an agreement between two or more parties that creates enforceable rights and obligations), or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. It is determined whether a contract is a lease or contains a lease at the inception of the contract. Under IFRS 16, an identified asset can be either implicitly or explicitly specified in a contract.

Lease term

In accordance with IFRS 16, the lease term is defined as the non-cancellable period of the lease, together with:

- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Variable lease payments

Variable lease payments based on an index or a rate are part of the lease liability. Variable lease payments are initially measured using the index or the rate at the commencement date. Forecast future changes in rates are not included; these are only taken into account at the point in time at which lease payments change.

The Group has a few property leases where rentals are based on an index but with a cap and collar, and for such leases the minimum future increase is included in the initial recognition of the lease liability where relevant. Other variable payments, for example additional costs based on usage or vehicle mileage, are not included in the lease liability.

Asset restoration costs

Where there is an obligation under a lease contract to dismantle and/or restore the asset to its original condition, provision is made for this in accordance with IAS 37, and the initial carrying amount of this provision is included within fixed assets on inception of the lease. The liability continues to be recorded as a separate provision on the balance sheet (i.e. it is not included in the IFRS 16 lease liability).

Exemptions

The Group has certain assets with lease terms of 12 months or less and leases of equipment with low value. The Group applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

Inventories

Inventories are stated at the lower of cost (including an appropriate proportion of attributable overheads, supplier rebates and discounts) and net realisable value. The cost formula used in measuring inventories is either a weighted average cost, or a first-in first-out basis, depending on the most appropriate method for each business. Most businesses use weighted average, with the exception of Poland and Ireland, where first-in first-out is used.

Net realisable value is based on estimated normal selling price, less further costs expected to be incurred up to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the Consolidated cash flow statement.

Lease payments are presented as follows in the Consolidated cash flow statement:

- Short term lease payments and payments for leases of low-value assets that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities.
- Payments for the interest element of recognised lease liabilities are included in 'Finance costs paid' within cash flows from financing activities.
- Payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

Cash flows in relation to the settlement of amounts payable for previous purchases of businesses related to consideration dependent on vendors remaining within the business are classified as an operating cash flow. Cash flows in relation to contingent or deferred consideration not dependent on vendors remaining within the business are classified as a cash flow from investing activities.

Financial assets

Financial assets are classified as either financial assets subsequently measured at amortised cost, fair value through profit and loss ("FVPL") or fair value through other comprehensive income ("FVOCI").

The classification 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 or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

The Group measures financial assets at amortised cost if both 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.

The Group's financial assets are all measured at amortised cost, except for derivative financial instruments ("FVPL") and unquoted investments ("FVOCI").

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 include trade receivables, deferred consideration and cash and cash equivalents.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments held at amortised cost. 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 and contract assets, the Group applies the standard's simplified approach and calculates ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward looking factors specific to the debtors and economic environment.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Consolidated balance sheet) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Trade receivables that are factored out to banks and other financial institutions without recourse to the Group are derecognised at the point of factoring as the risks and rewards of the receivables have been fully transferred. In assessing whether the receivables qualify for derecognition, the Group has considered the receivables and receivable insurance contracts as two separate units of account. Therefore, the insurance is not included as part of the derecognition assessment on the basis that the insurance is not similar to the receivables. The Group has elected to recognise cash inflows from the sale of factored receivables as an operating cash flow.

Accounting policies continued

for the year ended 31 December 2024

Financial liabilities

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities, except for derivative financial instruments (see below), are recognised initially at fair value, net of directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest rate ("EIR") method.

The Group classified financial liabilities that arise from supplier finance arrangements within Trade and other payables in the Consolidated balance sheet if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supplier finance arrangement are not substantially different from the terms of comparable trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in Trade and other payables in the Consolidated balance sheet are included in operating activities in the Consolidated cash flow statement.

A financial obligation is derecognised when the obligation under the liability is discharged, 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 the derecognition of the original liability and the recognition of a new liability. Where a modification of a financial liability does not result in derecognition, the amortised cost of the financial liability is recalculated by computing the present value of estimated future contractual cash flows that are discounted at the loan's original EIR. Any consequent adjustment (gain or loss on modification) is recognised immediately in profit or loss. The gain or loss on modification will unwind over the remaining term of the liability, with the movement recognised in finance costs.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

When determining the fair value of financial liabilities, the expected future cash flows are discounted using an appropriate interest rate.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated 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.

Derivative financial instruments

The Group uses derivative financial instruments including interest rate swaps, forward foreign exchange contracts, and cross-currency swaps to hedge its exposure to foreign currency exchange and interest rate risks arising from operational and financing activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, any derivative financial instruments that do not qualify for hedge accounting are accounted for as trading instruments. Derivatives are classified as non-current assets or non-current liabilities if the remaining maturity of the derivatives is more than 12 months and they are not expected to be otherwise realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Derivative financial instruments are recognised immediately at fair value. Subsequent to their initial recognition, derivative financial instruments are then stated at their fair value. The fair value of derivative financial instruments is derived from "mark-to-market" valuations obtained from the Group's relationship banks.

Unless hedge accounting is achieved, the gain or loss on remeasurement to fair value is recognised immediately and is included as part of finance income or finance costs, together with other fair value gains and losses on derivative financial instruments, within Other items in the Consolidated income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, no longer qualifies for hedge accounting, or when the Group revokes the hedging relationship. At that time, any cumulative gain 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 gain or loss recognised in equity is transferred to the Consolidated income statement in the period.

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised commitment;
- 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 probably forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of the hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting, along with its risk management objectives and its strategy for undertaking the hedging transaction.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument;
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for as described below.

Fair value hedges

The change in the fair value of the hedged item attributable to the risk being hedged is recorded as part of the carrying value of the hedged item and is recognised in the Consolidated income statement within Other items. The change in the fair value of the hedging instrument is also recognised in the Consolidated income statement within Other items. The Group did not have any fair value hedges in place in the current or prior year.

Cash flow hedges

The effective part of any gain or loss on the hedging instrument is recognised directly in the Consolidated statement of comprehensive income in the cash flow hedging reserve. When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, the associated gains or losses that were previously recognised in the Consolidated statement of comprehensive income are reclassified into the Consolidated income statement in the same period or periods during which the asset acquired or liability assumed affects the Consolidated income statement.

For cash flow hedges, the ineffective portion of any gain or loss is recognised immediately as fair value gains or losses on derivative financial instruments and is included as part of finance income or finance costs within Other items in the Consolidated income statement. The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in other comprehensive income and accumulated in a separate component of equity under cost of hedging reserve.

Hedges of net investment in foreign operations

The portion of any gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognised in the Consolidated statement of comprehensive income. The ineffective portion of any gain or loss is recognised immediately as fair value gains or losses on derivative financial instruments and is included as part of finance income or finance costs within Other items within the Consolidated income statement. Gains and losses deferred in the foreign currency translation reserve are recognised immediately in the Consolidated income statement when foreign operations are disposed of.

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 a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Leasehold dilapidations

Provisions are recognised in relation to contractual obligations to reinstate leasehold properties to their original state of repair. The provision is calculated based on both the liability to rectify or reinstate leasehold improvements and modifications carried out on the inception of the lease, recognised on inception with a corresponding fixed asset, and the liability to rectify general wear and tear which is recognised as incurred over the life of the lease. The provision recognised is based on estimated expected value using current cost estimates and therefore the net impact of inflation and discounting to present value is not considered material.

A description of the nature and accounting of other provisions by type is included in Note 21.

Accounting policies continued

for the year ended 31 December 2024

Pension schemes

The Group operates four defined benefit pension schemes. The Group's net obligation in respect of these defined benefit pension schemes is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in both current and prior periods. That benefit is discounted using an appropriate discount rate to determine its present value and the fair value of any plan assets is deducted.

Where the benefits of the plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the Consolidated income statement, at the earlier of when the plan amendment or curtailment occurs and when the entity recognises related restructuring costs or termination benefits.

The full service cost of the pension schemes is charged to operating profit. Net interest costs on defined benefit pension schemes are recognised in the Consolidated income statement. Discretionary contributions made by employees or third parties reduce service costs upon payment of these contributions into the plan.

Any actuarial gain or loss arising is charged through the Consolidated statement of comprehensive income and comprises the difference between the expected returns on assets and those actually achieved, any changes in the actuarial assumptions for demographics and any changes in the financial assumptions used in the valuations.

The pension scheme deficit is recognised in full and presented on the face of the Consolidated balance sheet. The associated deferred tax asset is recognised within non-current assets on the Consolidated balance sheet.

For defined contribution schemes the amount charged to the Consolidated income statement in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are included within either accruals or prepayments on the Consolidated balance sheet.

Dividends

Dividends proposed by the Board of Directors that have not been paid by the end of the year are not recognised in the Consolidated financial statements until they have been approved by the shareholders at the Annual General Meeting.

Segmental reporting

In accordance with IFRS 8 "Operating Segments", the Group identifies its reportable segments based on the components of the business on which financial information is regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to assess performance and make decisions about how resources are allocated. For SIG, the CODM is considered to be the Executive Leadership Team ("ELT"). Reported operating segments are consistent with those reported in the 2023 Annual Report and Accounts. The UK Exteriors and France Exteriors segments have been renamed UK Roofing and France Roofing respectively in the current year, consistent with as reported in the 2024 Interim results. Inter-segment revenue is charged at the prevailing market rates.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described on pages 132 to 142, the Directors are required to make judgements (other than those involving estimates) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the change takes place if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements that the Directors have made in the process of applying the Group's accounting policies and that have had a significant effect on the amounts recognised in the Consolidated financial statements. The judgements involving estimations are dealt with separately below.

Classification of Other items in the Consolidated income statement

As described in the Accounting policies, certain items are presented in the separate column of the Consolidated income statement entitled Other items where they are significant in size or nature, and either they do not form part of the trading activities of the Group or their separate presentation enhances understanding of the financial performance of the Group. The nature and amounts of the items included in Other items, together with the overall impact on the results for the year, is disclosed in Note 2 of the Consolidated financial statements.

Recognition of deferred tax assets

Deferred tax assets are recognised for unused tax attributes to the extent that it is probable that taxable profit will be available against which the attributes can be utilised, after consideration of available taxable temporary differences. The Group has £109.5m (2023: £99.4m) of potential deferred tax assets relating to cumulative tax losses and other deductible timing differences in the UK and Benelux, which are currently unrecognised as it is not considered probable that sufficient future taxable profits will be available to allow the utilisation of the deductible temporary differences.

Although the UK trading businesses in aggregate have generated positive underlying operating profit in the current year, the UK tax group remains in a taxable loss position due to the head office costs and interest on the secured notes, and there is not considered to be sufficient convincing evidence at 31 December 2024 that sufficient future taxable profits will be available. This required significant management judgement to determine the likely timing and level of future taxable profits and whether sufficient, convincing evidence was available at 31 December 2024 to recognise the previously unrecognised deferred tax assets. If the Group were able to recognise all unrecognised deferred tax assets, profit and equity would have increased by £109.5m (2023: £99.4m). Further details are disclosed in Note 22.

Lease term

Where the Group is a lessee, judgement is required in determining the lease term at initial recognition, and throughout the lease term, where extension or termination options exist. The Group applies judgement in evaluating whether it is reasonably certain whether or not an option to extend or terminate the lease will be exercised, considering all relevant factors that may create an economic incentive to exercise either the extension or termination. Information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term is included in Note 23.

Key sources of estimation uncertainty

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of the assets and liabilities within the next financial year are detailed below.

Post-employment benefits

The Group operates four defined benefit pension schemes. All post-employment benefits associated with these schemes have been accounted for in accordance with IAS 19 "Employee Benefits". As detailed within the Accounting policies, in accordance with IAS 19, all actuarial gains and losses have been recognised immediately through the Consolidated statement of comprehensive income.

For all defined benefit pension schemes, pension valuations have been performed using specialist advice obtained from independent qualified actuaries. In performing these valuations, significant actuarial assumptions have been made to determine the defined benefit obligation, in particular with regard to discount rate, inflation and mortality. Management considers the key assumption to be the discount rate applied. In determining the appropriate discount rate, the Group considers the interest rates of high quality corporate bonds excluding university bonds. If the discount rate were to be increased/decreased by 0.1% for the UK scheme, this would decrease/increase the Group's gross pension scheme deficit by £0.9m as disclosed in Note 28. At 31 December 2024 the Group's retirement benefit obligations were £18.2m (2023: £20.3m).

Critical accounting judgements and key sources of estimation uncertainty continued

Impairment of goodwill and non-current assets

The Group tests goodwill and the associated intangible assets, property, plant and equipment and right-of-use assets of CGUs annually for impairment, or more frequently if there are indications that an impairment may be required. Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated, including all related assets, or an estimation of fair value less costs of disposal if higher than value in use. The key estimates made in the value in use calculation are those regarding discount rates, sales growth rates, and expected changes to selling prices and direct costs to reflect the operational gearing of the business. The Directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money for the Group and that also include a risk premium to factor in a certain element of risk over and above that already included in the forecast cash flows where considered necessary.

Value in use is determined by forecasting cash flows based upon management's three year projections, which include forecast sales growth based on external data (construction PMI data and construction market growth forecasts) and management's best estimates of market development and growth from current commerical and strategic initiatives, and gross margin assumptions based on management's best estimates and previous experience. Annual growth rates based upon country specific inflation expectations (2.0%-2.5%) are applied thereafter into perpetuity. Assumptions regarding sales growth, gross margin, and discount rate are considered to be the key areas of estimation in the impairment review process, and appropriate sensitivities have been performed and disclosed in Note 11.

Where value in use indicated an impairment, in the case of the UK Interiors and Benelux CGUs, the recoverable amount of individual classes of assets has been determined on a fair value less costs of disposal basis. The key assumption used in the determination of fair value less costs of disposal is the fair value of the right-of-use assets. For property right-of-use assets this has been determined based on third party external valuations of a number of properties, considering the market rental value that could be obtained from subleasing the properties, subject to landlord consent, and taking into account current market conditions together with the location and condition of the properties.

For fleet right-of-use assets, this has been determined based on the estimated recoverable value that could be obtained from returning the vehicles early, taking into account the estimated termination penalty compared to the future rentals remaining.

For UK Interiors there are certain lease contracts for HGV trucks where there is no right under the terms of the contract to terminate the agreement before the end of the lease term and there is no right to sublet the vehicles, and these vehicles are therefore deemed to have no determinable recoverable value under current contractual terms. An impairment charge of £7.3m has therefore been recognised in relation to these vehicles. Further impairment may be incurred in future periods against vehicles acquired under similar contractual terms, until such time as the value in use calculation of the CGU as a whole exceeds the carrying value of the assets.

The carrying amount of relevant non-current assets at 31 December 2024 is £456.7m (2023: £475.0m) including right-of-use assets recognised in accordance with IFRS 16. The most recent results of the impairment review process are disclosed in Note 11. As noted above, an impairment charge of £7.3m has been recognised at 31 December 2024 in relation to fleet right-of-use assets in the UK Interiors CGU. The carrying value of non-current assets associated with all the other Group's CGUs is considered supportable at 31 December 2024.

Whilst the Directors consider the assumptions used in the impairment review to be realistic, if actual results are different from expectations then it is possible that the value of goodwill included in the Consolidated balance sheet could become impaired further. The remaining carrying value of goodwill is £129.0m. Sensitivities are disclosed in Note 11. These indicate reasonably possible scenarios which could lead to further impairment for certain CGUs.

Other areas of estimation uncertainty

The following areas of estimation uncertainty are not presented to comply with the requirements of paragraph 125 of IAS 1 "Presentation of Financial Statements" as it is not expected there is a significant risk of a material adjustment to the carrying amount of assets and liabilities within the next financial year. They are presented as additional disclosure of estimates used in the financial statements.

Rebates receivable

Supplier rebate income is significant to the Group's result, with a substantial proportion of purchases covered by rebate agreements. Supplier rebate income affects the recorded value of cost of sales, trade payables, trade and other receivables, and inventories. The amounts payable under rebate agreements are often subject to negotiation after the balance sheet date. At the balance sheet date, the Directors estimate the amount of rebate that will become payable and due to the Group under these agreements based upon prices, volumes and product mix. The Group has recognised income from supplier rebates of £348.0m for the year ended 31 December 2024 (2023: £369.3m). At 31 December 2024 trade payables is presented net of £37.4m (2023: £36.5m) due from suppliers in respect of supplier rebates where the Group has the right to net settlement, and included within prepayments and accrued income is £71.7m (2023: £70.4m) due in relation to supplier rebates where there is no right to offset against trade payable balances. The majority of these balances relate to agreements which are coterminous with the financial year end and therefore this reduces the level of estimation involved. Based on experience in the current year, the amount received is not expected to vary from the amount recorded by more than £2.0m.

Provisions against receivables

At 31 December 2024 the Group has recognised trade receivables with a carrying value of £271.0m (2023: £291.5m). The Group recognises an allowance for ECLs in relation to trade receivables. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward looking factors specific to the debtors and economic environment. Changes in the economic environment or customer-specific circumstances could have an impact on the recoverability of amounts included on the Consolidated balance sheet at 31 December 2024. The total allowance for ECLs recorded at 31 December 2024 is £18.4m (2023: £20.0m). The bad debt to sales ratio of the Group has varied by up to 0.2% over recent periods, therefore this gives an indication that the bad debt experience could vary by c£5m based on current year sales. Further detail on trade receivables and the allowance for ECLs recognised is disclosed in Note 15.

Dilapidations provisions

The Group has a significant number of leasehold properties with contractual obligations to reinstate the properties to their original state of repair at the end of the lease contract. The Group has recognised a provision of £25.9m at 31 December 2024 (2023: £25.7m) in relation to this obligation (see Note 21). The total provision includes both the estimated cost of rectifying or reinstating leasehold modifications and improvements carried out, which is recognised at the inception of the lease with a corresponding asset recognised in fixed assets and depreciated over the term of the lease, together with the estimated cost of rectifying general wear and tear which is recognised as incurred over the life of the lease. Estimates are based on a combination of a sample of assessments by third party independent property surveyors, internal assessments by the Group's property experts and previous settlement history. Whilst the Directors consider the estimates to be reasonable based on latest available information, actual amounts payable could be different to the amount provided depending on specific circumstances of individual properties and counterparties at the expiry of each lease contract. The amount payable is not expected to be materially different to the amount provided in the following year but there could be a material adjustment over a longer timescale. The provision is reassessed each year on the basis of latest information, which could also result in a change in the value of the provision year-on-year of up to c10% based on past experience.

Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in leases, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore requires estimation when no observable rates are available, such as for subsidiaries that do not enter into financing transactions. The Group estimates the IBR using observable inputs, such as market interest rates, when available, and is required to make certain entity-specific estimates, for example to capture the economic environment in which different subsidiaries and their leases are located.

Notes to the consolidated financial statements

for the year ended 31 December 2024

1. Revenue and segmental information

In accordance with IFRS 8 "Operating Segments", the Group identifies its reportable operating segments based on the way in which financial information is reviewed and business performance is assessed by the CODM. Reportable operating segments are grouped on a geographical basis as explained in the Accounting policies.

2024	UK Interiors £m	UK Roofing £m	UK Specialist Markets £m	Total UK £m	France Interiors £m	France Roofing £m	Total France £m	Germany £m	Benelux £m	Ireland £m	Poland £m	Eliminations £m	Total Group £m
Type of product													
Interiors	495.0	—	170.0	665.0	200.4	—	200.4	438.5	103.6	60.1	241.4	—	1,709.0
Exteriors	—	380.6	68.1	448.7	—	410.1	410.1	—	—	44.0	—	—	902.8
Inter-segment revenue	4.1	1.1	15.2	20.4	0.1	11.8	11.9	—	—	0.2	—	(32.5)	—
Total underlying and statutory revenue	499.1	381.7	253.3	1,134.1	200.5	421.9	622.4	438.5	103.6	104.3	241.4	(32.5)	2,611.8
Nature of revenue													
Goods for resale (recognised at point in time)	499.1	381.7	253.3	1,134.1	200.5	421.9	622.4	438.5	103.6	96.2	241.4	(32.5)	2,603.7
Construction contracts (recognised over time)	—	—	—	—	—	—	—	—	—	8.1	—	—	8.1
Total underlying and statutory revenue	499.1	381.7	253.3	1,134.1	200.5	421.9	622.4	438.5	103.6	104.3	241.4	(32.5)	2,611.8
Segment result before Other items	(3.5)	13.2	4.8	14.5	6.2	8.0	14.2	4.7	(4.5)	3.3	4.6	—	36.8
Parent company costs													(11.7)
Underlying operating profit													25.1
Other items (Note 2)													(28.9)
Operating loss													(3.8)
Net finance costs before Other items													(39.4)
Non-underlying finance costs													(1.6)
Loss before tax													(44.8)
Income tax expense													(3.8)
Loss for the year													(48.6)

Other segment information:

2024	UK Interiors £m	UK Roofing £m	UK Specialist Markets £m	Total UK £m	France Interiors £m	France Roofing £m	Total France £m	Germany £m	Benelux £m	Ireland £m	Poland £m	Parent company £m	Total Group £m
Depreciation and amortisation of fixed assets, right-of-use assets and computer software	11.7	12.9	6.3	30.9	8.0	13.2	21.2	17.0	2.0	3.1	5.7	0.2	80.1

2023	UK Interiors £m	UK Roofing £m	UK Specialist Markets £m	Total UK £m	France Interiors £m	France Roofing £m	Total France £m	Germany £m	Benelux £m	Ireland £m	Poland £m	Elimin-ations £m	Total Group £m
Type of product													
Interiors	556.5	—	173.9	730.4	218.9	—	218.9	462.1	116.9	54.5	237.9	—	1,820.7
Exteriors	—	369.4	73.7	443.1	—	458.0	458.0	—	—	39.4	—	—	940.5
Inter-segment revenue	7.2	1.0	18.4	26.6	0.1	13.3	13.4	—	—	0.2	—	(40.2)	—
Total underlying and statutory revenue	563.7	370.4	266.0	1,200.1	219.0	471.3	690.3	462.1	116.9	94.1	237.9	(40.2)	2,761.2
Nature of revenue													
Goods for resale (recognised at point in time)	563.7	370.4	266.0	1,200.1	219.0	471.3	690.3	462.1	116.9	88.5	237.9	(40.2)	2,755.6
Construction contracts (recognised over time)	—	—	—	—	—	—	—	—	—	5.6	—	—	5.6
Total underlying and statutory revenue	563.7	370.4	266.0	1,200.1	219.0	471.3	690.3	462.1	116.9	94.1	237.9	(40.2)	2,761.2
Segment result before Other items	(1.6)	10.6	10.3	19.3	10.4	19.3	29.7	15.6	(3.0)	1.4	7.1	—	70.1
Parent company costs													(17.0)
Underlying operating profit													53.1
Other items (Note 2)													(49.1)
Operating profit													4.0
Net finance costs before Other items													(35.7)
Non-underlying finance costs													(0.2)
Loss before tax													(31.9)
Income tax expense													(11.5)
Loss for the year													(43.4)

Other segment information:

2023	UK Interiors £m	UK Roofing £m	UK Specialist Markets £m	Total UK £m	France Interiors £m	France Roofing £m	Total France £m	Germany £m	Benelux £m	Ireland £m	Poland £m	Parent company £m	Total Group £m
Depreciation and amortisation of fixed assets, right-of-use assets and computer software	15.5	12.4	5.1	33.0	7.4	12.6	20.0	15.9	2.2	3.0	4.6	0.3	79.0
Profit on sale of property	—	—	—	—	—	3.7	3.7	—	—	—	—	—	3.7

Notes to the consolidated financial statements continued

for the year ended 31 December 2024

1. Revenue and segmental information continued

Geographic information

The Group's non-current operating assets (including property, plant and equipment, right-of-use assets, goodwill and intangible assets but excluding lease receivables, deferred tax and financial assets) by geographical location are as follows:

Country	2024 £m	2023 £m
United Kingdom	**225.0**	240.0
Ireland	**14.6**	16.1
France	**129.1**	136.4
Germany	**60.0**	56.6
Poland	**21.0**	16.7
Benelux	**7.0**	9.2
Total	**456.7**	475.0

2. Operating expenses

a) Analysis of operating expenses

	2024			2023		
	Before Other items £m	Other items £m	Total £m	Before Other items £m	Other items £m	Total £m
Operating expenses:						
Distribution costs	**316.1**	**10.3**	**326.4**	320.9	4.3	325.2
Selling and marketing costs	**172.5**	**1.1**	**173.6**	179.8	2.6	182.4
Management, administrative and central costs	**120.5**	**17.5**	**138.0**	139.9	43.3	183.2
Total other operating expenses	**609.1**	**28.9**	**638.0**	640.6	50.2	690.8
Impairment losses/(gains) on financial assets	**5.8**	**—**	**5.8**	9.6	(1.1)	8.5
Gain on disposal of property	**—**	**—**	**—**	(3.7)	—	(3.7)
Total net operating expenses	**614.9**	**28.9**	**643.8**	646.5	49.1	695.6

b) Other items

(Loss)/profit after tax includes the following Other items which have been disclosed in a separate column within the Consolidated income statement in order to provide a better indication of the underlying earnings of the Group (as explained in the Accounting policies):

	2024			2023		
	Other items £m	Tax impact £m	Tax impact %	Other items £m	Tax impact £m	Tax impact %
Amortisation of acquired intangibles (Note 12)	**(2.1)**	**0.1**	**4.8%**	(2.8)	0.1	3.6%
Impairment charges[1]	**(7.3)**	**—**	**—**	(33.8)	—	—
Net restructuring costs[2]	**(13.4)**	**1.0**	**7.5%**	(8.0)	1.2	15.0%
Costs related to acquisitions (Note 13)	**—**	**—**	**—**	(3.2)	0.1	3.1%
Cloud based ERP implementation costs[3]	**(1.0)**	**0.2**	**20.0%**	(2.2)	0.1	4.5%
Onerous contract costs[4]	**—**	**—**	**—**	(0.2)	—	—
Costs associated with refinancing[5]	**(3.9)**	**—**	**—**	—	—	—
Other specific items[6]	**(1.2)**	**0.3**	**25.0%**	1.1	—	—
Impact on operating profit	**(28.9)**	**1.6**	**5.5%**	(49.1)	1.5	3.1%
Non-underlying finance costs[7]	**(1.6)**	**—**	**—**	(0.2)	—	—
Impact on (loss)/profit before tax	**(30.5)**	**1.6**	**5.2%**	(49.3)	1.5	3.0%

1. Impairment charges in the current year relate to right-of-use asset impairment in the UK Interiors CGU. See Note 11 for further details. Impairment charges in the prior year related to the UK Interiors CGU and comprised £2.6m relating to goodwill, £2.2m customer relationships, £3.6m tangible fixed assets and £25.4m right-of-use assets.
2. Net restructuring costs in the year comprise £6.5m (2023: £6.7m) redundancy and related staff costs and £6.9m (2023: £2.4m) other branch closure costs, including £2.9m (2023: £1.6m) impairment of right-of-use assets, tangible fixed assets and software costs, all related to restructuring across the Group. Costs in the prior year were also offset by £1.1m gain on the sublease and termination of property leases previously impaired.
3. Cloud based ERP implementation costs relate to costs incurred on strategic projects which are expensed as incurred rather than being capitalised as intangible assets.
4. Onerous contract costs in the prior year related to the final settlement of provisions recognised in previous years for licence fee commitments where no future economic benefit was expected to be obtained.
5. Costs associated with refinancing relates to legal and professional fees incurred in connection with the refinancing of the Group's debt arrangements in the year.
6. Other specific items in the current year comprises the estimated impact of a property lease dispute, including impairment of right-of-use and fixed assets of £0.7m, and costs relating to an investment property no longer in use by the Group. In the prior year, other specific items comprised £1.1m reversal of provision for lease receivables, the reversal of onerous lease provisions and impairment of right-of-use assets in relation to a branch which was reopened, offset by additional impairment of the investment property which is no longer in use by the Group.
7. Non-underlying finance costs in the current year includes £1.4m write-off of arrangement fees in relation to the previous debt arrangements and £0.2m (2023: £0.2m) relating to the investment property referred to above.

The total impact of the above amounts on the Consolidated cash flow statement is a cash outflow of £17.1m (2023: £6.4m), including costs accrued in the prior year and paid in the current year.

3. Operating profit/(loss)

	2024 £m	2023 £m
Operating profit/(loss) is stated after charging/(crediting):		
Cost of inventories recognised as an expense	**1,959.0**	2,053.1
Net decrease in provision for inventories	**(1.3)**	(0.1)
Depreciation of property, plant and equipment	**12.5**	12.7
Depreciation of right-of-use assets	**66.4**	63.9
Amortisation of acquired intangibles	**2.1**	2.8
Amortisation of computer software	**1.2**	2.4
Gain on disposal of property	**—**	(3.7)
Gain on disposal of other plant and equipment	**(1.0)**	(0.6)
Impairment charges (Notes 10 and 23)	**11.0**	35.7
Reversal of impairment of lease receivables (Note 2)	**—**	(1.1)
Impairment losses on trade receivables	**5.8**	9.6
Expense relating to short term leases (Note 23)	**1.8**	1.1
Foreign exchange rate gains	**0.2**	—

Auditor's remuneration:

During the year the Group incurred the following costs for services provided by the Company's auditor:

	2024 £m	2023 £m
Audit of the Company and Group financial statements	**0.9**	0.9
Audit of the Company's subsidiaries	**1.7**	1.6
Total audit fees[1]	**2.6**	2.5
Audit-related assurance services[2]	**0.4**	0.2
Total non-audit fees	**0.4**	0.2
Total fees	**3.0**	2.7

1. The current year costs include £nil in relation to the 2023 audit (2023: £nil in relation to 2022).
2. The audit-related assurance services comprise £0.2m (2023: £0.2m) relating to the interim review and £0.2m relating to assurance services in connection with the refinancing completed during the year. It is usual practice for a company's Auditor to perform this work.

The Audit and Risk Committee Report on pages 93 and 94 provides an explanation of how Auditor objectivity and independence is safeguarded when non-audit services are provided by the Auditor.

4. Staff costs

Particulars of employees (including Directors) are shown below:

	2024 £m	2023 £m
Employee costs during the year amounted to:		
Wages and salaries	**262.7**	275.7
Social security costs	**50.7**	52.1
IFRS 2 share-based payment expense	**4.1**	5.1
Pension costs (Note 28)	**7.7**	8.1
Redundancy costs	**1.8**	1.4
Total staff costs	**327.0**	342.4

In addition to the above, redundancy and related staff costs of £6.5m (2023: £6.7m) have been included within Other items (Note 2), including £nil (2023: £0.4m) share-based payment expense.

Of the pension costs noted above, a charge of £0.5m (2023: £0.6m) relates to defined benefit schemes and a charge of £7.2m (2023: £7.5m) relates to defined contribution schemes. See Note 28 for more details.

4. Staff costs continued

The average monthly number of persons employed by the Group during the year was as follows:

	2024 Number	2023 Number
Distribution and operations	**3,306**	3,409
Sales and marketing	**2,889**	2,958
Management and administration	**756**	843
Total	**6,951**	7,210

Directors' emoluments

Details of the individual Directors' emoluments are given in the Directors' Remuneration Report on page 112.

The employee costs shown above include the following emoluments in respect of Directors of the Company:

	2024 £m	2023 £m
Directors' remuneration (excluding IFRS 2 share-based payment expense but including social security costs)	**2.4**	2.4
Total	**2.4**	2.4

5. Finance income and finance costs

	2024			2023		
	Underlying £m	Other items £m	Total £m	Underlying £m	Other items £m	Total £m
Finance income						
Interest on bank deposits	**2.7**	**—**	**2.7**	2.2	—	2.2
Total finance income	**2.7**	**—**	**2.7**	2.2	—	2.2
Finance costs						
On bank loans, overdrafts and other associated items[1]	**3.5**	**—**	**3.5**	3.6	—	3.6
On secured notes[2]	**15.9**	**—**	**15.9**	14.1	—	14.1
On obligations under lease contracts[3]	**22.1**	**0.2**	**22.3**	19.4	0.2	19.6
Total interest expense	**41.5**	**0.2**	**41.7**	37.1	0.2	37.3
Write-off of arrangement fees on extinguished debt[4]	**—**	**1.4**	**1.4**	—	—	—
Net finance charge on defined benefit pension schemes	**0.6**	**—**	**0.6**	0.8	—	0.8
Total finance costs	**42.1**	**1.6**	**43.7**	37.9	0.2	38.1
Net finance costs	**39.4**	**1.6**	**41.0**	35.7	0.2	35.9

1. Other associated items includes the amortisation of arrangement fees of £0.2m (2023: £0.2m).
2. Included within finance costs on the secured notes is the amortisation of arrangement fees of £0.5m (2023: £0.5m).
3. See Note 2 for further details of non-underlying finance costs.
4. As part of the refinancing of the debt arrangements in October 2024, £238.9m of the secured notes were extinguished and the RCF was amended and restated, and therefore arrangement fees that were being amortised over the term of the previous facilities have been written off.

6. Income tax

The income tax expense comprises:

		2024 £m	2023 £m
Current tax			
UK & Ireland corporation tax:	charge for the year	**0.5**	0.1
	adjustments in respect of previous years	**(0.1)**	(0.1)
		0.4	—
Mainland Europe corporation tax:	charge for the year	**3.7**	12.2
	adjustments in respect of previous years	**0.1**	0.5
		3.8	12.7
Total current tax		**4.2**	12.7
Deferred tax			
Origination and reversal of deductible temporary differences		**(0.7)**	(0.7)
Adjustments in respect of previous years		**0.3**	(0.4)
Effect of change in rate		**—**	(0.1)
Total deferred tax		**(0.4)**	(1.2)
Total income tax expense		**3.8**	11.5

As the Group's profits and losses are earned across a number of tax jurisdictions an aggregated income tax reconciliation is disclosed, reflecting the applicable rates for the countries in which the Group operates.

The total tax charge for the year differs from the expected tax using a weighted average tax rate which reflects the applicable statutory corporate tax rates on the accounting profits/losses in the countries in which the Group operates. The differences are explained in the following aggregated reconciliation of the income tax expense:

	2024		2023	
	£m	%	£m	%
Loss before tax	**(44.8)**		(31.9)	
Expected tax (credit)/charge	**(11.8)**	**26.3%**	(6.6)	20.7%
Factors affecting the income tax expense for the year:				
Expenses not deductible for tax purposes[1]	**3.8**	**(8.5)%**	2.8	(8.8)%
Non-taxable income	**(0.4)**	**0.9%**	(0.5)	1.6%
Impairment and disposal charges not deductible for tax purposes[2]	**—**	**—**	0.6	(1.9)%
Deductible temporary differences not recognised for deferred tax purposes[3]	**11.9**	**(26.5)%**	15.3	(48.0)%
Other adjustments in respect of previous years	**0.3**	**(0.7)%**	—	—
Effect of change in rate on deferred tax	**—**	**—**	(0.1)	0.3%
Total income tax expense	**3.8**	**(8.5)%**	11.5	(36.1)%

1. The majority of the Group's expenses that are not deductible for tax purposes are mainly in relation to share-based payments, business entertainment, non-qualifying depreciation and other disallowable expenditure in the current year. The expenses not deductible for tax purposes in the prior year also included acquisition related costs and non-qualifying depreciation.
2. During the year the Group incurred impairment charges of £nil (2023: £4.2m) in relation to goodwill and non-current assets which are not deductible for tax purposes.
3. Deductible temporary differences not recognised for deferred tax purposes mainly relate to losses in the UK and Benelux and interest restricted under the UK corporate interest restriction rules which are not recognised as deferred tax assets (see Note 22).

The effective tax rate for the Group on the total loss before tax of £44.8m (2023: £31.9m loss) is negative 8.5% (2023: negative 36.1%). The tax impact of Other items is shown in Note 2. The tax charge for the year of £3.8m (2023: £11.5m) is related to taxable profits made in the majority of the EU businesses. Tax losses in the UK and Benelux, which cannot be surrendered or utilised cross border, are not currently recognised as deferred tax assets (Note 22), and this impacts the overall effective tax rate. Due to a reduction in the profit before tax of the overseas operating companies and the ongoing losses in the UK, the Group has generated an overall loss before tax, which alongside the positive tax charge in the overseas operating companies, has resulted in the negative effective tax rate.

Factors that will affect the Group's future total tax charge as a percentage of underlying profits are:

- the mix of profits and losses between the tax jurisdictions in which the Group operates;
- the impact of non-deductible expenditure and non-taxable income;
- agreement of open tax computations with the respective tax authorities; and
- the recognition or utilisation (with corresponding reduction in cash tax payments) of unrecognised deferred tax assets (see Note 22).

6. Income tax continued

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation is effective for the Group's financial year beginning 1 January 2024. The Group is in scope of the enacted or substantively enacted legislation and based on an assessment of the rules, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%, or one of the other transitional safe harbour reliefs are available. Management is not currently aware of any circumstances under which this might change and therefore the Group does not expect additional liabilities to arise as a result of Pillar Two top-up taxes.

In addition to the amounts charged to the Consolidated income statement, the following amounts in relation to taxes have been recognised in the Consolidated statement of comprehensive income:

	2024 £m	2023 £m
Deferred tax movement associated with remeasurement of defined benefit pension liabilities[1]	**—**	(0.1)
Exchange rate movements	**(0.1)**	0.1
Total	**(0.1)**	—

1. This item will not subsequently be reclassified to the Consolidated income statement.

7. Dividends

No interim dividend was paid for the year ended 31 December 2024 and no final dividend is proposed. No interim or final dividend was proposed or paid for the year ended 31 December 2023. No dividends have been paid between 31 December 2024 and the date of signing the Financial statements.

At 31 December 2024 the Company has distributable reserves of £266.1m (2023: £145.6m) as set out in Note 12 of the Company financial statements.

8. (Loss)/earnings per share

The calculations of (loss)/earnings per share are based on the following (losses)/profits and numbers of shares:

	Basic and diluted	
	2024 £m	2023 £m
Loss attributable to ordinary equity holders of the parent for basic and diluted earnings per share	**(48.6)**	(43.4)
Add back:		
Other items (Note 2)	**28.9**	47.8
(Loss)/profit attributable to ordinary equity holders of the parent for basic and diluted earnings per share before Other items	**(19.7)**	4.4

Weighted average number of shares	2024 Number	2023 Number
For basic loss per share	**1,159,276,035**	1,148,348,913
Effect of dilution from share options	**—**	—
Adjusted for the effect of dilution	**1,159,276,035**	1,148,348,913

Share options are considered antidilutive in the current and prior year as their conversion into ordinary shares would decrease the loss per share. The calculation of diluted (loss)/earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on (loss)/earnings per share.

The weighted average number of shares excludes those held by the EBT which are not vested and beneficially owned by employees.

	2024	2023
(Loss)/earnings per share		
Basic and diluted loss per share	**(4.2)p**	(3.8)p
(Loss)/earnings per share before Other items[1]		
Basic and diluted (loss)/earnings per share before Other items	**(1.7)p**	0.4p

1. (Loss)/earnings per share before Other items (also referred to as underlying (loss)/earnings per share) has been disclosed in order to present the underlying performance of the Group.

9. Share-based payments

The Group had three share-based payment schemes in existence during the year ended 31 December 2024 (2023: three). The Group recognised a total charge of £4.1m (2023: £5.5m) in the year relating to share-based payment transactions with a corresponding entry to the share option reserve. The weighted average fair value of each option granted in the year was 30p (2023: 40p). Details of each of the schemes are provided below.

a) Restricted Share Plan ("RSP")

On 17 November 2020 the SIG plc Restricted Share Plan was approved. Under this Plan, executive directors and eligible employees can be awarded an annual grant of restricted share awards up to a certain percentage of base salary. Restricted share awards have no performance conditions other than the employee remaining in employment for the three year vesting period.

Restricted share awards

	2024	2023
At 1 January	**28,532,792**	34,370,694
Granted during the year	**16,700,260**	12,363,081
Exercised during the year	**(8,728,665)**	(13,357,701)
Lapsed	**(1,779,641)**	(4,843,282)
At 31 December	**34,724,746**	28,532,792

Of the above share options outstanding at the end of the year, nil (2023: nil) were exercisable at 31 December 2024. All options granted during the current and prior year have no exercise price. The options outstanding at 31 December 2024 therefore have a weighted average exercise price of £nil (2023: £nil) and the options outstanding have a weighted average remaining contractual life of 1.4 years (2023: 1.3 years). In the year, 8,728,665 options were exercised (2023: 13,357,701).

The assumptions used in the Black-Scholes model in relation to the restricted share awards granted during the year are as follows:

	21 March 2024	8 October 2024
Share price (on date of official grant)[1]	**30p**	**30p**
Exercise price	**—**	**—**
Expected volatility	**58.2%**	**58.2%**
Actual life	**3 years**	**3 years**
Risk free rate	**4.0%**	**4.0%**
Dividend	**1.6%**	**1.6%**
Expected percentage options to be exercised at date of grant	**93%**	**100%**
Revised expectation of percentage of options to be exercised as at 31 December 2024	**88%**	**100%**

1. Floor price set by the Remuneration Committee to determine the number of awards granted.

The weighted average fair value of RSP awards granted during 2024 was 30p (2023: 40p). The expected volatility was determined by calculating the historical volatility of the Group's share price over the previous five years. The expected percentage of total options exercised is based on the directors' best estimate for the effects of behavioural considerations.

b) Directors' deferred shares

The following awards have been issued or accrued in relation to the Directors' annual bonus plan, which is settled two-thirds in cash and one-third in deferred shares. The shares are deferred for 3 years and are subject to continuous employment.

Deferred shares

	2024	2023
At 1 January	**3,240,264**	3,086,330
Granted during the year[1]	**695,792**	260,082
Exercised during the year	**(80,128)**	—
Adjustment relating to final number of awards issued in relation to the prior year bonus	**133,988**	(106,148)
At 31 December	**3,989,916**	3,240,264

1. Deferred shares have been accrued in relation to the Directors' 2024 annual bonus plan, which will be settled two-thirds in cash and one-third in deferred shares. The deferred shares will be issued in March 2025 following finalisation of the 2024 Group results and bonus payment and the final number issued will depend on the share price at the date of issue. The fair value of these awards used in the calculation of the share-based payment charge is 30p per share. Assumptions used in the Black-Scholes model in relation to these awards are the same as the March 2024 RSP awards above.

Of the above awards outstanding at the end of the year, nil are exercisable at 31 December 2024. The awards have a weighted average exercise price of £nil and the options outstanding have a weighted average remaining contractual life of 1.3 years (2023: 1.9 years).

9. Share-based payments continued

c) Share Incentive Plan ("SIP")

The SIP is offered to UK employees. The SIP is a HM Revenue & Customs approved scheme and operates by inviting participants, including Executive Directors, to purchase shares in the Company in a tax efficient manner on a monthly basis. The Company gives one matching share for each share purchased by the employee up to a maximum of £20 each month. No performance criteria are attached to these matching shares, other than to avoid forfeiture the participants must remain within the plan for a minimum of three years. 494,684 matching shares were granted during the year (2023: 388,570). Given the nature of the scheme, the fair value of the matching shares equates to the cost of the Company acquiring these shares.

10. Property, plant and equipment

The movements in the year and the preceding year were as follows:

	Freehold land and buildings £m	Leasehold properties £m	Plant and machinery £m	Total £m
Cost				
At 1 January 2023	42.8	65.3	145.5	253.6
Exchange differences	(0.6)	(0.4)	(0.9)	(1.9)
Additions	1.3	4.9	9.2	15.4
Transfer from right-of-use assets	—	—	0.4	0.4
Reclassifications	(0.3)	0.7	(0.4)	—
Disposals	(2.0)	(0.7)	(11.9)	(14.6)
At 31 December 2023	41.2	69.8	141.9	252.9
Exchange differences	**(1.7)**	**(1.0)**	**(3.2)**	**(5.9)**
Additions	**0.5**	**6.9**	**8.1**	**15.5**
Transfer from right-of-use assets	**—**	**—**	**0.2**	**0.2**
Reclassifications	**0.2**	**—**	**(0.3)**	**(0.1)**
Disposals	**(0.3)**	**(1.9)**	**(18.1)**	**(20.3)**
At 31 December 2024	**39.9**	**73.8**	**128.6**	**242.3**
Accumulated depreciation and impairment				
At 1 January 2023	22.8	46.1	115.9	184.8
Charge for the year	0.8	3.4	8.5	12.7
Impairment charges	0.5	2.3	1.6	4.4
Exchange differences	(0.4)	(0.2)	(0.6)	(1.2)
Disposals	(1.5)	(0.4)	(11.3)	(13.2)
At 31 December 2023	22.2	51.2	114.1	187.5
Charge for the year	**0.7**	**3.7**	**8.1**	**12.5**
Impairment charges	**—**	**0.1**	**1.1**	**1.2**
Exchange differences	**(1.0)**	**(0.7)**	**(2.5)**	**(4.2)**
Reclassifications	**—**	**(0.1)**	**—**	**(0.1)**
Disposals	**(0.2)**	**(1.9)**	**(17.4)**	**(19.5)**
At 31 December 2024	**21.7**	**52.3**	**103.4**	**177.4**
Net book value				
At 31 December 2024	**18.2**	**21.5**	**25.2**	**64.9**
At 31 December 2023	19.0	18.6	27.8	65.4

Leasehold properties includes leasehold improvements. Also included is a property held under a lease which is classified as an investment property as it is no longer being occupied for use by the Group. The Group has chosen to account for investment property using the cost model. £nil (2023: £nil) has been recognised in rental income and £nil (2023: £0.5m) incurred in Other items during the year. The impairment in the prior year was following an assessment of recoverable value. The property is being depreciated on a straight-line basis over the term of the lease (25 years). The property had a cost of £4.2m, accumulated deprecation of £0.3m and impairment of £2.8m on transfer to investment property at the end of 2018. Subsequent impairments have been recognised and the fair value of the investment property at 31 December 2024 is estimated to be £nil (2023: £nil) based on future expected rental returns. No independent third party valuation has been carried out.

Included within additions during the year are assets in the course of construction of £3.2m (2023: £3.0m).

The impairment charge in the current year relates to branches closed as part of restructuring projects across the Group. Property, plant and equipment balances are also included in the impairment review carried out as discussed in Note 11. The impairment charge in the prior year comprised £0.5m in relation to the investment property as noted above, £3.6m in relation to the impairment of the UK Interiors CGU and £0.3m in connection with restructuring across the Group.

Climate-related matters

The Group monitors the latest legislation in relation to climate-related matters. At the current time no legislation has been passed that will have a significant impact on the useful economic life of the Group's tangible fixed assets and the Group has not identified any principal risks relating to climate change that are considered to have a significant impact on tangible fixed assets.

11. Goodwill

	£m
Cost	
At 1 January 2023	454.5
Exchange differences	(4.3)
At 31 December 2023	450.2
Exchange differences	**(9.2)**
At 31 December 2024	**441.0**
Accumulated impairment losses	
At 1 January 2023	319.7
Impairment charges	2.6
Exchange differences	(3.3)
At 31 December 2023	319.0
Exchange differences	**(7.0)**
At 31 December 2024	**312.0**
Net book value	
At 31 December 2024	**129.0**
At 31 December 2023	131.2

Goodwill acquired in a business combination is allocated at the date of acquisition to the CGUs that are expected to benefit from that business combination. The Group currently has 11 CGUs (2023: 11). UK Interiors, Ireland and Benelux are CGUs of the Group but do not have any associated goodwill. All CGUs have been assessed for impairment due to indicators of impairment arising from current trading performance.

11. Goodwill continued

Summary analysis

The carrying value of goodwill in respect of all CGUs is set out below. These are fully supported by value in use calculations as explained below.

	2024 £m	2023 £m
UK Roofing	**57.4**	57.4
UK Specialist Markets	**2.1**	2.1
Miers Construction Products	**13.8**	13.8
Building Solutions	**11.0**	11.0
France Roofing	**34.1**	35.8
France Interiors	**5.1**	5.4
Germany	**4.3**	4.5
Poland	**1.2**	1.2
Total goodwill	**129.0**	131.2

Impairment review process

The Group tests goodwill and the associated intangible assets and other non-current assets of CGUs annually for impairment, or more frequently if there are indications that an impairment may be required.

The recoverable amounts of all CGUs, with the exception of UK Interiors and Benelux, are determined from value in use calculations. The key assumptions for these calculations are those regarding discount rates, sales growth, gross margin and operating profit growth rates. These assumptions have been revised in the year in light of the current economic environment and recent trading performance. Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC), including the cost of lease debt in accordance with IFRS 16, with adjustments made to factor in the amount and timing of future tax flows in order to reflect a pre-tax discount rate. In respect of the other assumptions, external data and management's best estimates are applied as described below.

Value in use is determined by forecasting cash flows based upon management's three year projections, which include forecast sales growth based on external data (construction PMI data and construction market growth forecasts) and management's best estimates of market development and growth from current commercial and strategic initiatives, and gross margin assumptions based on management's best estimates and previous experience. Annual growth rates based upon country specific inflation expectations (2.0%-2.5%) are applied thereafter and into perpetuity. The key assumptions used for each CGU are shown in the table below in the Sensitivity analysis section.

Where value in use indicated an impairment, in the case of the UK Interiors and Benelux CGUs, the recoverable amount of individual classes of assets has been determined on a fair value less costs of disposal basis. There is no goodwill in relation to these CGUs. The key assumption used in the determination of fair value less costs of disposal is the fair value of the right-of-use assets. For property right-of-use assets this has been determined based on third party external valuations of a number of properties, considering the market rental value that could be obtained from subleasing the properties, subject to landlord consent, and taking into account current market conditions together with the location and condition of the properties. For fleet right-of-use assets, this has been determined based on the estimated recoverable value that could be obtained from returning the vehicles early, taking into account the estimated early termination penalty compared to the future rentals remaining. For UK Interiors there are certain lease contracts for HGV trucks where there is no right under the terms of the contract to terminate the agreement before the end of the lease term and there is no right to sublet the vehicles, and these vehicles are therefore deemed to have no determinable recoverable value under current contractual terms. An impairment charge is therefore recognised in relation to these. The fair value measurement is therefore predominantly categorised within Level 2 of the fair value hierarchy, as it is based on observable inputs for the property and fleet portfolio.

Climate-related matters

The Group monitors climate-related risks and opportunities, as described in the Principal risks and uncertainties and Environmental, social and governance ("ESG") sections of the Strategic report and has considered the potential impact of climate change on the impairment review. At the current time, no legislation has been passed that will impact the key assumptions used in the value in use calculations. The impact on revenue in terms of opportunities from continuing to expand the Group's product offering in energy-saving products and initiatives such as developing partnerships with suppliers to encourage uptake of low carbon products and working with large customers such as housebuilders to support them in their sustainability ambitions is factored into sales forecasts in the short and medium term if applicable and the impact is known as part of bottom up forecasting procedures. The impact of transitioning the Group's fleet to lower carbon fuel alternatives as and when leases expire and fleet technologies evolve is also included in the forecasts where relevant, but there are no overriding changes to key assumptions built into the forecasts at the current time. There is not considered to be a significant risk of climate change causing a significant downturn in cashflows across the Group and therefore no specific sensitivities relating to climate change are considered necessary over and above the sensitivities already performed below.

2024 impairment review results

The results of the impairment review carried out at 31 December 2024 indicated that an impairment of £7.3m was required against the fleet right-of-use assets in the UK Interiors CGU. As noted above, the recoverable amount of the UK Interiors CGU is assessed based on the fair value less costs of disposal on an asset class basis, and given that there is no right of sublet or early settlement in accordance with the contractual terms of certain lease contracts for HGV trucks there is no determinable recoverable value and these have been impaired to £nil. As a result, an impairment charge of £7.3m has been recognised against right-of-use assets in the UK Interiors operating segment as at 31 December 2024 and the charge has been included within Other items in the Consolidated income statement. Further impairment may be incurred in future periods against vehicles acquired under similar contractual terms, until such time as the value in use calculation of the CGU as a whole exceeds the carrying value of the assets. The carrying value of all other CGUs remains supportable.

Sensitivity analysis

A number of sensitivities have been performed on the Group's CGUs to highlight the changes in market conditions that would lead to the value in use equalling the carrying value. The table below sets out the amount that each assumption would have to change by, all other assumptions remaining the same, for the carrying value of goodwill, intangible assets and property, plant and equipment to equal recoverable amount for each CGU. UK Interiors and Benelux are not included below as they do not have any goodwill and recoverable amount is based on fair value less costs of disposal rather than value in use. Ireland does not have any goodwill and is therefore also not included in the analysis below.

Long-term operating profit growth has also been included in the table below in previous years. An assumption of 2.0% to 2.5% has been used in the value in use calculations, but as this would need to be negative for each CGU for carrying value to equal recoverable amount this is no longer disclosed as a key assumption and sensitivity.

		Average revenue growth (%)		Pre-tax discount rate (%)		Gross margin (%)	
2024	Headroom[1]	Assumption used in value in use calculation[2]	Change required for carrying value to equal recoverable amount[3]	Assumption used in value in use calculation	Change required for carrying value to equal recoverable amount	Assumption used in value in use calculation	Change required for carrying value to equal recoverable amount[3]
UK Roofing	**£81.5m**	**7.1%**	**(9.4)%**	**13.7%**	**7.3%**	**27.8%**	**(2.2)%**
UK Specialist Markets	**£42.7m**	**12.5%**	**(13.0)%**	**13.8%**	**18.9%**	**28.7%**	**(3.2)%**
Miers Construction Products	**£7.1m**	**8.5%**	**(4.9)%**	**13.6%**	**2.1%**	**25.9%**	**(1.1)%**
Building Solutions	**£20.1m**	**10.8%**	**(11.7)%**	**13.1%**	**7.7%**	**25.9%**	**(2.6)%**
France Interiors	**£69.0m**	**4.4%**	**(15.0)%**	**13.8%**	**41.7%**	**28.0%**	**(3.8)%**
France Roofing	**£30.8m**	**2.9%**	**(4.2)%**	**13.6%**	**3.4%**	**24.1%**	**(0.8)%**
Germany	**£82.5m**	**6.4%**	**(9.2)%**	**13.4%**	**12.6%**	**28.3%**	**(2.0)%**
Poland	**£48.9m**	**8.1%**	**(16.6)%**	**15.3%**	**15.4%**	**20.2%**	**(2.3)%**

1. Compared to carrying value of goodwill, intangible assets, property, plant and equipment and right-of-use assets.
2. Average growth per annum over each of the three years.
3. The change required is the % reduction required in each of the three years.

11. Goodwill continued

The changes required represent the absolute change required to the assumption % used in the value in use calculation.

Of the above sensitivities for 2024, management considers the % change in revenue and gross margin for the Miers and France Roofing CGUs, and the % change in revenue for the UK Specialist Markets and Building Solutions CGUs, to be reasonably possible scenarios, given current uncertainties regarding market demand and the forecast revenue growth included in the forecasts. The other % changes in assumptions shown above are not considered to be reasonably possible scenarios, but this additional voluntary information over and above that required by IAS 36 has been included in order to provide a full picture of the level of headroom and sensitivity to changes in assumptions for each CGU.

The forecasts used in the 2024 impairment review take into account management's best estimate of future cash flows, reflecting the trading levels experienced during the year, current economic conditions and best estimates of inflation and demand.

The Board has actively reviewed the forecasts associated with the CGUs noting the assumptions used, the sensitivity analysis performed and the ability of the businesses to adapt to challenging economic environments in which they operate, and is satisfied that no further impairments are necessary at 31 December 2024.

2023 impairment review results and sensitivity analysis

The results of the impairment review carried out at 31 December 2023 indicated that the carrying value of goodwill and other assets associated with the UK Interiors CGU was not supportable, following the split out of the UK Specialists Markets CGU combined with the downturn in performance in the year and associated reduction in future forecast cash flows. As a result, an impairment charge of £33.8m was recognised at 31 December 2023, which was allocated against goodwill (£2.6m), intangible assets (£2.2m), tangible fixed assets (£3.6m) and right-of-use assets (£25.4m), and the charge was included within Other items in the Consolidated income statement. The recoverable amount of the CGU was £86.5m, based on the value in use calculation. The carrying value of all other CGUs remained supportable.

A number of sensitivities were performed on the Group's CGUs to highlight the changes in market conditions that would have led to the value in use equalling the carrying value. The table below sets out the amount that each assumption would have had to change by, all other assumptions remaining the same, for the carrying value of goodwill, intangible assets and property, plant and equipment to equal recoverable amount for each CGU. The UK Interiors CGU was impaired to recoverable amount based on the assumptions applied, therefore any change in a key assumption would have caused further impairment of the carrying value of non-current assets for this CGU. Separate analysis is provided below of the key assumptions applied in the calculation of recoverable amount and the additional impairment that could have arisen from a reasonably possible change in assumption. Benelux is not included below as it does not have any goodwill, and recoverable amount was based on fair value less costs of disposal rather than value in use. Ireland does not have any goodwill and is therefore also not included in the analysis below.

		Average revenue growth (%)		Pre-tax discount rate (%)		Gross margin (%)	
2023	Headroom[1]	Assumption used in value in use calculation[2]	Change required for carrying value to equal recoverable amount[3]	Assumption used in value in use calculation	Change required for carrying value to equal recoverable amount	Assumption used in value in use calculation	Change required for carrying value to equal recoverable amount[3]
UK Roofing	£37.5m	6.9%	(4.5)%	14.0%	3.3%	28.2%	(1.1)%
UK Specialist Markets	£20.3m	8.7%	(6.8)%	14.3%	8.3%	30.5%	(1.7)%
Miers Construction Products	£11.7m	6.9%	(8.0)%	14.3%	3.7%	27.6%	(1.9)%
Building Solutions	£9.1m	8.1%	(5.4)%	13.5%	3.6%	26.2%	(1.2)%
France Interiors	£87.1m	5.4%	(16.0)%	13.6%	55.8%	29.0%	(4.2)%
France Roofing	£111.0m	6.7%	(11.7)%	13.3%	10.5%	24.5%	(2.4)%
Germany	£76.9m	5.8%	(7.8)%	13.6%	13.0%	28.7%	(1.8)%
Poland	£80.4m	7.4%	(24.1)%	14.6%	24.6%	20.4%	(3.5)%

1. Compared to carrying value of goodwill, intangible assets, property, plant and equipment and right-of-use assets.
2. Average growth per annum over three years.
3. The change required is the % reduction required in each of the three years.

The changes required represent the absolute change required to the assumption % used in the value in use calculation.

Of the above sensitivities for 2023, management considered the % change in revenue to be a reasonably possible scenario for the UK Exteriors CGU, and the % changes in revenue and gross margin to be reasonably possible scenarios for the Building Solutions CGU, given uncertainties regarding market demand and inflation. The other % changes in assumptions shown above were not considered to be reasonably possible scenarios, but this additional voluntary information over and above that required by IAS 36 was included in order to provide a full picture of the level of headroom and sensitivity to changes in assumptions for each CGU. For the UK Interiors CGU, recoverable amount was based on average revenue growth per annum over the three years of 5.1%, gross margin of 22.2%, discount rate of 15.1% and long term growth rate of 2.0%. As the CGU was impaired to recoverable value, any change in assumption would have caused further impairment. A 2% reduction in revenue in each year would have led to further impairment of £18.3m.

12. Intangible assets

The intangible assets presented below relate to acquired intangibles that arise as a result of applying IFRS 3 "Business Combinations" (which requires the separate recognition of acquired intangibles from goodwill) and computer software which is recognised separately from associated hardware.

	Customer relationships £m	Non-compete clauses £m	Computer software £m	Total £m
Cost				
At 1 January 2023	225.2	11.7	43.8	280.7
Additions	—	—	0.3	0.3
Disposals	—	—	(14.2)	(14.2)
Exchange differences	(0.1)	—	(0.1)	(0.2)
At 31 December 2023	225.1	11.7	29.8	266.6
Additions	**—**	**—**	**0.6**	**0.6**
Disposals	**—**	**(11.7)**	**(11.1)**	**(22.8)**
Exchange differences	**(0.1)**	**—**	**(0.4)**	**(0.5)**
At 31 December 2024	**225.0**	**—**	**18.9**	**243.9**
Amortisation				
At 1 January 2023	207.3	11.7	38.9	257.9
Charge for the year	2.8	—	2.4	5.2
Impairment charges	2.2	—	0.3	2.5
Disposals	—	—	(14.2)	(14.2)
Exchange differences	—	—	(0.1)	(0.1)
At 31 December 2023	212.3	11.7	27.3	251.3
Charge for the year	**2.1**	**—**	**1.2**	**3.3**
Disposals	**—**	**(11.7)**	**(11.1)**	**(22.8)**
Exchange differences	**—**	**—**	**(0.4)**	**(0.4)**
At 31 December 2024	**214.4**	**—**	**17.0**	**231.4**
Net book value				
At 31 December 2024	**10.6**	**—**	**1.9**	**12.5**
At 31 December 2023	12.8	—	2.5	15.3

Amortisation of acquired intangibles is included in the Consolidated income statement as part of operating expenses and is classified within Other items.

The average amortisation period for each category of intangible asset is disclosed in the Accounting policies. Non-compete clauses have been fully amortised for a number of years. The cost and accumulated amortisation is no longer considered meaningful and the amounts are therefore shown as a disposal in the current year.

13. Acquisitions

The Group has not made any business acquisitions during the current or prior year. Certain amounts of deferred and contingent consideration in relation to previous acquisitions remained payable at 31 December 2023 and 2024, and a reconciliation of the movement in each of these balances during the year is shown below.

Deferred consideration

A reconciliation of the movement in deferred consideration is provided below:

	2024 £m	2023 £m
Liability at 1 January	**1.8**	2.5
Amounts paid relating to previous acquisitions (included within cash flow from investing activities)	**(1.8)**	(0.7)
Liability at 31 December	**—**	1.8
Included in current liabilities	**—**	1.8
Total	**—**	1.8

Contingent consideration

A reconciliation of the movement in the fair value measurement of contingent consideration is provided below:

	2024 £m	2023 £m
Liability at 1 January	**3.1**	3.0
Amounts paid relating to previous acquisitions (included within cash flow from investing activities)	**(2.6)**	—
Unrealised fair value changes recognised in profit or loss	**—**	0.1
Liability at 31 December	**0.5**	3.1
Included in current liabilities (within accruals and other payables)	**0.5**	3.1
Total	**0.5**	3.1

Consideration dependent on vendors remaining within the business

Amounts which may be paid to vendors of recent acquisitions who are employed by the Group and are contingent upon the vendors remaining within the business are, as required by IFRS 3 “Business Combinations”, treated as remuneration and charged to the Consolidated income statement as earned. A reconciliation of the movement in amounts accrued is as follows:

	2024 £m	2023 £m
Liability at 1 January	**4.0**	1.2
New amounts accrued	**—**	2.8
Amounts paid (included within cash flow from operating activities)	**(4.0)**	—
Liability at 31 December	**—**	4.0
Included in current liabilities (within accruals and other payables)	**—**	4.0
Total	**—**	4.0

14. Inventories

	2024 £m	2023 £m
Raw materials and consumables	**8.1**	6.4
Work in progress	**0.9**	1.7
Finished goods and goods for resale	**244.8**	251.0
Total	**253.8**	259.1

The estimated replacement cost of inventories is not materially different from the balance sheet value stated above.

15. Trade and other receivables

	2024 £m	2023 £m
Trade receivables	**271.0**	291.5
VAT	**3.3**	2.9
Other receivables	**7.0**	6.5
Prepayments and accrued income	**89.5**	88.2
Trade and other receivables	**370.8**	389.1
Lease receivables (Note 23)	**0.3**	1.1
Current tax assets	**2.3**	3.6
Total current receivables	**373.4**	393.8

Included within prepayments and accrued income is £71.7m (2023: £70.4m) due in relation to supplier rebates where there is no right to offset against trade payable balances. The remainder of the balance relates to prepayments.

Trade receivables are non-interest bearing and are generally on terms which range from 8 to 60 days from end of month.

Trade receivables are stated net of allowance for estimated credit losses and provisions for sales credit notes and customer rebates. An allowance has been made for estimated credit losses from trade receivables of £18.4m at 31 December 2024 (2023: £20.0m).

Movement in the allowance for expected credit losses

	2024 £m	2023 £m
At 1 January	**(20.0)**	(19.1)
Utilised	**5.1**	3.8
Unused amounts released to the Consolidated income statement	**3.9**	3.1
Charged to the Consolidated income statement	**(7.9)**	(7.7)
Exchange differences	**0.5**	(0.1)
At 31 December	**(18.4)**	(20.0)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The expected loss rates have been assessed by each operating segment and are based on the payment profiles of sales over a period prior to 31 December 2024, the availability of credit insurance and the historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables and any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date and makes a provision for impairment accordingly. In calculating expected credit losses, a loss is either a debt written off or overdue by more than 12 to 24 months depending on the business and/or expected likelihood of recovery. Debts are generally written off following official notice of insolvency, conclusion of legal proceedings or when there is no reasonable expectation of recovery. Expected credit loss provisions have been adjusted where relevant to take account of experience during the year and forward looking information.

The total impairment loss relating to trade receivables recognised in the Consolidated income statement is £5.8m (2023: £9.6m).

At 31 December 2024	Days past due				
	< 30 days £m	30-60 days £m	61-90 days £m	> 91 days £m	Total £m
Expected credit loss rate	**1.4%**	**7.5%**	**20.0%**	**55.2%**	
Total gross carrying amount	**265.0**	**26.7**	**5.0**	**21.0**	**317.7**
Expected credit loss	**3.8**	**2.0**	**1.0**	**11.6**	**18.4**

At 31 December 2023	Days past due				
	< 30 days £m	30-60 days £m	61-90 days £m	> 91 days £m	Total £m
Expected credit loss rate	1.6%	7.2%	20.3%	53.1%	
Total gross carrying amount	283.1	29.3	6.9	22.6	341.9
Expected credit loss	4.5	2.1	1.4	12.0	20.0

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

15. Trade and other receivables continued

Included within trade receivables is a managed pool of customer balances of £50.0m (2023: £51.6m) pledged as security in relation to the asset backed funding arrangement implemented in relation to the UK defined benefit pension plan. See Note 28 for further details.

Transfer of trade receivables

Consistent with previous years, the Group sold without recourse trade receivables to banks and other financial institutions for cash proceeds. These trade receivables of £32.3m (2023: £40.1m) have been derecognised from the Consolidated balance sheet, because the Group has transferred the risks and rewards.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Trade receivable credit exposure is controlled by counterparty limits that are set, reviewed and approved by operational management on a regular basis.

Trade receivables consist of a large number of typically small to medium sized customers, spread across a number of different market sectors and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and to determine whether the credit risk has increased since initial recognition. Where appropriate, credit guarantee insurance cover is purchased.

The Group does not have any significant credit risk exposure to any single customer, with no single customer representing more than 1% of the Group's revenue.

16. Current liabilities

	2024 £m	2023 £m
Trade payables	**254.7**	253.3
VAT	**8.6**	11.3
Social security and payroll taxes	**13.4**	15.8
Accruals and other payables	**81.9**	105.4
Trade and other payables	**358.6**	385.8
Lease liabilities (Note 23)	**64.9**	64.9
Interest-bearing loans and borrowings (Note 17)	**5.2**	0.8
Deferred consideration (Note 13)	**—**	1.8
Derivative financial instruments	**1.3**	1.0
Current tax liabilities	**1.7**	6.9
Provisions (Note 21)	**7.6**	7.9
Current liabilities	**439.3**	469.1

Trade payables is presented net of £37.4m (2023: £36.5m) due from suppliers in respect of supplier rebates where the Group has the right to net settlement. Trade payables, accruals and other payables principally comprise amounts outstanding for trade purchases and ongoing costs.

One of the Group's subsidiaries in France has a supplier finance arrangement in place that is offered to some of its suppliers, up to a maximum of €4.5m. Participation in the arrangement is at the suppliers' discretion and helps suppliers obtain affordable credit. Suppliers that choose to take advantage of the supplier finance arrangement receive early payment on invoices sent by the subsidiary to the external finance provider, for which the supplier pays a fee to the external finance provider. The subsidiary settles the original invoice amount by paying the finance provider in line with the original invoice payment terms. Another subsidiary in France has provided a guarantee to the finance provider in relation to amounts paid by the finance provider and not yet settled by the subsidiary. Trade payables subject to the supplier finance arrangement are included in trade payables above. The carrying amount of trade payables that are part of the supplier finance arrangement at 31 December 2024 is £2.7m (2023: £2.9m). Of this amount, suppliers have already received payment from the finance provider of £2.2m (2023: £2.8m). Payment due dates for both the trade payable amounts that are part of the supplier finance arrangement and other trade payables of the relevant subsidiary range from 15 to 75 days from the balance sheet date. There were no significant non-cash changes in the carrying amount of the trade payables included in the supplier finance arrangement.

Of the above balances, the lease liability contracts are secured on the underlying assets and the remaining balances are unsecured.

The Directors consider that the carrying amount of current liabilities approximates to their fair value.

17. Interest-bearing loans and borrowings

	2024 £m	2023 £m
Current interest-bearing loans and borrowings		
Lease liabilities (Note 23)	**64.9**	64.9
Bank loan	**0.8**	0.8
Accrued interest on secured notes[1]	**4.4**	—
Total current interest-bearing loans and borrowings	**70.1**	65.7
Non-current interest-bearing loans and borrowings		
Lease liabilities (Note 23)	**258.7**	264.9
Secured notes	**256.4**	258.7
Bank loan	**0.5**	1.3
Total non-current interest-bearing loans and borrowings	**515.6**	524.9
Total interest-bearing loans and borrowings	**585.7**	590.6

Secured notes

In October 2024 the Group completed a refinancing of its debt arrangements. The previous €300m secured notes (fixed coupon 5.25% due November 2026) were tendered, at par, with €286.5m repaid, leaving €13.5m outstanding, and €300m new secured notes were issued with a fixed coupon of 9.75%, due October 2029. The notes are guaranteed by certain subsidiaries of the Group and are secured by a first priority floating charge over the assets of the Company and the relevant UK subsidiaries and by a security interest over the shares, material bank accounts and intercompany receivables of the non-UK guarantor subsidiaries. The notes are recognised at amortised cost, net of arrangement fees, of which £2.7m is unamortised at 31 December 2024 (2023: £1.5m). The notes are subject to incurrence based covenants only.

The contractual repayment profile of the secured notes is shown below:

	2024		2023	
	£m	Fixed interest rate%	£m	Fixed interest rate%
Gross amount repayable in 2026	**11.2**	**5.25%**	260.2	5.25%
Gross amount repayable in 2029	**247.9**	**9.75%**	—	—
Unamortised fees	**(2.7)**		(1.5)	
Secured notes due after more than one year	**256.4**		258.7	
Accrued interest repayable within one year[1]	**4.4**		—	
Total secured notes	**260.8**		258.7	

1. Accrued interest on the secured notes of £1.1m was included within accruals and other payables at 31 December 2023. Following the change in timing of payment and increase in amount as a result of the refinancing in October 2024 this is now presented separately within interest-bearing loans and borrowings at 31 December 2024.

Bank loan

The bank loan was acquired during 2022 as part of the Miers business acquisition. The loan is repayable in equal monthly instalments until June 2026, incurs interest at 2.25% above base rate and is secured by way of a fixed and floating charge over certain assets of the Miers business.

Committed facilities

The Group also has undrawn committed borrowing facilities at 31 December 2024 as follows:

	2024 £m	2023 £m
Revolving credit facility expiring April 2029	**90.0**	—
Revolving credit facility expiring May 2026	**—**	90.0
Total	**90.0**	90.0

The RCF facility of £90m was amended and restated as part of the refinancing in October 2024 and is now committed until April 2029. The RCF is undrawn at 31 December 2024. The RCF has a leverage maintenance covenant which is only effective if the facility is over 40% drawn at a quarter end reporting date.

The fair value of borrowings is disclosed in Note 18.

18. Financial assets, liabilities, financial risk management and derivatives

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, lease liabilities, deferred consideration and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables and cash and cash equivalents that derive directly from its operations.

a) Financial assets

The Group holds the following financial assets:

	Note	2024 £m	2023 £m
Financial assets at amortised cost:			
Trade receivables	15	**271.0**	291.5
Cash at bank and on hand		**87.4**	132.2
Financial asset at fair value through OCI:			
Unquoted equity investment		**0.2**	0.2
Derivative financial instruments designated as hedging instruments	18d	**0.2**	—
Total		**358.8**	423.9

The interest received on cash deposits is at variable rates of interest of up to 5.26% (2023: 5.25%). Of the cash at bank and on hand of £87.4m, £0.6m is required to be held to cover bank guarantees issued to third parties and is therefore restricted for use by the Group.

The Directors consider that the fair values of cash at bank and on hand and trade receivables approximate to their carrying value, largely due to the short-term maturities of these instruments. The fair value is not significantly different to the carrying amount.

The Group's credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. Information about the Group's exposure to credit risk in relation to trade receivables is given in Note 15.

Of the above cash at bank on hand, £8.1m (2023: £10.5m) is denominated in sterling, £70.7m (2023: £107.4m) in euros, £7.7m (2023: £13.6m) in Polish zloty, and £0.9m (2023: £0.7m) in other currencies.

The financial asset at fair value through OCI is an investment in equity shares of a non-listed company. The Group holds a non-controlling interest of 17% in the company. The investment is designated at fair value through OCI as it is considered strategic in nature.

b) Financial liabilities

The Group holds the following financial liabilities:

	Note	2024 £m	2023 £m
Financial liabilities at amortised cost			
Trade and other payables[1]	16	**336.6**	358.7
Interest-bearing loans and borrowings	17	**262.1**	260.8
Deferred consideration	13	**—**	1.8
Lease liabilities	23	**323.6**	329.8
Derivative financial instruments designated as hedging instruments	18d	**1.4**	1.1
Total		**923.7**	952.2

1. Excluding non-financial liabilities.

The directors consider that the fair values of trade and other payables are approximate to their carrying value due to their short-term nature. The fair value of borrowings and other financial liabilities is considered below.

2024 interest rate and currency profile

The interest rate and currency profile of the Group's financial liabilities at 31 December 2024, excluding prepayment of arrangement fees of £2.7m was as follows:

	Currency	Total £m	Floating rate £m	Fixed rate £m	Effective fixed interest rate %	Weighted average time for which rate is fixed Years	Amount secured £m	Amount unsecured £m
Lease contracts	Sterling	**160.1**	**—**	**160.1**	**1.7%-12.7%**	**8.3**	**160.1**	**—**
Bank loan	Sterling	**1.3**	**1.3**	**—**	**n/a**	**n/a**	**1.3**	**—**
Secured notes	Euro	**11.2**	**—**	**11.2**	**5.25%**	**1.9**	**11.2**	**—**
Secured notes	Euro	**252.3**	**—**	**252.3**	**9.75%**	**4.9**	**252.3**	**—**
Lease contracts	Euro	**147.3**	**—**	**147.3**	**0.7%-15.4%**	**5.5**	**147.3**	**—**
Lease contracts	Polish zloty	**16.2**	**6.3**	**9.9**	**2.1%-17.9%**	**6.4**	**16.2**	**—**
Total		**588.4**	**7.6**	**580.8**			**588.4**	**—**

All of the above lease contracts are secured on the underlying assets.

The Directors consider the fair value of the Group's floating rate financial liabilities to be materially approximate to the book value shown in the table above. The fair value of the Group's secured notes at 31 December 2024 is assessed at £261.3m (2023: £234.0m) based on quoted market prices and is classified as a Level 1 fair value measurement for disclosure purposes. The remaining fixed rate debt amounts to £317.3m (2023: £324.0m) and relates to lease contracts. The Directors consider the fair value of this remaining fixed rate debt to be materially approximate to the book value shown above.

2023 interest rate and currency profile

The interest rate and currency profile of the Group's financial liabilities at 31 December 2023, excluding prepayment of arrangement fees of £1.5m and deferred consideration of £1.8m was as follows:

	Currency	Total £m	Floating rate £m	Fixed rate £m	Effective fixed interest rate %	Weighted average time for which rate is fixed Years	Amount secured £m	Amount unsecured £m
Lease contracts	Sterling	168.1	—	168.1	1.7%-12.7%	8.8	168.1	—
Bank loan	Sterling	2.1	2.1	—	n/a	n/a	2.1	—
Secured notes	Euro	260.2	—	260.2	5.25%	2.9	260.2	—
Lease contracts	Euro	149.1	—	149.1	0.7%-15.4%	5.8	149.1	—
Lease contracts	Polish zloty	12.6	5.8	6.8	2.1%-17.9%	6.1	12.6	—
Total		592.1	7.9	584.2			592.1	—

All of the above lease contracts are secured on the underlying assets.

In both 2024 and 2023, the interest rate on floating rate financial liabilities is based upon appropriate local market rates.

c) Financial risk management

The Group's finance and treasury policies set out the Group's approach to managing treasury risk. The objectives of the Group's financial risk management policies are to ensure sufficient liquidity to meet the Group's operational and strategic needs and the management of financial risk at optimal cost.

The Group is exposed to credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group Board oversees the management of these risks. The Board manages the risks through implementation of the Group treasury policy, supported by the Group Tax and Treasury Committee, which monitors and reviews the activities of the Group treasury function to ensure they are performed in accordance with the policy and reports to the Group Board on a regular basis. It is Group policy that no trading in financial instruments or speculative transactions be undertaken.

18. Financial assets, liabilities, financial risk management and derivatives continued

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations as they fall due. In order to minimise this risk, the Group seeks to balance certainty of funding and a flexible, cost-effective borrowing structure. The key sources of finance are note holders, being professional institutional investors, and a revolving credit facility with principal banks. The Group also maintains significant cash balances which are more than sufficient to meet the requirements of the working capital cycle taking into account the seasonality of the business.

To manage liquidity risk the Group prepares and reviews rolling weekly cash flow forecasts, actual cash and debt positions along with available facilities and headroom, which are reported weekly and monitored by Group management. In addition, full annual three-year forecasts are prepared including cash flow and headroom forecasts. The Group is in a strong liquidity position and at 31 December 2024 held cash of £87.4m (2023: £132.2m), and had £90.0m (2023: £90.0m) additional headroom from the RCF that matures in April 2029. The RCF is subject to a leverage maintenance covenant, currently set at 6.5x, reducing to 5.5x from 31 March 2026 and 5.0x from 31 March 2027, which is effective if the facility is over 40% (i.e. £36m) drawn at a quarter end reporting date.

Foreign currency risk

The Group has a number of overseas businesses whose revenues and costs are denominated in the currencies of the countries in which they operate. 58% of the Group's 2024 continuing revenues (2023: 58%) were in foreign currencies, being primarily euros and Polish zloty. The Group faces a translation risk in respect of changes to the exchange rates between the reporting currencies of these operations and sterling and has decided not to hedge the income statement translational risk arising from these income streams.

The Consolidated balance sheet of the Group is inherently exposed to movements in the sterling value of its net investments in foreign businesses. For currencies where the Group has significant exposure, the Group seeks to hold financial liabilities and derivatives in the same currency to partially hedge the net investment values.

The Group uses foreign exchange forward contracts to manage the exposures arising from cross currency transactions (Note 18d ii).

Overseas earnings streams are translated at the average rate of exchange for the year whilst balance sheets are translated using closing rates. The table below sets out the principal exchange rates used:

	Average rate			Closing rate		
	2024	2023	Movement (%)	2024	2023	Movement (%)
Euro	**1.184**	1.152	2.8%	**1.210**	1.153	4.9%
Polish zloty	**5.096**	5.214	(2.3)%	**5.176**	5.012	3.3%

Commodity risk

The nature of the Group's operations creates an ongoing demand for fuel and therefore the Group is exposed to movements in market fuel prices. The Group currently has no commodity derivative contracts in place.

Credit risk

Credit risk is covered in Note 15.

Counterparty credit risk

SIG holds significant investment assets, being principally cash deposits and derivative assets. Strict policies are in place in order to minimise counterparty credit risk associated with these assets. A list of approved deposit counterparties is maintained and counterparty credit limits, based on published credit ratings, are in place. These limits, and the position against these limits, are reviewed and reported on a regular basis.

Interest rate risk

The Group has exposure to movements in interest rates on its outstanding debt, financial derivatives and cash balances. To reduce this risk the Group monitors its mix of fixed and floating rate debt and, if required, transacts derivative financial instruments to manage this mix where appropriate. The Group has a policy of aiming to fix at least 50% of its average net debt over the medium term. The percentage of gross debt at fixed rates of interest at 31 December 2024 is 98.8% (2023: 98.7%). The percentage of available gross debt at fixed rates of interest at 31 December 2024 (including the undrawn RCF) is 85.6% (2023: 85.7%).

d) Hedging activities and derivatives

The Group is exposed to foreign currency and interest rate risks relating to its ongoing business operations. In order to manage the Group's exposure to exchange rate changes, the Group utilises currency derivative financial instruments. The fair values of these derivative financial instruments are calculated by discounting the associated future cash flows to net present values using appropriate market rates prevailing at the balance sheet date.

The Group does not trade in derivative financial instruments for speculative purposes. Where derivatives meet the hedge accounting criteria under the rules of IFRS 9, movements in the fair values of these derivative financial instruments are recognised in the Consolidated statement of comprehensive income. Where the criteria for hedge accounting are not met, movements are accounted for at fair value through profit or loss. Financial instruments are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

The Group is required to analyse financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All of the financial instruments below are categorised as Level 2.

i) Net investment hedges

The Group has investments in euro denominated subsidiaries. At 31 December 2024 the Group held €313.5m (2023: €300.0m) of direct euro denominated debt through its secured notes. This borrowing is being used to hedge the Group's exposure to the euro foreign exchange risk on investments in euro denominated subsidiaries. Gains or losses on retranslation of the borrowing are transferred to OCI to offset any gains or losses on translation of the net investments in the subsidiaries.

There is an economic relationship between the hedged item and the hedging instruments as the net investment in euro denominated assets creates a translation risk that will match the foreign exchange risk on the euro denominated debt. The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. Hedge ineffectiveness will arise when the amount of the investment in euro denominated subsidiaries becomes lower than the amount of the euro denominated debt.

The impact of the hedging instruments on the Consolidated balance sheet is as follows:

	Notional amount €m	Carrying amount (liability) £m	Line item in the Consolidated balance sheet	Change in fair value used for measuring ineffectiveness for the period £m
At 31 December 2024				
Foreign currency denominated borrowing	**313.5**	**259.1**	**Interest-bearing loans and borrowings**	**12.3**
At 31 December 2023				
Foreign currency denominated borrowing	300.0	260.2	Interest-bearing loans and borrowings	5.8

The impact of the hedged item on the Consolidated balance sheet is as follows:

	31 December 2024			31 December 2023		
	Change in fair value used for measuring ineffectiveness £m	Foreign currency translation reserve £m	Cost of hedging reserve £m	Change in fair value used for measuring ineffectiveness £m	Foreign currency translation reserve £m	Cost of hedging reserve £m
Net investment in foreign subsidiaries	**12.3**	**12.3**	**–**	5.8	5.8	–

The hedging gain recognised in Other comprehensive income is equal to the change in fair value used for measuring effectiveness. There is no ineffectiveness recognised in profit or loss.

ii) Cash flow hedges

With regard to cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised in equity and is subsequently removed and included in the Consolidated income statement within finance costs in the same period that the hedged item affects the Consolidated income statement.

Foreign currency risk

The Group uses foreign exchange forward contracts to manage the exposures arising from cross currency transactions. At 31 December 2024 the Group held a number of short term forward contracts designated as hedging instruments in cash flow hedges of forecast purchases in US dollars and euros. The forecast transactions are highly probable. Foreign exchange forward contract balances vary with the level of expected foreign currency transactions and changes in foreign exchange forward rates.

Included within derivative financial instruments is a £1.2m net liability (2023: £1.1m liability) relating to forward foreign exchange contracts.

18. Financial assets, liabilities, financial risk management and derivatives continued

The Group is holding the following foreign exchange forward contracts:

	Notional amount $m	Notional amount €m	Notional amount £m	Maturity	Average hedged rate	Average forward rate
At 31 December 2024	**12.4**	**75.4**	**73.8**	**2025 & 2026**	**n/a**	**0.82**
At 31 December 2023	14.3	62.6	67.0	2024 & 2025	n/a	1.18

The impact of the hedging instruments on the Consolidated balance sheet is as follows:

	Carrying amount (liability) £m	Line item in the Consolidated balance sheet	Change in fair value used for measuring ineffectiveness for the period £m
At 31 December 2024			
Foreign exchange forward contracts	**(1.2)**	**Derivative financial instruments**	**(1.1)**
At 31 December 2023			
Foreign exchange forward contracts	(1.1)	Derivative financial instruments	(1.1)

The impact of the hedged item on the Consolidated balance sheet is as follows:

	31 December 2024			31 December 2023		
	Change in fair value used for measuring ineffectiveness £m	Cash flow hedging reserve £m	Cost of hedging reserve £m	Change in fair value used for measuring ineffectiveness £m	Hedging and translation reserve £m	Cost of hedging reserve £m
Foreign exchange forward contracts	**(1.1)**	**(1.1)**	**—**	(1.1)	(1.1)	—

The effect of the cash flow hedges on the Consolidated income statement and Consolidated statement of other comprehensive income is as follows:

	Total hedging gain/(loss) recognised in OCI £m	Ineffectiveness recognised in profit or loss £m	Line item in the Consolidated income statement	Amount reclassified from OCI to profit or loss £m	Line item in the Consolidated income statement
At 31 December 2024					
Foreign exchange forward contracts	**(1.1)**	**—**	**Finance costs**	**1.0**	**Operating expenses**
At 31 December 2023					
Foreign exchange forward contracts	(1.1)	—	Finance costs	(1.5)	Operating expenses

Derivatives not designated as hedging instruments

The Group held no foreign exchange forward contracts at 31 December 2024 or 2023 which are not designated as cash flow hedges to manage some of its transaction exposures and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within one month.

iii) Impact of hedging on equity

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

	Retained profits/(losses)		Cash flow hedging reserve		Foreign currency translation reserve		Cost of hedging reserve	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
At 1 January	**17.6**	60.0	**(1.0)**	1.6	**4.8**	2.9	**0.1**	0.1
Effective portion of changes in fair value arising from:								
Foreign exchange forward contracts	**–**	–	**(1.1)**	(1.1)	**–**	–	**–**	–
Amount reclassified to profit or loss	**–**	–	**1.0**	(1.5)	**–**	–	**–**	–
Foreign currency revaluation of foreign currency denominated borrowing	**–**	–	**–**	–	**12.3**	5.8	**–**	–
Foreign currency revaluation of net foreign operations	**–**	–	**–**	–	**(15.3)**	(3.9)	**–**	–
Tax effect	**–**	–	**–**	–	**–**	–	**–**	–
Other movements not associated with hedging	**(48.8)**	(42.4)	**–**	–	**–**	–	**–**	–
At 31 December	**(31.2)**	17.6	**(1.1)**	(1.0)	**1.8**	4.8	**0.1**	0.1

The following table reconciles the net losses on derivative financial instruments recognised directly in the Consolidated income statement, to the movements in derivative financial instruments noted above.

	2024 £m	2023 £m
Losses on derivative financial instruments recognised directly in the Consolidated income statement	**–**	(0.1)
Amounts reclassified from OCI to profit and loss on cash flow hedges	**(1.0)**	1.5
Total net (losses)/gains on derivative financial instruments included in the Consolidated income statement	**(1.0)**	1.4

19. Maturity of financial assets and liabilities

Maturity of financial liabilities

The maturity profile of the Group's financial liabilities (inclusive of derivative financial assets) at 31 December 2024 was as follows:

	2024 £m	2023 £m
In one year or less	**71.3**	68.5
In more than one year but not more than two years	**65.8**	55.5
In more than two years but not more than five years	**367.0**	373.2
In more than five years	**82.8**	96.3
Total	**586.9**	593.5

The table excludes trade and other payables of £336.6m (2023: £358.7m).

19. Maturity of financial assets and liabilities continued

Contractual maturity analysis of the Group's financial liabilities, derivative financial instruments, other financial assets, deferred consideration and cash and cash equivalents

IFRS 7 requires disclosure of the maturity of the Group's remaining contractual financial liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the Group's financial assets and liabilities including interest that will accrue to those assets and liabilities except where the Group is entitled and intends to repay the liability before its maturity. Both the inclusion of future interest and the values disclosed being undiscounted results in the total position being different to that included in the Consolidated balance sheet.

		Maturity analysis				
2024 Analysis	Balance sheet value £m	< 1 year £m	1-2 years £m	2-5 years £m	> 5 years £m	Total £m
Current liabilities						
Trade and other payables	**336.6**	**336.6**	**–**	**–**	**–**	**336.6**
Lease liabilities	**64.9**	**74.3**	**–**	**–**	**–**	**74.3**
Interest-bearing loans	**5.2**	**5.3**	**–**	**–**	**–**	**5.3**
Derivative financial instruments	**1.3**	**1.3**	**–**	**–**	**–**	**1.3**
Total	**408.0**	**417.5**	**–**	**–**	**–**	**417.5**
Non-current liabilities						
Lease liabilities	**258.7**	**–**	**63.8**	**133.3**	**100.3**	**297.4**
Interest-bearing loans	**0.5**	**–**	**0.5**	**–**	**–**	**0.5**
Secured notes	**256.4**	**22.8**	**35.9**	**320.5**	**–**	**379.2**
Derivative financial instruments	**0.1**	**–**	**0.1**	**–**	**–**	**0.1**
Total	**515.7**	**22.8**	**100.3**	**453.8**	**100.3**	**677.2**
Total liabilities	**923.7**	**440.3**	**100.3**	**453.8**	**100.3**	**1,094.7**
Other						
Derivative financial instrument assets	**(0.2)**	**(0.1)**	**(0.1)**	**–**	**–**	**(0.2)**
Unquoted equity investment	**(0.2)**	**–**	**–**	**–**	**–**	**–**
Cash and cash equivalents	**(87.4)**	**(87.4)**	**–**	**–**	**–**	**(87.4)**
Trade and other receivables	**(370.8)**	**(370.8)**	**–**	**–**	**–**	**(370.8)**
Total	**(458.6)**	**(458.3)**	**(0.1)**	**–**	**–**	**(458.4)**
Grand total	**465.1**	**(18.0)**	**100.2**	**453.8**	**100.3**	**636.3**

The table above includes derivative financial assets with a fair value at 31 December 2024 of £0.2m and derivative financial liabilities of £1.4m that will be settled gross, the final exchange on these derivatives will be total receipts of €75.4m and $12.4m with corresponding payments totalling £73.8m.

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements:

At 31 December 2024	Gross amounts of recognised financial assets/ (liabilities) £m	Amounts available to offset through netting agreements £m	Net amount £m
Derivative financial assets	**0.2**	**–**	**0.2**
Derivative financial liabilities	**(1.4)**	**–**	**(1.4)**
Total	**(1.2)**	**–**	**(1.2)**

2023 Analysis	Balance sheet value £m	Maturity analysis < 1 year £m	1-2 years £m	2-5 years £m	> 5 years £m	Total £m
Current liabilities						
Trade and other payables	358.7	358.7	—	—	—	358.7
Lease liabilities	64.9	82.9	—	—	—	82.9
Interest-bearing loans	0.8	0.9	—	—	—	0.9
Deferred consideration	1.8	1.8	—	—	—	1.8
Derivative financial instruments	1.0	1.0	—	—	—	1.0
Total	427.2	445.3	—	—	—	445.3
Non-current liabilities						
Lease liabilities	264.9	—	69.4	146.9	122.2	338.5
Interest-bearing loans	1.3	—	0.9	0.5	—	1.4
Secured notes	258.7	13.7	13.7	287.5	—	314.9
Derivative financial instruments	0.1	—	0.1	—	—	0.1
Total	525.0	13.7	84.1	434.9	122.2	654.9
Total liabilities	952.2	459.0	84.1	434.9	122.2	1,100.2
Other						
Unquoted equity investment	(0.2)	—	—	—	(0.2)	(0.2)
Cash and cash equivalents	(132.2)	(132.2)	—	—	—	(132.2)
Trade and other receivables	(389.1)	(389.1)	—	—	—	(389.1)
Total	(521.5)	(521.3)	—	—	(0.2)	(521.5)
Grand total	430.7	(62.3)	84.1	434.9	122.0	578.7

The table above includes short term derivative financial assets with a fair value at 31 December 2023 of £nil and derivative financial liabilities of £1.1m that will be settled gross, the final exchange on these derivatives will be total receipts of €62.6m and $14.3m with corresponding payments totalling £67.0m.

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements:

At 31 December 2023	Gross amounts of recognised financial assets/ (liabilities) £m	Amounts available to offset through netting agreements £m	Net amount £m
Derivative financial assets	—	—	—
Derivative financial liabilities	(1.1)	—	(1.1)
Total	(1.1)	—	(1.1)

20. Sensitivity analysis

IFRS 7 requires the disclosure of a sensitivity analysis that details the effects on the Group's profit or loss and other equity of reasonably possible fluctuations in market rates.

This sensitivity analysis has been prepared to illustrate the effect of the following hypothetical variations in market rates on the fair value of the Group's financial assets and liabilities:

i) a 1% (100 basis points) increase or decrease in market interest rates; and

ii) a 10% strengthening or weakening of sterling against all other currencies to which the Group is exposed.

a) Interest rate sensitivity

The Group is currently exposed to sterling, euro and Polish zloty interest rates. In order to illustrate the Group's sensitivity to interest rate fluctuations, the following table shows the Group's sensitivity to a 100 basis point change in each respective interest rate. The sensitivity analysis of the Group's exposure to interest rate risk at the reporting date has been determined based on the change taking place at the beginning of the financial year and held constant throughout the reporting period. A positive number indicates an increase in profit or loss and other equity.

	GBP			EUR			PLN			Total	
2024 analysis	+100bp £m	-100bp £m		+100bp £m	-100bp £m		+100bp £m	-100bp £m		+100bp £m	-100bp £m
Profit or loss	**0.1**	**(0.1)**	**(i)**	**0.2**	**(0.2)**	**(ii)**	**—**	**—**	**(iii)**	**0.3**	**(0.3)**
Total shareholders' equity	**0.1**	**(0.1)**		**0.2**	**(0.2)**		**—**	**—**		**0.3**	**(0.3)**

	GBP			EUR			PLN			Total	
2023 analysis	+100bp £m	-100bp £m		+100bp £m	-100bp £m		+100bp £m	-100bp £m		+100bp £m	-100bp £m
Profit or loss	0.1	(0.1)	(i)	0.3	(0.3)	(ii)	—	—	(iii)	0.4	(0.4)
Total shareholders' equity	0.1	(0.1)		0.3	(0.3)		—	—		0.4	(0.4)

The movements noted above are mainly attributable to:

(i) floating rate sterling debt and cash deposits

(ii) floating rate euro debt and cash deposits

(iii) floating rate Polish zloty debt and cash deposits

b) Foreign currency sensitivity

The Group is exposed to currency rate changes between sterling and euros, US dollars and Polish zloty.

The following table shows the Group's sensitivity to a 10% change in sterling against each respective foreign currency to which the Group is exposed, indicating the likely impact of changes in foreign exchange rates on the Group's financial position. The sensitivity analysis of the Group's exposure to foreign currency risk at the reporting date has been determined based on the change taking place at the beginning of the financial year and held constant throughout the reporting period. A positive number indicates an increase in profit or loss and other equity.

	EUR			USD			PLN			Total	
2024 analysis	+10% £m	-10% £m		+10% £m	-10% £m		+10% £m	-10% £m		+10% £m	-10% £m
Assets and liabilities under the scope of IFRS 7											
Profit or loss	**1.5**	**(1.8)**	**(i)**	**—**	**—**		**—**	**—**		**1.5**	**(1.8)**
Other equity	**8.9**	**(10.8)**	**(ii)**	**(0.9)**	**1.1**	**(ii)**	**(2.2)**	**2.7**	**(ii)**	**5.8**	**(7.0)**
Total shareholders' equity	**10.4**	**(12.6)**		**(0.9)**	**1.1**		**(2.2)**	**2.7**		**7.3**	**(8.8)**
Total assets and liabilities[1]											
Profit or loss	**1.7**	**(2.1)**	**(iii)**	**—**	**—**	**(v)**	**(0.2)**	**0.2**	**(vi)**	**1.5**	**(1.9)**
Other equity	**(3.3)**	**4.1**	**(iv)**	**(0.9)**	**1.1**	**(iv)**	**(3.2)**	**3.9**	**(iv)**	**(7.4)**	**9.1**
Total shareholders' equity	**(1.6)**	**2.0**		**(0.9)**	**1.1**		**(3.4)**	**4.1**		**(5.9)**	**7.2**

2023 analysis	EUR +10% £m	EUR -10% £m		USD +10% £m	USD -10% £m		PLN +10% £m	PLN -10% £m		Total +10% £m	Total -10% £m
Assets and liabilities under the scope of IFRS 7											
Profit or loss	1.2	(1.5)	(i)	—	—		—	—		1.2	(1.5)
Other equity	4.9	(5.9)	(ii)	(1.0)	1.2	(ii)	(0.8)	1.0	(ii)	3.1	(3.7)
Total shareholders' equity	6.1	(7.4)		(1.0)	1.2		(0.8)	1.0		4.3	(5.2)
Total assets and liabilities[1]											
Profit or loss	1.4	(1.7)	(iii)	—	—	(v)	—	—	(vi)	1.4	(1.7)
Other equity	(3.9)	4.8	(iv)	(1.0)	1.2	(iv)	(2.4)	2.9	(iv)	(7.3)	8.9
Total shareholders' equity	(2.5)	3.1		(1.0)	1.2		(2.4)	2.9		(5.9)	7.2

1. Certain assets and liabilities such as inventories, non-current assets and provisions do not come under the scope of IFRS 7. Therefore, in order to present a complete analysis of the Group's exposure to movements in foreign currency exchange rates, the exposure on the Group's total assets and liabilities has also been disclosed.

The movements noted above are mainly attributable to:

(i) retranslation of euro interest flows

(ii) mark-to-market valuation changes in the fair value of effective net investment hedges and retranslation of assets and liabilities under the scope of IFRS 7

(iii) retranslation of euro profit streams and transaction exposure relating to purchases in euros

(iv) retranslation of foreign currency denominated assets and liabilities outside the scope of IFRS 7 and mark-to-market valuation changes in the fair value of effective net investment hedges

(v) transaction exposure relating to purchases in US dollars

(vi) retranslation of Polish zloty profit streams

21. Provisions

	Onerous leases £m	Leasehold dilapidations £m	Other amounts £m	Total £m
At 1 January 2024	0.3	25.7	2.9	28.9
Unused amounts reversed in the period	—	(1.0)	(0.5)	(1.5)
Utilised	(0.5)	(2.1)	(1.3)	(3.9)
New provisions	0.8	3.4	2.5	6.7
Exchange differences	—	(0.1)	(0.1)	(0.2)
At 31 December 2024	**0.6**	**25.9**	**3.5**	**30.0**

	2024 £m	2023 £m
Included in current liabilities	**7.6**	7.9
Included in non-current liabilities	**22.4**	21.0
Total	**30.0**	28.9

Onerous leases

In accordance with IFRS 16, the future rental payments due over the remaining term of existing lease contracts is included in the lease liability, with the right-of-use asset impaired to reflect the future cost not covered through sublease income. The remaining onerous lease provision relates to other non-rental costs due over the remaining lease term based on expected value of costs to be incurred and assumptions regarding subletting. The balance at 31 December 2024 is payable over the relevant lease terms, the longest unexpired term being 17 years to 2041.

Leasehold dilapidations

This provision relates to contractual obligations to reinstate leasehold properties to their original state of repair. The provision is calculated based on both the estimated liability to rectify or reinstate leasehold improvements and modifications carried out on the inception of the lease (recognised on inception with corresponding fixed asset) and the liability to rectify general wear and tear which is recognised as incurred over the life of the lease. The costs will be incurred both at the end of the leases as set out in Note 23 (reinstatement) and during the lease term (wear and tear).

Other amounts

Other amounts relate principally to claims and warranty provisions based on expected value and past experience and provisions for restructuring costs based on expected value but where the amount and timing are uncertain. The transfer of economic benefit is expected to be made between one and four years' time.

22. Deferred tax

The net deferred tax asset at the end of the year is analysed as follows:

	2024 £m	2023 £m
Deferred tax assets	**4.6**	4.4
Net deferred tax asset	**4.6**	4.4

Summary of deferred tax

The different components of deferred tax assets and liabilities recognised by the Group and the movements during the current and prior year are analysed below:

	Goodwill and intangibles £m	Property, plant and equipment £m	Short term timing differences £m	Retirement benefit obligations £m	Inventory £m	Other £m	Total £m
At 1 January 2023	(4.6)	5.8	2.8	1.7	—	(2.4)	3.3
Credit/(charge) to income	1.4	(0.9)	1.0	(0.1)	—	(0.2)	1.2
Charge to equity	—	—	—	(0.1)	—	—	(0.1)
Reclassifications	—	(2.4)	—	—	—	2.4	—
Exchange differences	(0.1)	—	0.1	—	—	—	—
At 31 December 2023	(3.3)	2.5	3.9	1.5	—	(0.2)	4.4
Credit/(charge) to income	**0.7**	**0.5**	**(0.7)**	**0.1**	**(0.2)**	**—**	**0.4**
Charge to equity	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Reclassifications	**(0.2)**	**0.4**	**(1.2)**	**—**	**0.8**	**0.2**	**—**
Exchange differences	**—**	**—**	**(0.1)**	**(0.1)**	**—**	**—**	**(0.2)**
At 31 December 2024	**(2.8)**	**3.4**	**1.9**	**1.5**	**0.6**	**—**	**4.6**

During the year, the different components of deferred tax assets and liabilities have been refined further which has resulted in the creation of a new component 'Inventory'. Temporary differences in existing categories have been reclassified to the other components which reflect the nature of the temporary difference more accurately. As a result, the component 'Other' will cease to be used going forward.

The deferred tax charge within the Consolidated income statement for 2024 includes a credit of £nil (2023: £0.1m credit) arising from the change in domestic tax rates in the countries in which the Group operates.

Given current and forecast trading the Directors consider that recognition of the deferred tax assets above is appropriate.

The majority of the deferred tax asset associated with the retirement benefit obligations is in respect of the French and German defined benefit schemes. Payments against the deficit will be deductible for tax purposes on a paid basis and the Group expects to receive the tax benefit, therefore the associated deferred tax asset has been recognised.

The Group has cumulative tax losses and other deductible temporary differences of £407.8m (2023: £371.2m) in the UK and £29.3m (2023: £25.5m) in Benelux for which no deferred asset is currently recognised as it is not considered probable that sufficient future taxable profits will be available to allow the utilisation of the deductible temporary differences. For the UK, although the trading businesses in aggregate have remained profitable in the current year, the UK tax group remains in a taxable loss position due to the head office costs and interest on the secured notes, and there is not considered to be sufficient convincing evidence at 31 December 2024 that sufficient future taxable profits will be available. If the Group were to recognise all unrecognised deferred tax assets, profit and equity would have increased by £109.5m (2023: £99.4m). The deductible temporary differences are available indefinitely.

At 31 December 2024 and 2023 there are no aggregate temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognised.

The Group has considered the impact of climate-related matters on future taxable profits when assessing the recoverability of deferred tax assets. At present, the impact of climate-related matters is not considered significant to forecast results and therefore no specific assumptions relating to climate-change are currently built into the forecasts.

23. Leases

The Group as a lessee

The Group has lease contracts for various properties, vehicles and other equipment used in its operations. Information on the nature and accounting for lease contracts is provided in the Accounting policies.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Buildings £m	Vehicles, plant and equipment £m	Total £m
At 1 January 2023	209.0	56.9	265.9
Additions	29.6	30.2	59.8
Disposals	(4.2)	(0.6)	(4.8)
Modifications	32.4	2.2	34.6
Transfer to tangible fixed assets	—	(0.4)	(0.4)
Impairments	(22.1)	(4.1)	(26.2)
Depreciation expense	(42.2)	(21.7)	(63.9)
Exchange differences	(1.5)	(0.4)	(1.9)
At 31 December 2023	201.0	62.1	263.1
Additions	**29.1**	**25.4**	**54.5**
Disposals	**(0.8)**	**(0.7)**	**(1.5)**
Modifications	**16.0**	**1.4**	**17.4**
Transfer to tangible fixed assets	**—**	**(0.2)**	**(0.2)**
Impairments	**(2.5)**	**(7.3)**	**(9.8)**
Depreciation expense	**(42.8)**	**(23.6)**	**(66.4)**
Exchange differences	**(4.9)**	**(1.9)**	**(6.8)**
At 31 December 2024	**195.1**	**55.2**	**250.3**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2024 £m	2023 £m
At 31 December 2023	**329.8**	307.7
Foreign currency movement	**(7.4)**	(2.7)
Additions	**53.9**	59.8
Disposals	**(1.5)**	(5.7)
Modifications	**17.4**	34.7
Accretion of interest	**22.3**	19.6
Payments	**(90.9)**	(83.6)
At 31 December 2024	**323.6**	329.8
Current	**64.9**	64.9
Non-current	**258.7**	264.9
	323.6	329.8

The following are the amounts recognised in profit or loss:

	2024 £m	2023 £m
Depreciation expense of right-of-use assets	**66.4**	63.9
Interest expense on lease liabilities	**22.3**	19.6
Expense relating to short-term leases (included in operating expenses)	**1.8**	1.1
Impairment of right-of-use assets (included in other items)	**9.8**	26.2
Total amount recognised in profit or loss	**100.3**	110.8

23. Leases continued

The Group had total cash outflows for leases of £90.9m in 2024 (2023: £83.6m). The Group also had non-cash additions to right-of-use assets and lease liabilities of £53.9m in 2024 (2023: £59.8m). The future cash outflows relating to leases that have not yet commenced are disclosed in Note 29(b).

The Group has a number of lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the lease-asset portfolio and align with the Group's business needs.

Set out below are the undiscounted potential future rental payments relating to periods following the expiry date of extension and termination options that are not included in the lease term.

	Within five years £m	More than five years £m	Total £m
Extension options expected not to be exercised	**6.1**	**6.1**	**12.2**
Termination options expected to be exercised	**7.8**	**17.8**	**25.6**
	13.9	**23.9**	**37.8**

The Group as a lessor

The Group is an intermediate lessor of a number of property leases which are subleased to a third party and are classified as finance leases in accordance with IFRS 16. The Group has lease receivables of £2.2m at 31 December 2024 (2023: £3.3m). These leases have remaining terms of between 2 and 12 years. Rental income recognised by the Group during the year is £1.2m (2023: £0.6m).

Future lease payments receivable from sub-leases classified as finance leases are as follows:

	2024 £m	2023 £m
Within one year	**0.3**	1.1
After one year but not more than five years	**1.6**	1.6
More than five years	**0.7**	1.0
	2.6	3.7
Less: future finance charges	**(0.4)**	(0.4)
Lease receivables	**2.2**	3.3

Of the total lease receivables, £0.3m (2023: £1.1m) is due within one year and £1.9m (2023: £2.2m) is due after more than one year.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2024 £m	2023 £m
Within one year	**0.4**	0.4
After one year but not more than five years	**1.7**	0.9
More than five years	**—**	0.2
	2.1	1.5

24. Called up share capital

	2024 £m	2023 £m
Authorised:		
1,390,000,000 ordinary shares of 10p each (2023: 1,390,000,000)	**139.0**	139.0
Allotted, called up and fully paid:		
1,181,556,977 ordinary shares of 10p each (2023: 1,181,556,977)	**118.2**	118.2

The Company has one class of ordinary share which carries no right to fixed income. The Company did not allot any shares during the year.

Treasury shares

Treasury shares relate to shares purchased by the EBT to satisfy awards made under the Group's share plans which are not vested and beneficially owned by employees. 3,001,375 (2023: 5,901,425) shares were purchased during the year at a weighted average cost of 28.7p per share (2023: 28.9p) and 8,808,795 shares were issued relating to the settlement of share awards (2023: 13,357,702). A total of 20,614,080 own shares are outstanding at 31 December 2024 (2023: 26,421,500).

25. Reconciliation of loss before tax to cash generated from operating activities

	2024 £m	2023 £m
Loss before tax	**(44.8)**	(31.9)
Net finance costs (Note 5)	**41.0**	35.9
Depreciation of property, plant and equipment (Note 10)	**12.5**	12.7
Depreciation of right-of-use assets (Note 23)	**66.4**	63.9
Amortisation of computer software (Note 12)	**1.2**	2.4
Amortisation of acquired intangibles (Note 12)	**2.1**	2.8
Impairment of property, plant and equipment (Note 10)	**1.2**	4.4
Impairment of goodwill (Note 11)	**—**	2.6
Impairment of acquired intangibles and computer software (Note 12)	**—**	2.5
Impairment of right-of-use assets (Note 23)	**9.8**	26.2
Reversal of impairment of lease receivables (Note 2)	**—**	(1.1)
Gain on lease transactions	**—**	(1.1)
Gain on disposal of property, plant and equipment	**(1.0)**	(4.3)
Share-based payment expense	**4.1**	5.5
Net foreign exchange differences	**(0.2)**	—
Decrease in provisions	**(1.2)**	(0.2)
Working capital movements:		
– (Increase)/decrease in inventories	**(1.5)**	9.2
– Decrease in receivables	**10.1**	45.2
– Decrease in payables	**(16.2)**	(46.3)
Cash generated from operating activities	**83.5**	128.4

Included within the cash generated from operating activities is a defined benefit pension scheme employer's contribution of £2.5m (2023: £2.5m).

26. Reconciliation of net cash flow to movements in net debt

	2024 £m	2023 £m
(Decrease)/increase in cash and cash equivalents in the year	**(39.7)**	2.7
Net cash outflow from repayment of leases and other debt[1]	**95.3**	84.5
Decrease in net debt resulting from cash flows	**55.6**	87.2
Non-cash movement in lease liabilities and lease receivables	**(92.0)**	(105.8)
Other non-cash items[2]	**(17.5)**	(3.3)
Exchange differences	**14.6**	7.9
Increase in net debt in the year	**(39.3)**	(14.0)
Net debt at 1 January	**(458.0)**	(444.0)
Net debt at 31 December	**(497.3)**	(458.0)

1. Including interest element of lease payments.
2. Other non-cash items relates to the fair value movement of debt and derivative financial instruments recognised in the year which does not give rise to a cash inflow or outflow.

Notes to the consolidated financial statements continued

for the year ended 31 December 2024

26. Reconciliation of net cash flow to movements in net debt continued

Net debt is defined as follows:

	2024 £m	2023 £m
Non-current assets:		
Derivative financial instruments	**0.1**	—
Lease receivables	**1.9**	2.2
Current assets:		
Derivative financial instruments	**0.1**	—
Lease receivables	**0.3**	1.1
Cash at bank and on hand	**87.4**	132.2
Current liabilities:		
Lease liabilities	**(64.9)**	(64.9)
Interest-bearing loans and borrowings	**(5.2)**	(0.8)
Deferred consideration	**—**	(1.8)
Derivative financial instruments	**(1.3)**	(1.0)
Non-current liabilities:		
Lease liabilities	**(258.7)**	(264.9)
Interest-bearing loans and borrowings	**(256.9)**	(260.0)
Derivative financial instruments	**(0.1)**	(0.1)
Net debt	**(497.3)**	(458.0)

Of the cash at bank and on hand of £87.4m (2023: £132.2m), £0.6m (2023: £1.0m) is required to be held to cover bank guarantees issued to third parties and is therefore restricted for use by the Group.

27. Analysis of net debt

	At 31 December 2023 £m	Cash flows £m	Non-cash items[1] £m	Exchange differences £m	At 31 December 2024 £m
Cash at bank and on hand	132.2	**(39.7)**	**—**	**(5.1)**	**87.4**
Lease receivables	3.3	**(1.2)**	**0.1**	**—**	**2.2**
	135.5	**(40.9)**	**0.1**	**(5.1)**	**89.6**
Liabilities arising from financing activities					
Financial assets – derivative financial instruments	—	**—**	**0.2**	**—**	**0.2**
Debts due within one year	(3.6)	**2.6**	**(5.5)**	**—**	**(6.5)**
Debts due after one year	(260.1)	**3.0**	**(12.2)**	**12.3**	**(257.0)**
Lease liabilities	(329.8)	**90.9**	**(92.1)**	**7.4**	**(323.6)**
	(593.5)	**96.5**	**(109.6)**	**19.7**	**(586.9)**
Net debt	(458.0)	**55.6**	**(109.5)**	**14.6**	**(497.3)**

1. Non-cash items include the fair value movement of debt recognised in the year which does not give rise to a cash inflow or outflow, movements between debts due within one year and after one year, and non-cash movements in relation to lease liabilities and lease receivables.

28. Retirement benefit obligations

The Group operates a number of pension schemes, four (2023: four) of which provide defined benefits based on final pensionable salary. Of these schemes, one (2023: one) has assets held in a separate trustee administered fund and three (2023: three) are overseas book reserve schemes. The Group also operates a number of defined contribution schemes, all of which are independently managed.

There is one pension plan in The Netherlands, which is classified as a multi-employer defined benefit scheme under IAS 19, but is recognised in the Consolidated financial statements as a defined contribution scheme since the pension fund is not able to provide sufficient information to allow SIG's share of the assets and liabilities to be separately identified. Therefore, the Group's annual pension expense for this scheme (the industry-wide pension plan for the construction materials industry ('BPF HiBiN')) is equal to the required contribution each year. The coverage ratio of the multi-employer union plan increased to 111% as at 31 December 2024 (2023: 110%). The pension premium percentage increased slightly to 25.4% (2023: 25.2%). The coverage ratio is calculated by dividing the fund's assets by the total sum of pension liabilities and is based upon market interest rates. The Company's participation in this scheme represents c0.1% of the total members. The Company is not liable for other participants' obligations, and there is no agreed allocation of surplus or deficit on withdrawal from the scheme or on winding up of the scheme. The pension premium percentage will remain the same at 25.4% in 2025. The Company is not aware of any other planned changes to contributions or benefits at the current time.

The Group's total pension charge for the year, including amounts charged to interest and Other items, was £8.3m (2023: £8.9m), of which a charge of £1.1m (2023: £1.4m) related to defined benefit pension schemes and £7.2m (2023: £7.5m) related to defined contribution schemes.

Defined benefit pension scheme valuations

In accordance with IAS 19 the Group recognises all actuarial gains and losses in full in the period in which they arise in the Consolidated statement of comprehensive income.

The actuarial valuation of the SIG plc Retirement Benefits Plan ("the Plan"), the UK scheme which is the largest scheme of the Group, is assessed by an independent actuary every three years who recommends the rate of contribution payable each year. The latest formal triennial actuarial valuation of the UK scheme was as at 31 December 2022 and was concluded in March 2024, and showed that the market value of the scheme's assets was £121.7m and their actuarial value covered 102% of the benefits accrued to members. The UK defined benefit pension scheme was closed to future benefit accrual on 30 June 2016.

In 2018 an asset-backed funding arrangement was put in place to fund the triennial pension deficit identified by the valuation as at 31 December 2016 and to increase security of the Plan. The asset backed funding arrangement transfers certain rights over a managed pool of certain customer receivables of one of the Group's subsidiary companies to a partnership and provides a mechanism to settle future funding commitments from receipts from higher quality trade receivables to ensure contributions to the Plan of £2.5m per annum for up to 20 years (as may be required and subject to certain discretions). The balance of receivables assigned to the managed pool is disclosed in Note 15. The partnership is controlled by the Group and is therefore included within the Consolidated financial statements. The receivables continue to be recognised on the Consolidated balance sheet, and the Plan's interest in the partnership is a non-transferable financial asset issued by the Group, and therefore does not constitute a plan asset for the Group. Distribution of income to the partners of the partnership, which forms the contribution to the Plan, is at the discretion of the General Partner, a subsidiary of the Group. There is however a guarantee in place which ensures that the Group's subsidiary, SIG Trading Limited, will make an equivalent contribution to the Plan if the partnership does not effect the discretionary distribution. The Group is therefore committed to making a contribution of £2.5m per annum until the structure terminates at the end of 20 years (March 2038) or earlier if certain agreed funding levels are reached.

The Trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme. The Trustees of the pension fund are responsible for the investment policy with regard to the assets of the fund.

The other three schemes are book reserve schemes whereby the sponsoring company does not hold any separate assets to fund the pension scheme but makes a reserve in its accounts. Therefore, these schemes do not hold separate scheme assets. The liabilities of the schemes are met by the sponsoring companies.

28. Retirement benefit obligations continued

The schemes typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. The risk relating to benefits to be paid to the dependants of scheme members on death in service is reinsured by an external insurance company.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan assets falls below this rate, it will create a plan deficit. Currently the plan has relatively balanced investments in line with the Trustees' Statement of Investment Principles between equity securities and debt instruments. Due to the long-term nature of the plan liabilities, the Trustees of the pension fund consider it appropriate that a reasonable portion of the plan assets should be invested in growth assets to leverage the return generated by the fund.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability but this will be partially offset by an increase in the return on the plan's bond holdings.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants (except in the UK where the Plan is closed to future accrual). As such, an increase in the salary of the plan participants will increase the plan's liability.

Consolidated income statement charges

The pension charge for the year, including amounts charged to interest of £0.6m (2023: £0.8m) relating to the defined benefit pension schemes, was £1.1m (2023: £1.4m).

In accordance with IAS 19, the charge for the defined benefit schemes has been calculated as the sum of the cost of benefits accruing in the year, the increase in the value of benefits already accrued and the expected return on assets. The actuarial valuations described previously have been updated at 31 December 2024 by a qualified actuary using revised assumptions that are consistent with the requirements of IAS 19. Investments have been valued, for this purpose, at fair value.

The UK defined benefit scheme is closed to new members and has an age profile that is rising. The three overseas book reserve schemes remain open to new members.

Consolidated balance sheet liability

The balance sheet position in respect of the four defined benefit schemes can be summarised as follows:

	2024 £m	2023 £m
Pension liability before taxation	**(18.2)**	(20.3)
Related deferred tax asset	**1.5**	1.5
Pension liability after taxation	**(16.7)**	(18.8)

The actuarial loss of £0.2m (2023: £1.1m gain) for the year, together with an associated deferred tax debit of £nil (2023: £0.1m debit), has been recognised in the Consolidated statement of comprehensive income.

Of the above pension liability before taxation, £10.9m (2023: £12.7m) relates to the funded scheme in the UK and £7.3m (2023: £7.6m) relates to the overseas unfunded schemes. The liability in relation to the UK scheme has decreased during the year due to an actuarial gain on the liabilities due to changes in assumptions and inflation experience and the employer contribution of £2.5m, partially offset by a loss on scheme assets and finance costs of £0.5m.

The movement in the pension liability before taxation in the year can be summarised as follows:

	2024 £m	2023 £m
Pension liability at 1 January	**(20.3)**	(23.0)
Current service cost	**(0.5)**	(0.6)
Payment of unfunded benefits	**0.5**	0.3
Contributions	**2.5**	2.5
Net finance cost	**(0.6)**	(0.8)
Actuarial (loss)/gain	**(0.2)**	1.1
Effect of changes in exchange rates	**0.4**	0.2
Pension liability at 31 December	**(18.2)**	(20.3)

The principal assumptions used for the IAS 19 actuarial valuation of the UK scheme (the largest scheme of the Group) were:

	2024 %	2023 %
Rate of increase in salaries[1]	**n/a**	n/a
Rate of fixed increase of pensions in payment	**1.9%**	1.9%
Rate of increase of LPI pensions in payment	**3.1%**	3.0%
Discount rate	**5.4%**	4.5%
Inflation assumption	**3.2%**	3.1%

1. Upon closure of the UK defined benefit scheme to future benefit accrual the accrued benefits of active members ceased to be linked to their final salary and will instead revalue in deferment broadly in line with movements in the Consumer Price Index.

Deferred pensions are revalued to retirement in line with the schemes' rules and statutory requirements, with the inflation assumption used for LPI revaluation in deferment.

Within the principal plan the life expectancy for a male employee beyond the normal retirement age of 65 is 21.8 years (2023: 21.7 years). The life expectancy on retirement at age 65 of a male employee currently aged 45 years is 22.2 years (2023: 22.1 years). The life expectancy for a female employee beyond the normal retirement age of 65 is 23.5 years (2023: 23.3 years). The life expectancy on retirement at age 65 of a female employee currently aged 45 years is 25.0 years (2023: 24.9 years).

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. If the discount rate were to be increased/decreased by 0.1%, this would decrease/increase the Group's gross pension scheme deficit by c£0.9m. If the rate of inflation increased/decreased by 0.1% this would increase/decrease the Group's gross pension scheme deficit by c£0.3m. If the life expectancy for employees increased by one year the Group's gross pension scheme deficit would increase by c£4.0m. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The average duration of the defined benefit scheme obligation at 31 December 2024 is 10 years (2023: 12 years).

In June 2023, the UK High Court in Virgin Media Limited v NTL Pension Trustees II Limited ruled that specific historical amendments to contracted-out defined benefit schemes in the period from 6 April 1997 to 5 April 2016 were invalid if they lacked confirmation under section 37 of the Pension Schemes Act 1993 from the scheme's actuary. This decision was upheld on appeal in July 2024. The UK Pension Plan's Trustees, in conjunction with their legal advisers, have carried out a review of the deeds of amendment issued within the relevant period, and concluded that, given the nature and purpose of those deeds, no significant impact on the Plan's funding position as a consequence of the judgement is expected.

The fair value of assets held at the balance sheet date were:

	2024 £m	2023 £m
Equities	**20.2**	16.3
Corporate and government bonds	**51.6**	58.8
Investment funds	**13.2**	15.4
Property	**5.2**	5.8
Cash	**1.1**	3.3
Total fair value of assets	**91.3**	99.6

All equity and debt instruments have quoted prices in active markets and can be classified as Level 1 and 2 instruments, other than property which is Level 3.

The amount included in the Consolidated balance sheet arising from the Group's obligation in respect of its defined benefit schemes is as follows:

	2024 £m	2023 £m
Fair value of assets	**91.3**	99.6
Present value of scheme liabilities	**(109.5)**	(119.9)
Net liability recognised in the Consolidated balance sheet	**(18.2)**	(20.3)

The overall expected rate of return is based upon market conditions at the balance sheet date.

28. Retirement benefit obligations continued

Amounts recognised in the Consolidated income statement in respect of these defined benefit schemes are as follows:

	2024 £m	2023 £m
Current service cost	**0.5**	0.6
Net finance cost	**0.6**	0.8
Amounts recognised in the Consolidated income statement	**1.1**	1.4

Analysis of the actuarial (loss)/gain recognised in the Consolidated statement of comprehensive income in respect of the schemes:

	2024 £m	2023 £m
Actual return less expected return on assets	**(8.9)**	(2.3)
Effect of changes in demographic assumptions	**(0.4)**	5.8
Effect of changes in financial assumptions	**9.2**	(4.5)
Impact of liability experience	**(0.1)**	2.1
Remeasurement of the defined benefit liability	**(0.2)**	1.1

The remeasurement of the net defined benefit liability is included within the Consolidated statement of comprehensive income.

Movements in the present value of the schemes' liabilities were as follows:

	2024 £m	2023 £m
Present value of schemes' liabilities at 1 January	**(119.9)**	(124.3)
Current service cost	**(0.5)**	(0.6)
Interest on pension schemes' liabilities	**(5.0)**	(5.6)
Benefits paid	**6.3**	6.7
Payment of unfunded benefits	**0.5**	0.3
Effect of changes in exchange rates	**0.4**	0.2
Remeasurement gains/(losses):		
Actuarial gain arising from changes in demographic assumptions	**(0.4)**	5.8
Actuarial (loss)/gain arising from changes in financial assumptions	**9.2**	(4.5)
Actuarial gain/(loss) due to liability experience	**(0.1)**	2.1
Present value of schemes' liabilities at 31 December	**(109.5)**	(119.9)

Movements in the fair value of the schemes' assets were as follows:

	2024 £m	2023 £m
Fair value of schemes' assets at 1 January	**99.6**	101.3
Finance income	**4.4**	4.8
Actual return less expected return on assets	**(8.9)**	(2.3)
Contributions from sponsoring companies	**2.5**	2.5
Benefits paid	**(6.3)**	(6.7)
Fair value of schemes' assets at 31 December	**91.3**	99.6

29. Commitments and contingencies

a) Capital commitments

	2024 £m	2023 £m
The purchase of property, plant and equipment contracted but not provided for	**0.9**	0.1

b) Lease commitments

The Group has various lease contracts that have not yet commenced as at 31 December 2024. The future lease payments for these non-cancellable lease contracts are £2.6m within one year (2023: £1.3m), £9.7m within five years (2023: £4.3m) and £4.3m thereafter (2023: £1.7m).

Information on the Group's leasing arrangements is included in Note 23.

c) Contingent liabilities

As at the balance sheet date, the Group had outstanding obligations under customer guarantees, claims, standby letters of credit and discounted bills of up to £10.8m (2023: £12.5m). Of this amount, £4.3m (2023: £6.1m) relates to a standby letter of credit issued by HSBC Bank plc in respect of the Group's insurance arrangements.

As part of the disposal of the Building Plastics business in 2017 a guarantee was provided to the landlord of the leasehold properties transferred with the business covering rentals over the remaining term of the leases in the event that the acquiring company enters into administration before the end of the lease term. The maximum liability that could arise from this would be approximately £0.5m (2023: £0.6m) based on the remaining future rent commitment at 31 December 2024. No provision has been made in these financial statements as it is not considered likely that any loss will be incurred in connection with this.

30. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and have therefore not been disclosed.

In 2024, SIG incurred expenses of £0.6m (2023: £0.3m) on behalf of the SIG plc Retirement Benefits Plan, the UK defined benefit pension scheme.

Remuneration of key management personnel

The total remuneration of key management personnel of the Group, being the Executive Leadership Team members and the Non-Executive Directors (see page 112), is set out below in aggregate for each of the categories specified in IAS 24 "Related Party Disclosures".

	2024 £m	2023 £m
Short term employee benefits	**7.2**	6.7
Termination and post-employment benefits	**—**	0.3
IFRS 2 share-based payment expense	**2.9**	4.6
	10.1	11.6

31. Subsidiaries

Details of the Group's subsidiaries, all of which have been included in the Consolidated financial statements, are shown on pages 206 to 208.

32. Post balance sheet events

There are no post balance sheet events requiring adjustment or disclosure in the Consolidated financial statements.

Non-statutory information

The Group uses a number of alternative performance measures, which are non-IFRS, to describe the Group's performance. The Group considers these performance measures to provide useful historical financial information to help investors evaluate the underlying performance of the business. Alternative performance measures are not a substitute for, or superior to, statutory IFRS measures.

These measures, as shown below, are used to improve the comparability of information between reporting periods and geographical units and to adjust for Other items (as explained in further detail within the Accounting policies). This also reflects how the business is managed and measured on a day-to-day basis. Measures presented are aligned with the key performance measures used in the business and as included in the Strategic report.

a) Leverage

Leverage is the financial covenant applicable to the RCF and is used as a key performance metric for the Group. It is calculated as net debt divided by the last twelve months underlying EBITDA.

	2024 £m	2023 £m
Underlying operating profit	**25.1**	53.1
Add back:		
Depreciation of right-of-use assets and property, plant and equipment	**78.9**	76.6
Amortisation of computer software	**1.2**	2.4
Underlying EBITDA	**105.2**	132.1
Reported net debt	**497.3**	458.0
Leverage	**4.7x**	3.5x

b) Like-for-like sales

Like-for-like sales is calculated on a constant currency basis, and represents the growth in the Group's sales per working day, excluding any acquisitions or disposals completed or agreed in the current and prior year, and adjusted to exclude the net impact of branch closures or openings. This measure shows how the Group has developed its revenue for comparable business relative to the prior period. As such it is a key measure of the growth of the Group during the year. Underlying revenue is revenue from continuing operations excluding non-core businesses.

	UK Interiors £m	UK Roofing £m	UK Specialist Markets £m	Total UK £m	France Interiors £m	France Roofing £m	Total France £m	Germany £m	Benelux £m	Ireland £m	Poland £m	Total Group £m
Statutory and underlying revenue 2024	**499.1**	**381.7**	**253.3**	**1,134.1**	**200.5**	**421.9**	**622.4**	**438.5**	**103.6**	**104.3**	**241.4**	**2,644.3**
Less inter-segment revenue	**(4.1)**	**(1.1)**	**(15.2)**	**(20.4)**	**(0.1)**	**(11.8)**	**(11.9)**	**—**	**—**	**(0.2)**	**—**	**(32.5)**
External revenue	**495.0**	**380.6**	**238.1**	**1,113.7**	**200.4**	**410.1**	**610.5**	**438.5**	**103.6**	**104.1**	**241.4**	**2,611.8**
Statutory and underlying revenue 2023	563.7	370.4	266.0	**1,200.1**	219.0	471.3	**690.3**	462.1	116.9	94.1	237.9	**2,801.4**
Less inter-segment revenue	(7.2)	(1.0)	(18.4)	**(26.6)**	(0.1)	(13.3)	**(13.4)**	—	—	(0.2)	—	**(40.2)**
External revenue	556.5	369.4	247.6	**1,173.5**	218.9	458.0	**676.9**	462.1	116.9	93.9	237.9	**2,761.2**
% change year on year:												
Underlying revenue	**(11.1)%**	**3.0%**	**(3.8)%**	**(5.1)%**	**(8.5)%**	**(10.5)%**	**(9.8)%**	**(5.1)%**	**(11.4)%**	**10.9%**	**1.5%**	**(5.4)%**
Impact of currency	**—**	**—**	**—**	**—**	**2.5%**	**2.5%**	**2.5%**	**2.6%**	**2.5%**	**3.0%**	**(2.3)%**	**1.1%**
Impact of branch changes	**2.6%**	**(0.1)%**	**—**	**1.3%**	**(0.3)%**	**0.3%**	**0.1%**	**0.2%**	**1.2%**	**—**	**(1.1)%**	**0.5%**
Impact of working days	**(1.1)%**	**(1.2)%**	**(1.1)%**	**(1.1)%**	**(0.7)%**	**(0.4)%**	**(0.5)%**	**—**	**(0.7)%**	**(0.9)%**	**(0.3)%**	**(0.7)%**
Like-for-like sales	**(9.6)%**	**1.7%**	**(4.9)%**	**(4.9)%**	**(7.0)%**	**(8.1)%**	**(7.7)%**	**(2.3)%**	**(8.4)%**	**13.0%**	**(2.2)%**	**(4.5)%**

c) Operating margin

This is used to enhance understanding and comparability of the underlying financial performance of the Group and is calculated as underlying operating profit as a percentage of underlying revenue.

	2024 £m	2023 £m
Underlying revenue	**2,611.8**	2,761.2
Underlying operating profit	**25.1**	53.1
Operating margin	**1.0%**	1.9%

d) Free cash flow

Free cash flow is defined as all cash flows excluding M&A transactions, dividend payments and financing transactions. Operating cash flow represents free cash flow before interest and financing and tax. These measures are used to enhance understanding and comparability of the cash generation of the Group.

	2024 £m	2023 £m
(Decrease)/increase in cash and cash equivalents in the year	**(39.7)**	2.7
Add back:		
Settlement of amounts payable for previous purchases of businesses (included within cash flow from investing activities)	**4.4**	0.7
Settlement of amounts payable for previous purchases of businesses (included within cash flow from operating activities)	**4.0**	—
Repayment of borrowings	**239.7**	0.8
Proceeds from borrowings	**(247.0)**	—
Free cash flow	**(38.6)**	4.2
Add back:		
Finance costs paid	**37.5**	36.9
Finance income received	**(2.7)**	(2.2)
Tax paid	**8.0**	14.0
Operating cash flow	**4.2**	52.9

e) Other non-statutory measures

In addition to the alternative performance measures noted above, the Group also uses underlying EPS (as set out in Note 8), underlying net finance costs (as set out in Note 5) and average trade working capital to sales ratio. Average trade working capital to sales ratio is calculated as the average trade working capital each month end (net inventory, gross trade creditors, net trade receivables and supplier rebates receivable) divided by underlying revenue.

Opinion

In our opinion:

- SIG 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 loss 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 United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of SIG plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise:

Group	Parent company
Consolidated income statement for the year ended 31 December 2024	Company balance sheet as at 31 December 2024
Consolidated statement of comprehensive income for the year then ended	Statement of changes in equity for the year then ended
Consolidated balance sheet as at 31 December 2024	Related notes 1 to 14 to the financial statements including material accounting policy information
Consolidated statement of changes in equity for the year then ended	
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 32 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 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:

- Confirming our understanding of management's going concern assessment which included the preparation of the base case cash forecast and the reasonable worst-case scenario covering the going concern period until 31 March 2026. We also engaged with management early to ensure all key risk factors were considered in their assessment;
- Obtaining management's going concern assessment, including the cash forecast for the going concern period through to 31 March 2026 and testing this for arithmetical accuracy. Management modelled a reasonable worst-case scenario in its cash forecasts in order to incorporate unexpected changes to the forecasted liquidity of the Group;
- Checking the consistency of information used in management's assessment with the budget and medium-term plan approved by the Board and information obtained from other areas of the audit;

- Assessing the impact of the refinancing of the Secured Notes and Revolving Credit Facility ("RCF") in 2024 and verifying the nature of facilities, repayment terms, covenants, and other conditions;
- Assessing the continued availability of the facilities to the Group through the going concern period which included assessing the forecasted covenant compliance;
- Challenging the appropriateness of the key assumptions in management's forecasts, including revenue growth and operating margin percentage, by comparing these to year-to-date performance and industry benchmarks;
- Checking the forecasts used were consistent with those used in management's assessment of impairment and deferred tax asset recoverability;
- Challenging management's consideration of a reasonable worst-case scenario, evaluating whether the impact of a prolonged downturn in trading had been appropriately included and whether climate risk may materially impact the going concern assessment;
- Considering management's reverse stress test in order to identify and understand what factors and how severe a downside scenario would have to be to result in the Group utilising all liquidity or breaching a financial covenant during the going concern period;
- Assessing the plausibility of management's downside scenarios, including the reverse stress test, by comparing to third-party data, including industry and broker reports, for indicators of contradictory evidence, including market growth expectations and broker consensus on expected outturn of the Group and performance of the industry;
- Considering the amount and timing of mitigating factors under the Group's control that could preserve cash if required and performing independent analyses on the plausibility of cash management scenarios;
- Reviewing information about post year end performance for any contradictory factors that might impact management's forecast assumptions; and
- Reviewing the Group's going concern disclosures included in the annual report in order to assess whether they were appropriate and in conformity with the reporting standards.

Key Observations:

- At 31 December 2024 the Group has committed facilities of €300m Secured Notes and a £90m RCF to October 2029 and April 2029, respectively. The RCF has a leverage maintenance covenant which is only effective if the facility is over 40% (i.e. £36.0m or more) drawn at a quarter end reporting date. In the reasonable worst-case scenario, if the RCF was drawn by at least £36.0m, no breach of the covenants is forecasted.
- The results from both management's evaluation and our independent sensitivity analysis and reverse stress testing indicate that a scenario whereby a decline in performance is severe enough to cause a liquidity issue and/or a covenant breach is considered remote.
- Our consideration of other evidence, including industry and broker reports, did not contradict the assumptions in management's forecasts. Additionally, we did not identify events or conditions in the period to 31 March 2026 that may cast doubt on the Group's ability to continue as a going concern.

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 March 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 five components and audit procedures on specific balances for a further seven components and central procedures on goodwill and intangible assets, plus the Group consolidation.
Key audit matters	– Risk of impairment (with a specific risk over prospective financial information): – *Group financial statements:* goodwill, intangible assets, property, plant and equipment and right-of-use assets – *Parent company financial statements:* investments in and debtors owed by subsidiary undertakings – Misstatement of supplier rebate income and the associated receivable
Materiality	– Overall Group materiality of £3.0m which represents 0.5% of Group gross margin.

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, with input from our component auditors, to identify and assess risks of material misstatement of the Group financial statements and identified 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 could be performed on the following key audit areas:

Key audit area on which procedures were performed centrally
Impairment of goodwill, intangible assets, property, plant and equipment and right-of-use assets
Derivative financial assets and liabilities
Shareholders' equity
Group consolidation

We then identified nine components as individually relevant to the Group due to relevant events and conditions underlying the identified risks of material misstatement of the Group financial statements being associated with the reporting components in addition to financial size of the component 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 three additional components of the Group to include in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the twelve components selected, we designed and performed audit procedures on the entire financial information of five 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").

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

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Group audit engagement team, or by component auditors operating under our instruction.

The Group audit team continued to follow a programme of planned visits that has been designed to ensure that the Senior Statutory Auditor visits all full scope component locations regularly. During the current year's audit cycle, visits were undertaken by the Group audit team to the component teams in France (covering three components), Germany, and the Netherlands, with the Senior Statutory Auditor visiting France and the Netherlands. These visits involved discussing the audit approach with the component team and any issues arising from their work, meeting with local management, attending planning and closing meetings, and reviewing relevant audit working papers on risk areas. The Group audit team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. At critical periods of the audit, we increased the use of online collaboration tools to facilitate team meetings, information sharing and the evaluation, review and oversight of component teams. We requested detailed deliverables from component teams, and we utilised fully the interactive capability of EY Canvas, our global audit workflow tool, to review remotely the relevant underlying work performed. The Senior Statutory Auditor is responsible for the five in-scope UK components, including the head office entity. Where relevant, the section on key audit matters details the level of involvement we had with component auditors to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

There remains increased interest from stakeholders as to how climate change will impact the Group. The Group has determined that the most significant future impacts from climate change on its operations will be the removal of fossil fuels from the Group's fleet of vehicles. These are explained on pages 42 to 51 in the required Task Force on Climate Related Financial Disclosures and Non-Financial and Sustainability information statement and on pages 64 to 67 in the principal risks and uncertainties. The Group have also explained their climate commitments in the Sustainability review on pages 26 to 51. 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 in the Basis of preparation section of the Accounting policies footnote how the Group has assessed the impact of climate change on the carrying value of non-current assets and the impact on forecasts used in the impairment review and the assessments of going concern and longer-term viability. Management concluded these considerations did not have a material impact on the Group in the current year or over the next three years.

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, and their climate commitments. 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, while 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 'Impairment of goodwill, intangible assets, property, plant and equipment, and right-of-use assets' key audit matter. Details of the impact, our procedures and findings are included in our explanation of key audit matters 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
Risk of impairment (with a specific risk over prospective financial information) of: – ***Group financial statements:*** **goodwill, intangible assets, property, plant and equipment ("PPE") and Right-of-use assets ("ROUA")** – ***Parent company financial statements:*** **investments in and debtors owed by subsidiary undertakings** **Refer to the Audit Committee Report (page 90); Accounting policies (pages 139, 144 and 201); Note 11 of the Consolidated Financial Statements and Notes 5 and 8 of the Company Financial Statements** The Group Balance Sheet includes goodwill, intangible assets, PPE, and ROUA totalling £456.7m (2023: £475.0m). The Parent company Balance Sheet includes investments totalling £401.2m (2023: £163.7m) and debtors owned by subsidiary undertakings of £380.5m (2023: £581.9m). Management perform an overall assessment of impairment of assets for each cash-generating unit ("CGU") – note each operating company is a CGU – annually in-line with the requirements of IAS 36 Impairment of Assets, or when there are indicators of impairment. The carrying value of assets for each operating company is compared to either the value-in-use ('VIU') of the operating company or the fair-value less costs of disposal ("FVLCD") of the operating company's assets. Both approaches contain significant assumptions of estimation uncertainty and judgement, including use of prospective financial information. There is an associated risk in the Parent company Balance Sheet over the potential impairment of investments in subsidiary undertakings and the recoverability of receivables due from subsidiary undertakings. The risk has increased in the current year due to a decline in trading performance of the Group.	We identified and walked through key controls in the impairment process identified by management, including the budgeting process. We evaluated management's determination of CGUs by considering the interdependency or otherwise of cash flows together with how management reports and monitors financial performance of its business operations. For each CGU, we determined whether management were basing the impairment assessment on a VIU or FVLCD basis. **For each CGU assessed using VIU** We understood the methodology behind, and tested, the discounted cash-flow model used by management to perform the impairment test for each of the relevant cash-generating units per the requirements of IAS 36 Impairment of Assets ("IAS 36"). We tested the key VIU assumptions (as explained below) and performed related sensitivities to determine whether adequate headroom remains – using these sensitivities, we performed a 'stand back' assessment to consider whether there is sufficient evidence to support management's position. We assessed the methodology against the requirements of IAS 36 and tested the integrity and clerical accuracy of the VIU model. ***Key Assumptions in the VIU Model*** We evaluated the key underlying assumptions within the VIU calculation including the prospective financial information and discount rates, as well as other assumptions such as long-term growth rates. We evaluated independent market forecasts, to assess the revenue growth included in management's budget and medium-term plan and considered other matters such as the market conditions, geopolitical landscape, and climate risks. ***Prospective financial information*** We challenged the underlying forecasts in management's 2025 budgets and 2026-2027 medium-term plan. Our challenge focused on the growth assumptions including the impact of initiatives to improve revenue and profit, specifically comparing to industry forecasts, and considered management's historical forecasting accuracy. As part of this assessment we considered whether key drivers of growth in management's model, such as volume growth, margin improvement, and other initiatives, were reasonable or optimistic. We assessed the discount rates applied with input from our internal valuation experts and benchmarked long-term growth rates to external market forecasts. We compared the VIU of each CGU as per the model computed by management to our independently assessed range of possible outcomes and assessed whether this supported management's conclusions and disclosures. As a result, the sensitivity disclosures were updated in respect of certain CGUs. **For each CGU assessed using FVLCD** For UK Interiors and Benelux CGUs, management assessed the recoverable amount of individual classes of assets on a FVLCD basis. The key assumption used in the determination of FVLCD is the fair value of the ROUA, in particular in respect of property. To do this, management obtained an independent external valuation report for the property assets held by the CGUs which supported their assessment that the net book value was recoverable by considering the market rental value that could be obtained from subleasing the properties and taking into account current market conditions together with the location and condition of the properties. We assessed the findings of management's external valuation specialists primarily by engaging an internal valuation specialist to corroborate that management's specialist had the requisite qualifications to make the assessment, and to determine their methodology used to be appropriate. With input from our internal specialists, for a sample of leases, we assessed the key assumptions, including the sublease rental value, potential vacant period, and costs of subletting. We also assessed that the contracts held by management do not preclude subletting the properties and any relevant costs to dispose were appropriately incorporated in the fair value. We assessed recoverability of non-property assets, such as fleet ROUA and fixtures and fittings. The fleet assets were impaired as there was no right to return or sublet the vehicle. We performed data integrity testing on management's schedule of properties/assets to assess whether the listing was complete and accurate. **Group disclosures** We assessed the disclosures against the requirements of IAS 36, in particular the requirement to disclose further sensitivities for CGUs where a reasonably possible change in a key assumption would cause an impairment. We also assessed the disclosure within the key judgements and estimation uncertainty section of the Group financial statements. **Parent company** We understood key changes in the value of investments versus prior year and assessed the accounting treatment of capitalisation of intercompany loan balances with certain subsidiaries. We assessed the principles of management's forecast models to verify whether the appropriate cashflows were being considered, using the VIU of the subsidiaries of the Group, and making appropriate adjustments such as exclusion of lease liabilities and other debt. We overlaid our estimated range of the VIU of the subsidiaries of the Group following challenge of the forecasts. We identified a scenario whereby there could be a potential impairment of the Parent company investment balance in a plausible downside scenario. As a result, the sensitivity disclosure included in the Parent company financial statements was updated.

Key observations communicated to the Audit Committee

For the Group's CGUs, we agree with management that it is reasonable not to recognise any impairment based on the VIU assessment. The most significant judgement in the VIU assessment is the prospective financial information which include a number of initiatives to drive growth, notably in 2027 (the final year in management's three-year medium-term plan as included in their VIU model). There are risks to effectively executing these initiatives which could reduce the VIU. The disclosures included in the financial statements, to signpost potential scenarios that may result in an impairment being reasonably possible, specifically in respect of the UK Specialist Markets, Miers Construction Products, Building Solutions and France Roofing CGUs, are appropriate.

We agree with management's conclusion to record an impairment against the fleet right-of-use assets of £7.3m in the UK Interiors CGU. We agree that no other material impairment charge, or reversal of any existing impairment in the current year, is reasonable in respect of the impairment assessments based on FVLCD.

We consider management's assessment, that no impairment should be recorded against the Parent company investment balance, to be reasonable. The sensitivity disclosure in the Parent company financial statements is appropriate.

Impairment disclosures in the Group and Parent company financial statements were appropriate and in accordance with the requirements of IAS 36.

How we scoped our audit to respond to the risk

All audit work performed to address this risk was undertaken by the Group audit team.

Risk	Our response to the risk
Misstatement of supplier rebate income and associated receivable **Refer to the Audit Committee Report (page 90); Accounting policies (pages 135 and 144); and Notes 15 and 16 of the Consolidated Financial Statements** In 2024, income from Supplier Rebates totalled £348.0m (2023: £369.3m) with a receivable balance as at 31 December 2024 of £109.1m (2023: £106.9m). The Group's supply chain pricing structure includes rebate arrangements with suppliers. The terms of agreements with suppliers can be complex and varied. Estimation uncertainty is present in relation to supplier rebates, in particular where amounts receivable are tiered based on volumes purchased or where volumes are estimated, for example where arrangements span the year end. There is opportunity through management override of controls or error to overstate the balance of supplier rebates recognised. The risk identified is primarily focused on significant balances with new agreements, changes in agreements, and unconfirmed balances at the year-end.	We focused our audit procedures on the areas where management apply judgement and estimation, where the processing is either manual or more complex, and where the value is high. In particular, where amounts receivable are tiered based on volumes purchased or where volumes are estimated, for example where arrangements span the year end. We performed walkthroughs to understand the key processes used to record supplier rebate transactions and identified key controls. We performed analytical reviews to understand unusual movements in income statement and balance sheet accounts period on period, including ageing analysis. We selected a sample of suppliers to test using a risk-based approach focusing on suppliers with a significant receivables balance at year end, new agreements that are material and agreements with significant changes in earnings versus the prior year. For key items we obtained independent confirmations to confirm key terms, income recognised, and the year end receivable. Using the confirmations received, we reconciled income recognised in the period and the receivable recorded at the year end. For others sampled, we: – Obtained the rebate agreement signed by both parties and recalculated the earnings and receivable balances based on the volumes in management's data; and – Where estimation was included (e.g. non-coterminous year-ends), we tested assumptions made to supporting documentation; and – Vouched whether there was a right to net settlement of the income and validated this was being appropriately recorded; and – Obtained any evidence of post year payments or credit notes received for any significant balances at year end. We performed a stand back analysis to ensure the untested population was not material by bringing additional items into scope of our testing or performing analytical procedures. Using data extracted from the accounting system, we tested the appropriateness of a sample of journal entries, focusing on manual journals, and other adjustments to supplier rebate accounts in the balance sheet and income statement. We reviewed the appropriateness of the critical accounting judgements and key sources of estimation uncertainty disclosure in respect of supplier rebate amounts recorded in the income statement and balance sheet.

Key observations communicated to the Audit Committee

The income recognised in the year and the balance sheet position at year end are appropriately recorded. We reviewed the disclosures included within the financial statements and consider them appropriate.

How we scoped our audit to respond to the risk and involvement with component teams

We performed full and specific scope audit procedures over this risk in 12 locations, which covered 99% of the risk amount associated to supplier rebate income, and 97% of the risk amount associated to supplier rebates receivable. We provided detailed audit instructions to component teams to ensure a uniform testing approach commensurate with the risk of material misstatement and reviewed the underlying workpapers to ensure adherence to the approach.

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 £3.0m (2023: £2.8m), which is 0.5% of Group gross margin (2023: 5.0% of Group underlying operating profit) which provides a materiality value comparable to both those used in the previous year and forecast to be used in future years as and when trading conditions improve. We believe that Group gross margin provides us with a relevant performance measure to the stakeholders of the Group that is broadly consistent (i.e., gross margin percentage of sales is relatively stable) and is therefore an appropriate basis for materiality. We changed from using Group underlying operating profit in the prior year due to the reduction and volatility in this metric.

We determined materiality for the Parent Company to be £3.9m (2023: £3.5m), which is 1.0% (2023: 1.0%) of shareholders equity of £390.1m, however we have capped the materiality for our audit testing at the materiality of the Group.

During the course of our audit, we reassessed initial materiality based on the final Group gross margin outturn. This indicated a higher materiality amount of £3.2m. Given this was not significantly different, we have maintained our materiality at the planned amount above.

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 50% (2023: 50%) of our planning materiality, namely £1.5m (2023: £1.4m). We have set performance materiality at this percentage due to our assessment of the control environment, the level of misstatements in the prior year, and the outcome of our risk assessment.

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 £0.3m to £0.6m (2023: £0.3m to £0.8m).

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 £0.15m (2023: £0.14m), 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 125, including the Strategic Report and the Governance reports (Corporate Governance Report, Nominations Committee Report, Directors' Report, Audit and Risk Committee Report, Directors' Remuneration Report, and Directors' Responsibilities Statement), 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
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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.

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

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 59;
- 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 59;
- Director's 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 59;
- Directors' statement on fair, balanced and understandable set out on page 94;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 96 to 97;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 97; and
- The section describing the work of the audit committee set out on pages 88 to 95.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 125, 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 those which are directly relevant to the financial statements and those that relate to the reporting framework (UK adopted international accounting standards, the Companies Act 2006 and the UK Corporate Governance Code) and the relevant tax compliance regulations in the jurisdictions in which the Group operates. 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 being the Listing Rules of the UK Listing Authority, and those laws and regulations relating to health and safety and employee matters.
- We understood how SIG plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures, and the Company Secretary. We corroborated our inquiries through our review of Board minutes and papers provided to the Audit Committee, and observation in Audit Committee meetings, as well as consideration of the results of our audit procedures across the Group.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it considered there was a susceptibility to fraud. We also considered the current challenging trading conditions and performance targets and their potential to influence management to manage earnings or influence the perceptions of analysts. As a result of these procedures, we determined there is a risk of fraud associated to supplier rebate income and associated receivable and revenue recognition (manual adjustments). We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud and error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations, including providing specific instructions to full and specific scope component teams. Our procedures included journal entries testing, with a focus on manual journal entries, consolidation journal entries and journal entries indicating large or unusual transactions using data analytics. We based this testing on our understanding of the business, enquiries of management, including internal audit, legal and other advisors, the company secretary and reading relevant reports. Through our testing we challenged the assumptions and judgements made by management in respect of unusual or significant one-off transactions in the year and significant accounting estimates as referred to in the key audit matters section above. At a component level, our full and specific scope component audit team's procedures included inquiries of component management, journal entry testing, and detailed testing in respect of the identified fraud risks described above. We also leveraged our data analytics platform in performing our work on the sales order to cash processes to assist in identifying higher risk transactions for testing. We have also reviewed the whistleblowing reports issued during the year.
- In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards, UK legislation and the UK Corporate Governance Code.
- Specific inquiries were made with the component teams to confirm the details of any instances of non-compliance with laws and regulations. This was reported via interoffice audit deliverables based on the procedures detailed in the previous paragraph. Additionally, the Group audit team communicates any instances of non-compliance with laws and regulations to component teams through regular interactions throughout the audit cycle. There were no instances of non-compliance with laws and regulations that we concluded would have a material impact on the Group consolidated financial statements.

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 4 July 2018 to audit the financial statements for the year ending 31 December 2018 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is seven years, covering the years ending 31 December 2018 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.

Adrian Roberts
(Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

4 March 2025

Five-year summary

Statistory basis	Total 2020 £m	Total 2021 £m	Total 2022 £m	Total 2023 £m	Total 2024 £m
Revenue	1,874.5	2,291.4	2,744.5	2,761.2	**2,611.8**
Operating (loss)/profit	(160.0)	14.0	56.2	4.0	**(3.8)**
Finance income	0.7	0.7	1.3	2.2	**2.7**
Finance costs	(35.3)	(30.6)	(30.0)	(38.1)	**(43.7)**
(Loss)/profit before tax	(194.6)	(15.9)	27.5	(31.9)	**(44.8)**
(Loss)/profit after tax	(201.2)	(28.3)	15.5	(43.4)	**(48.6)**
(Loss)/earnings per share (p)	(23.1)	(2.4)	1.3	(3.8)	**(4.2)**
Total dividend per share (p)	—	—	—	—	**—**

Underlying basis[1]	Underlying 2020 £m	Underlying 2021 £m	Underlying 2022 £m	Underlying 2023 £m	Underlying 2024 £m
Revenue	1,872.7	2,291.4	2,744.5	2,761.2	**2,611.8**
Operating (loss)/profit	(53.1)	41.4	80.2	53.1	**25.1**
Finance income	0.7	0.7	1.3	2.2	**2.7**
Finance costs	(23.7)	(22.8)	(29.9)	(37.9)	**(42.1)**
(Loss)/profit before tax	(76.1)	19.3	51.6	17.4	**(14.3)**
(Loss)/profit after tax	(86.8)	3.7	37.2	4.4	**(19.7)**
(Loss)/earnings per share (p)	(10.0)	0.3	3.2	0.4	**(1.7)**

1. Underlying represents the results before Other items. See Accounting policies for further details.

Company balance sheet

as at 31 December 2024

	Note	2024 £m	2023 £m
Fixed assets			
Investments	5	**401.2**	163.7
Tangible fixed assets	6	**0.4**	0.5
Intangible assets	7	**—**	0.1
		401.6	164.3
Current assets			
Debtors: due within one year	8	**353.1**	503.7
Debtors: due after more than one year	8	**30.1**	80.5
Cash at bank and in hand		**42.8**	79.7
		426.0	663.9
Current liabilities			
Creditors: amounts falling due within one year	9	**181.0**	230.1
Net current assets		**245.0**	433.8
Total assets less current liabilities		**646.6**	598.1
Creditors: amounts falling due after one year	10	**256.5**	258.8
Net assets		**390.1**	339.3
Capital and reserves			
Called up share capital	12	**118.2**	118.2
Treasury shares reserve	12	**(8.6)**	(11.6)
Merger reserve	12	**104.0**	104.0
Capital redemption reserve	12	**0.3**	0.3
Share option reserve	12	**7.8**	7.6
Exchange reserve	12	**(0.2)**	(0.2)
Cash flow hedging reserve	12	**(1.3)**	(1.2)
Cost of hedging reserve	12	**0.1**	0.1
Retained profits	12	**169.8**	122.1
Shareholders' funds		**390.1**	339.3

The accompanying Accounting policies and Notes to the Company financial statements are an integral part of this Company balance sheet.

As permitted by Section 408 of the Companies Act 2006 the Company has elected not to present its own Company income statement for the year. SIG plc reported a profit after tax for the financial year ended 31 December 2024 of £47.7m (2023: £91.5m loss).

The Financial statements were approved by the Board of Directors on 4 March 2025 and signed on its behalf by:

Gavin Slark
Director

Ian Ashton
Director

Registered in England: 00998314

Company statement of changes in equity

for the year ended 31 December 2024

	Called up share capital £m	Treasury shares reserve £m	Merger reserve £m	Capital redemption reserve £m	Share option reserve £m	Exchange reserve £m	Cash flow hedging reserve £m	Cost of hedging reserve £m	Retained profits/ (losses) £m	Total Equity £m
At 1 January 2023	118.2	(16.4)	104.0	0.3	8.6	(0.2)	1.4	0.1	213.6	429.6
Loss after tax	—	—	—	—	—	—	—	—	(91.5)	(91.5)
Other comprehensive expense	—	—	—	—	—	—	(2.6)	—	—	(2.6)
Total comprehensive expense	—	—	—	—	—	—	(2.6)	—	(91.5)	(94.1)
Purchase of treasury shares	—	(1.7)	—	—	—	—	—	—	—	(1.7)
Credit to share option reserve	—	—	—	—	5.5	—	—	—	—	5.5
Settlement of share options	—	6.5	—	—	(6.5)	—	—	—	—	—
At 31 December 2023	**118.2**	**(11.6)**	**104.0**	**0.3**	**7.6**	**(0.2)**	**(1.2)**	**0.1**	**122.1**	**339.3**
Profit after tax	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**47.7**	**47.7**
Other comprehensive expense	**—**	**—**	**—**	**—**	**—**	**—**	**(0.1)**	**—**	**—**	**(0.1)**
Total comprehensive (expense)/ income	**—**	**—**	**—**	**—**	**—**	**—**	**(0.1)**	**—**	**47.7**	**47.6**
Purchase of treasury shares	**—**	**(0.9)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(0.9)**
Credit to share option reserve	**—**	**—**	**—**	**—**	**4.1**	**—**	**—**	**—**	**—**	**4.1**
Settlement of share options	**—**	**3.9**	**—**	**—**	**(3.9)**	**—**	**—**	**—**	**—**	**—**
At 31 December 2024	**118.2**	**(8.6)**	**104.0**	**0.3**	**7.8**	**(0.2)**	**(1.3)**	**0.1**	**169.8**	**390.1**

The accompanying Accounting policies and Notes to the Company financial statements are an integral part of this Company statement of changes in equity.

Company accounting policies

for the year ended 31 December 2024

Basis of accounting

The separate financial statements of the Company are presented as required by the Companies Act 2006. They have been prepared under the historical cost convention except for derivative financial instruments which are stated at their fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36. Categorisation of fair value is set out in the Consolidated financial statements on pages 139 to 141.

The Company financial statements have been prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework (FRS 101) and the Companies Act 2006 as applicable to companies using FRS 101. FRS 101 sets out a reduced disclosure framework for a qualifying entity that would otherwise apply the recognition, measurement and disclosure requirements of UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The Company is a qualifying entity for the purposes of FRS 101.

Going concern

The Company closely monitors its funding position throughout the year, including monitoring compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations.

The Company's financing facilities comprise €300m fixed rate secured notes, due October 2029, €13.5m fixed rate secured notes, due November 2026, and a £90m Revolving Credit Facility (RCF) that expires in April 2029. The only financial covenant within these facilities is a leverage maintenance covenant within the RCF, which is only effective if the facility is over 40% drawn (i.e. £36m) at a quarter end reporting date. The RCF was undrawn at 31 December 2024 and has remained undrawn subsequent to the year end.

The Company has significant available liquidity and on the basis of current forecasts is expected to remain in compliance with all banking covenants throughout the forecast period to 31 March 2026 (the going concern period).

The Company has no trading operations and therefore its ability to continue as a going concern is dependent on the trading of its subsidiaries and the forecasts for the Group as a whole. The Directors have considered the Group's forecasts which support the view that the Group and Company will be able to continue to operate within its banking facilities and comply with its banking covenants. The Directors have considered the following principal risks and uncertainties that could potentially impact the Group and Company's ability to fund its future activities and adhere to its banking covenants, including:

- prolonged challenging trading conditions in the Group's larger businesses, leading to lower volumes;
- pricing pressure on sales and modest net input cost deflation; and
- current economic and political uncertainties, potentially further impacting market demand.

The forecasts on which the going concern assessment is based have been subject to sensitivity analysis and stress testing to assess the impact of the above risks and the Directors have also reviewed mitigating actions that could be taken. Details are set out in the Group going concern assessment on page 132.

The Directors have considered the impact of climate-related matters, but the impact on the Company is not considered to create any material uncertainties related to events or conditions that could cast significant doubt upon the Company's ability to continue as a going concern.

On consideration of the above, the Directors believe that the Company has adequate resources to continue in operational existence for the forecast period to 31 March 2026 and the Directors therefore consider it appropriate to adopt the going concern basis in preparing the 2024 Company financial statements.

New standards, interpretations and amendments adopted

A number of amendments and interpretations apply for the first time in 2024, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Company accounting policies continued

for the year ended 31 December 2024

Exemptions applied in accordance with FRS 101

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:

(i) paragraph 79(a)(iv) of IAS 1 and

(ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment

- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40B, 111, and 134 to 136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.

Share-based payments

The accounting policy for share-based payments is consistent with that of the Group as detailed on page 136.

Derivative financial instruments

The accounting policy for derivative financial instruments is consistent with that of the Group as detailed on pages 140 and 141.

Financial assets and liabilities

The accounting policy for financial assets and liabilities is consistent with that of the Group as detailed on pages 139 and 140. The Company has assessed on a forward-looking basis the expected credit losses associated with amounts owed by subsidiary undertakings. The impairment methodology applied depends on the ability to repay amounts repayable on demand and whether there has been any significant change in credit risk.

Investments

Fixed asset investments in subsidiaries are shown at cost less provision for impairment.

Tangible fixed assets

The accounting policy for tangible fixed assets is consistent with that of the Group as detailed on page 137.

Intangible assets

The accounting policy for intangible fixed assets is consistent with that of the Group as detailed on page 137.

Foreign currency

The accounting policy for foreign currency is consistent with that of the Group as detailed on page 134.

Taxation

The accounting policy for taxation is consistent with that of the Group as detailed on page 136.

Dividends

Dividends proposed by the Board of Directors that have not been paid by the end of the year are not recognised in the Accounts until they have been approved by the Shareholders at the Annual General Meeting.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the Directors are required to make judgements (other than those involving estimates) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The following are the critical judgements that the Directors have made in the process of applying the Company's accounting policies and that have had a significant effect on the amounts recognised in the financial statements. The judgements involving estimations are dealt with separately below.

Recognition of deferred tax assets

Deferred tax assets are recognised for unused tax attributes to the extent that it is probable that taxable profit will be available against which the attributes can be utilised, after consideration of available taxable temporary differences. The Company has £11.3m (2023: £9.9m) of potential deferred tax assets relating to cumulative UK tax losses and other deductible timing differences which are currently unrecognised as there is not considered to be sufficient convincing evidence at 31 December 2024 that sufficient future taxable profits will be available to allow the utilisation of the deductible temporary differences, in particular given the cumulative historic and current year tax loss position in the UK. This required significant management judgement to determine the likely timing and level of future taxable profits and whether sufficient, convincing evidence was available at 31 December 2024 to recognise the previously unrecognised deferred tax assets. If the Company were able to recognise all unrecognised deferred tax assets, profit and equity would have increased by £11.3m. Further details are disclosed in Note 11.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of the assets and liabilities recognised by the Company within the next financial year are detailed below.

Impairment of fixed asset investments

Determining whether the Company's investments are impaired requires an estimation of the investments' value in use. The key estimates made in the value in use calculation in relation to trading subsidiaries are those regarding discount rates, sales growth rates, gross margin and long-term operating profit growth. The Directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money for the Group.

The Company performs investment impairment reviews by forecasting cash flows based upon the following year's budget as a base, taking into account current economic conditions. The carrying amount of investments in subsidiaries at the balance sheet date was £401.2m (2023: £163.7m).

Of the £401.2m net book value at 31 December 2024, £209.7m (2023: £159.8m) relates to the Company's investment in SIG Trading Limited, the largest UK trading subsidiary, and therefore assumptions regarding sales, gross margin and operating profit growth of this subsidiary are considered to be the key areas of estimation in the impairment review process. At 31 December 2024 the carrying value is supported by the future operating cashflows and no further impairments are recognised. No reversal of the previous impairment is recognised as there is insufficient evidence that the factors leading to the impairment in previous years no longer exist and that the indicators of impairment reversal are sufficiently satisfied at 31 December 2024.

£187.5m (2023: £nil) of the investment net book value and of the additions in the year relates to SIG European Holdings Limited, an intermediate holding company which indirectly holds investments in the SIG Group's European trading subsidiaries. At 31 December the carrying value is supported by the future operating cashflows of the underlying trading subsidiaries.

Whilst the Directors consider the assumptions used in the impairment review to be realistic, if actual results are different from expectations, then it is possible that the value of the investment included on the Company balance sheet could become impaired further. Further details on the assumptions used in the forecast future cash flows of the underlying operating businesses of the relevant subsidiaries are provided in Note 11 of the Consolidated financial statements. The cash flows of SIG Trading Limited comprise the CGUs of UK Interiors, UK Roofing, UK Specialist Markets, Miers Construction Products, Building Solutions and Ireland. All other CGUs are included in the cash flows relevant to SIG European Holdings Limited. A 2.0% reduction in forecast revenue in each year for each of the relevant operating companies, before considering any mitigations, would not indicate any impairment in the investment in either SIG Trading Limited or SIG European Holdings Limited. Note 11 of the Consolidated financial statements shows the level of change in key assumptions required to lead to value in use of the underlying subsidiaries to equal their carrying value. If the reductions shown for UK Specialist Markets, Miers Construction Products and Building Solutions, each of which is noted individually as being a reasonably possible scenario, were all incurred simultaneously, without considering any mitigations, this would lead to an impairment in the investment in SIG Trading Limited of c£28m.

Impairment of amounts owed by subsidiary undertakings

At 31 December 2024 the Company has recognised amounts owed by subsidiary undertakings of £380.5m (2023: £581.9m). The Company recognises an allowance for expected credit losses (ECLs) in relation to amounts owed by subsidiary undertakings based on the ability to repay amounts repayable on demand and whether there has been any significant change in credit risk. An ECL provision of £25.9m has been recognised at 31 December 2024 (2023: £83.8m) based on estimates regarding the future cash flows from subsidiaries and taking account of the time value of money. Changes in the economic environment or circumstances specific to individual subsidiaries could have an impact on recoverability of amounts included on the Company balance sheet at 31 December 2024 and level of ECL provision required in the future.

Notes to the Company financial statements

for the year ended 31 December 2024

1. Profit/(loss) for the year

As permitted by Section 408 of the Companies Act 2006 the Company has elected not to present its own Company income statement for the year. SIG plc reported a profit after tax for the financial year ended 31 December 2024 of £47.7m (2023: £91.5m loss).

The Auditor's remuneration for audit and audit-related services to the Company was £1.3m (2023: £1.1m).

2. Share-based payments

The Company had three share-based payment schemes in existence during the year ended 31 December 2024 (2023: three). The Company recognised a total credit to equity of £1.6m (2023: £1.8m) in the year relating to share-based payment transactions. Details of each of the share-based payment schemes can be found in Note 9 to the Consolidated financial statements.

3. Dividends

No interim dividend was paid during 2024 (2023: nil) and the Directors are not proposing a final dividend for the year ended 31 December 2024 (2023: no dividend). Total dividends paid during the year was £nil (2023: £nil). No dividends have been paid between 31 December 2024 and the date of signing the Company financial statements.

See Note 12 for further details on distributable reserves.

4. Staff costs

Particulars of employees (including Directors and employees recharged to the Company from a UK subsidiary) are shown below:

	2024 £m	2023 £m
Employee costs during the year amounted to:		
Wages and salaries	**6.2**	7.2
Social security costs	**0.8**	1.2
IFRS 2 share-based payment expense	**1.6**	1.8
Pension costs	**0.3**	0.3
Total	**8.9**	10.5

The average monthly number of persons that these costs relate to is as follows:

	2024 Number	2023 Number
Management and administration	**49**	57

5. Fixed asset investments

Fixed asset investments comprise investments in subsidiary undertakings, as follows:

	2024 £m	2023 £m
Cost		
At 1 January	**650.9**	650.9
Additions	**237.5**	—
At 31 December	**888.4**	650.9
Accumulated impairment charges		
At 1 January	**487.2**	383.3
Impairment charge	**—**	103.9
At 31 December	**487.2**	487.2
Net book value		
At 31 December	**401.2**	163.7
At 1 January	163.7	267.6

Details of the Company's subsidiaries are shown on pages 206 to 208.

The additions in the year relate to the conversion into equity of intercompany loan balances with certain subsidiaries. The Company subscribed for shares in SIG European Holdings Limted for £187.5m in July 2024 and in SIG Trading Limited for £50.0m in December 2024, with the consideration offset against the existing amounts owed by these entities, resulting in an increase in investments of £237.5m and a corresponding decrease in the balance owed from those subsidiaries.

Of the £401.2m (2023: £163.7m) investment net book value, £209.7m (2023: £159.8m) relates to SIG Trading Limited, the largest UK trading subsidiary. At 31 December 2024 the carrying value is supported by the future operating cashflows of the subsidiary and no further impairments are recognised. No reversal of the previous impairment is recognised as there is insufficient evidence that the factors leading to the impairment in previous years no longer exist and that the indicators of impairment reversal are sufficiently satisfied at 31 December 2024.

£187.5m (2023: £nil) of the investment net book value and of the additions in the year relates to SIG European Holdings Limited, an intermediate holding company which indirectly holds investments in the European trading subsidiaries. At 31 December 2024 the carrying value is supported by the future operating cashflows of the underlying trading subsidiaries.

Further details on the assumptions used in the forecast future cash flows of the underlying operating businesses of the subsidiaries are provided in Note 11 of the Consolidated financial statements. The cash flows of SIG Trading Limited comprise the CGUs of UK Interiors, UK Roofing, UK Specialist Markets, Miers Construction Products, Building Solutions and Ireland. All other CGUs are included in the cash flows relevant to SIG European Holdings Limited. Note 11 of the Consolidated financial statements shows the level of change in key assumptions required to lead to value in use of the underlying subsidiaries to equal their carrying value. If the reductions in revenue shown for UK Specialist Markets, Miers Construction Products and Building Solutions, each of which is noted individually as being a reasonably possible scenario, were all incurred simultaneously, without considering any mitigations, this would lead to an impairment in the investment in SIG Trading Limited of c£28m.

6. Tangible fixed assets

The movement in the year was as follows:

	Freehold land and buildings £m	Leasehold improvements £m	Plant and machinery £m	Total £m
Cost				
At 1 January 2023, 31 December 2023 and 2024	**0.1**	**0.6**	**0.7**	**1.4**
Depreciation				
At 1 January 2023	0.1	0.1	0.6	0.8
Charge for the year	—	0.1	—	0.1
At 31 December 2023	0.1	0.2	0.6	0.9
Charge for the year	**—**	**0.1**	**—**	**0.1**
At 31 December 2024	**0.1**	**0.3**	**0.6**	**1.0**
Net book value				
At 31 December 2024	**—**	**0.3**	**0.1**	**0.4**
At 31 December 2023	—	0.4	0.1	0.5

7. Intangible fixed assets

The movement in the year was as follows:

	Computer software £m	Total £m
Cost		
At 1 January 2023	1.0	1.0
Disposals	(0.1)	(0.1)
At 31 December 2023 and 2024	**0.9**	**0.9**
Depreciation		
At 1 January 2023	0.7	0.7
Charge for the year	0.2	0.2
Disposals	(0.1)	(0.1)
At 31 December 2023	0.8	0.8
Charge for the year	**0.1**	**0.1**
At 31 December 2024	**0.9**	**0.9**
Net book value		
At 31 December 2024	**—**	**—**
At 31 December 2023	0.1	0.1

Notes to the Company financial statements

for the year ended 31 December 2024

8. Debtors

	2024 £m	2023 £m
Amounts owed by subsidiary undertakings	**350.5**	501.4
Derivative financial instruments	**0.1**	—
Prepayments	**2.5**	2.3
Debtors: due within one year	**353.1**	503.7
Amounts owed by subsidiary undertakings	**30.0**	80.5
Derivative financial instruments	**0.1**	—
Debtors: due after more than one year	**30.1**	80.5
Total	**383.2**	584.2

The Group recognises an allowance for ECLs in relation to amounts owed by subsidiary undertakings based on the ability to repay amounts repayable on demand and whether there has been any significant change in credit risk. An ECL provision of £25.9m (2023: £83.8m) has been recognised at 31 December 2024 based on estimates regarding the future cash flows from subsidiaries and taking account of the time value of money.

Amounts owed by subsidiary undertakings are measured at amortised cost and bear interest at rates between 0% and 8.0%. The amounts owed by subsidiary undertakings due after more than one year bear interest at 8.1% and are repayable on 1 January 2031.

9. Creditors: amounts falling due within one year

	2024 £m	2023 £m
Amounts owed to subsidiary undertakings	**168.0**	219.7
Derivative financial instruments	**1.3**	1.0
Accruals and other payables	**7.3**	9.4
Accrued interest on secured notes (see Note 10)	**4.4**	—
Total	**181.0**	230.1

Amounts owed to subsidiary undertakings are measured at amortised cost, are unsecured and bear interest at rates between 0% and 7.25%.

10. Creditors: amounts falling due after one year

	2024 £m	2023 £m
Secured notes	**256.4**	258.7
Derivative financial instruments	**0.1**	0.1
Total	**256.5**	258.8

Secured notes

In October 2024 the Group completed a refinancing of its debt arrangements. The previous €300m secured notes (fixed coupon 5.25% due November 2026) were tendered, at par, with €286.5m repaid, leaving €13.5m outstanding, and €300m new secured notes were issued with a fixed coupon of 9.75%, due October 2029. The notes are guaranteed by certain subsidiaries of the Group and are secured by a first priority floating charge over the assets of the Company and the relevant UK subsidiaries and by a security interest over the shares, material bank accounts and intercompany receivables of the non-UK guarantor subsidiaries. The notes are recognised at amortised cost, net of arrangement fees of which £2.7m is unamortised at 31 December 2024 (2023: £1.5m).

The contractual repayment profile of the secured notes is shown below:

	2024		2023	
	£m	Fixed interest rate %	£m	Fixed interest rate %
Total gross amount repayable in 2026	**11.2**	**5.25%**	260.2	5.25%
Total gross amount repayable in 2029	**247.9**	**9.75%**	—	—
Unamortised fees	**(2.7)**		(1.5)	
Secured notes due after more than one year	**256.4**		258.7	
Accrued interest repayable within one year[1]	**4.4**		—	
Total secured notes	**260.8**		258.7	

1. Accrued interest on the secured notes of £1.1m was included within accruals and other payables at 31 December 2023. Following the change in timing of payment and increase in amount as a result of the refinancing in October 2024 this is now presented separately at 31 December 2024.

11. Deferred tax

Deferred tax has not been recognised on trading losses and other deductible temporary differences of £45.2m (2023: £39.4m) on the basis that the realisation of their future economic benefit is uncertain. The unrecognised potential deferred tax asset in relation to this is £11.3m (2023: £9.9m). At the balance sheet date, there are no aggregate temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognised.

12. Capital and Reserves

a) Called up share capital

	2024 £m	2023 £m
Authorised:		
1,390,000,000 ordinary shares of 10p each (2023: 1,390,000,000)	**139.0**	139.0
Allotted, called up and fully paid:		
1,181,556,977 ordinary shares of 10p each (2023: 1,181,556,977)	**118.2**	118.2

During 2024 the Company allotted no shares (2023: no shares) from the exercise of share options.

b) Treasury shares

Treasury shares relate to shares purchased by the EBT to satisfy awards made under the Group's share plans which are not vested and beneficially owned by employees. 3,001,375 (2023: 5,901,425) shares were purchased during the year at a weighted average cost of 28.7p (2023: 28.9p) per share, and 8,808,795 (2023:13,357,702) shares were issued relating to the settlement of share awards. A total of 20,614,080 own shares are outstanding at 31 December 2024 (2023: 26,421,500).

c) Reserves

Details of all movements in reserves are shown in the Company statement of changes in equity.

The share option reserve represents the cumulative equity-settled share option charge under IFRS 2 "Share-based payments" less the value of any share options that have been exercised, including amounts relating to employees of subsidiaries which are recharged to subsidiaries.

The cash flow hedging and cost of hedging reserves represents movements in the Consolidated balance sheet as a result of movements in the fair value of cash flow hedges which are taken directly to reserves as detailed in the Accounting policies.

The merger reserve principally represents the premium on ordinary shares issued during a prior year through the use of a cash box structure.

The Company maintains its positive distributable reserves position and continues to review the Group structure to optimise reserves. At 31 December 2024 the company had distributable reserves of £266.1m (2023: £145.6m).

13. Guarantees and contingent liabilities

a) Guarantees

At 31 December 2024 the Company had provided guarantees of £nil (2023: £nil) on behalf of its subsidiary undertakings.

b) Contingent liabilities

As at the balance sheet date, the Company had outstanding obligations under a standby letter of credit of up to £4.3m (2023: £6.1m). This standby letter of credit, issued by HSBC Bank plc, is in respect of the Group's insurance arrangements.

14. Related party transactions

Remuneration of key management personnel

The total remuneration of the Directors of the Group Board, who the Group considered to be its key management personnel, is provided in Note 4 of the Consolidated financial statements. In addition, the Company recognised a share-based payment charge under IFRS 2 of £1.6m (2023: £1.8m) with a credit to the share option reserve of £1.6m (2023: £1.8m).

Group companies 2024

This Note provides a full list of the related undertakings of SIG plc. In accordance with Section 409 of the CA 2006 and Schedule 4 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 a full list of related undertakings as at 31 December 2024 is disclosed below. Unless otherwise stated, the share capital disclosed comprises ordinary or common shares which are held by subsidiaries of SIG plc.

Group companies

Fully owned subsidiaries (United Kingdom)

A. M. Proos & Sons Limited (England) (ii) (xxii)

A. Steadman & Son (Holdings) Limited (England) (ii) (xxii)

A. Steadman & Son Limited (England) (ii) (xxii)

Aaron Roofing Supplies Limited (England) (ii) (xxii)

Acoustic and Insulation Manufacturing Limited (England) (ii) (xxii)

Advanced Cladding & Insulation Group Limited (England) (ii) (xxii)

Ainsworth Insulation Limited (England) (ii) (xi)

Ainsworth Insulation Supplies Limited (England) (ii) (xiii)

AIS Insulation Supplies Limited (England) (ii) (xxii)

Asphaltic Roofing Supplies Limited (England) (ii) (xxii)

Auron Limited (England) (ii) (xix)

BBM (Materials) Limited (England) (ii) (xxii)

Bowller Group Limited (England) (ii) (xxii)

Building Solutions (National) Limited (England) (xxii)

Cairns Roofing and Building Merchants Limited (England) (ii) (xxii)

Cheshire Roofing Supplies Limited (England) (ii) (xxii)

Clydesdale Roofing Supplies (Leyland) Limited (England) (ii) (xxii)

CMS Danskin Acoustics Limited (England) (ii) (xxii)

Coleman Roofing Supplies Limited (England) (ii) (xxii)

Complete Construction Products Limited (England) (xxii)

CPD Distribution plc (England) (ii) (xxii)

Dane Weller Holdings Limited (England) (ii) (xxii)

Danskin Flooring Systems Limited (Scotland) (ii) (xxii)

Davies & Tate plc (England) (ii) (xxii)

Euroform Products Limited (England) (ii) (xxii)

F30 Building Products Limited (England) (xxii)

Fibreglass Insulations Limited (England) (ii) (xxii)

Flex-R Limited (England) (ii) (ix)

Formerton Limited (England) (ii) (xxii)

Formerton Sheet Sales Limited (England) (ii) (xxii)

Gutters & Ladders (1968) Limited (England) (ii) (xxii)

HHI Building Products Limited (Northern Ireland) (ii) (xxii)

Insulation & Machining Services Limited (England) (ii) (v)

Insulslab Limited (England) (ii) (xxii)

John Hughes (Roofing Merchant) Limited (England) (ii) (xxii)

John Hughes (Wigan) Limited (England) (ii) (xxii)

Jordan Wedge Limited (England) (ii) (xxii)

Kesteven Roofing Centre Limited (England) (ii) (xxii)

Kestral Construction Products Limited (England) (xxii)

Kitson's Thermal Supplies Limited (England) (ii) (v)

Leaderflush+Shapland Holdings Limited(England) (ii)(xxii)

Lifestyle Partitions and Furniture Limited (England) (ii) (vi)

London Insulation Supplies Limited (England) (ii) (xxii)

MacGregor & Moir Limited (Scotland) (ii) (xxii)

Mayplas Limited (England) (ii) (ix)

MCP Fixings Limited ((England) (xxii)

Miers Construction Products Limited (England) (xxii)

Ockwells Limited (England) (ii) (vii)

Omnico (Developments) Limited (England) (ii) (xxii)

Omnico Plastics Limited (England) (ii) (xxii)

One Stop Roofing Centre Limited (England) (ii) (xxii)

Orion Trent Holdings Limited (England) (ii) (xvii)

Orion Trent Limited (England) (ii) (xi)

Penlaw & Company Limited (England) (xxii)

Penlaw Fixings Limited (England) (xxii)

Penlaw Norfolk Limited (England) (xxii)

Penlaw Northwest Limited (England) (xxii)

Roberts & Burling Roofing Supplies Limited (England) (ii) (xxii)

Roof Shop Limited (England) (ii) (xxii)

Roofing Centre Group Limited (England) (ii) (xxii)

Roofing Material Supplies Limited (England) (ii) (xxii)

Scotplas Limited (England) (ii) (xxii)

Sheffield Insulations Limited (England) (i) (ii) (xxiii)

Shropshire Roofing Supplies Limited (England) (ii) (xxii)

SIG Building Solutions Limited (England) (ii) (xxii)

SIG Building Systems Limited (England) (ii) (xxii)

SIG Dormant Company Number Eight Limited (England) (ii) (iv)

SIG Dormant Company Number Eleven Limited (England) (ii) (xxii)

SIG Dormant Company Number Seven Limited (England) (i) (ii) (xxii)

SIG Dormant Company Number Six Limited (England) (ii) (xxii)

SIG Dormant Company Number Ten Limited (England) (i) (ii) (xvii)

SIG Dormant Company Number Three Limited (England) (i) (ii) (xxii)

SIG EST Trustees Limited (England) (i) (ii) (xxii)

SIG European Holdings Limited (England) (i) (xxii)

SIG European Investments Limited (England) (xxii)

SIG Group Life Assurance Scheme Trustees Limited (England) (ii) (xxii)

SIG (IFC) Limited (England) (xxii)

SIG International Trading Limited (England) (i) (xxii)

SIG Logistics Limited (England) (ii) (xxii)

SIG Manufacturing Limited (England) (ii)(xxii)

SIG Retirement Benefits Plan Trustee Limited (England) (i) (ii) (xxii)

SIG Roofing Supplies Limited (England) (i) (ii) (xxii)

SIG Scots Co Limited (Scotland) (i) (xxii)

SIG Specialist Construction Products Limited (England) (ii) (xxii)

SIG Trading Limited (England) (i) (xxii)

S M Roofing Supplies Limited (England) (xxii)

Solent Insulation Supplies Limited (England) (ii) (xxii)

South Coast Roofing Supplies Limited (England) (ii) (xxii)

Specialised Fixings Limited (England) (ii) (xxii)

Specialist Fixings and Construction Products Limited (ii) (xxii)

Support Site Limited (England) (i) (ii) (xxii)

Tenon Partition Systems Limited (England) (ii) (xxii)

The Coleman Group Limited (England) (ii) (xviii)

The Greenjackets Roofing Services Limited (England) (ii) (xv)

Thomas Smith (Roofing Centres) Limited (England) (ii) (xxii)

Trent Insulations Limited (England) (ii) (xxii)

Trimform Products Limited (England) (ii) (xxii)

Undercover Holdings Limited (England) (ii) (xxii)

Undercover Roofing Supplies Limited (England) (ii) (v)

United Roofing Products Limited (England) (ii) (xxii)

Wedge Roofing Centres Holdings Limited (England) (ii) (xxii)

Wedge Roofing Centres Limited (England) (ii) (xxii)

Weymead Holdings Limited (England) (ii) (xv)

Window Fitters Mate Limited (England) (ii) (xxii)

Woods Insulation Limited (England) (ii) (xxii)

Zip Screens Limited (England) (i) (ii) (xxii)

Fully owned limited partnership
The 2018 SIG Scottish Limited Partnership (Scotland) (xxi)

Controlling interests (United Kingdom)
Passive Fire Protection (PFP) UK Limited (England) (51%) (ii)

Registered Office Address: Adsetts House, 16 Europa View, Sheffield Business Park, Sheffield, S9 1 XH, United Kingdom

Fully owned subsidiaries (overseas) (including registered office addresses)
Gate Pizzaras SL (Spain) – Ponferrada, Villamartin Leon, Spain

Isolatec b.v.b.a. (Belgium) – Scheepvaartkaai 5, Hasselt 3500, Belgium

J S McCarthy Limited (Ireland) (vii) – Ballymount Retail Centre, Ballymount Road Lower, Dublin 24, Ireland

Larivière S.A.S. (France) – 3 rue Jean Zay – 49100, Angers, France

LiTT Diffusion S.A.S. (France) – 40 rue Gabriel Crie – 92240 Malakoff, France

SIG Supply Solutions S.A.S. (France) – 40 rue Gabriel Crie – 92240 Malakoff, France

Meldertse Plafonneerartikelen N.V. (Belgium) – Bosstraat 60, 3560 Lummen, Belgium

MIT International Trade S.L (Spain) – Carretera Sarria a Vallvidrera 259, Local 08017, Barcelona, Spain

SIG Belgium Holdings N.V. (Belgium) – Bosstraat 60, 3560 Lummen, Belgium

Group companies 2024 continued

Fully owned subsidiaries (overseas) (including registered office addresses) continued

SIG Building Products Limited (Ireland) (ii) (xxv) – Ballymount Retail Centre, Ballymount Road Lower, Dublin 24, Ireland

SIG Construction GmbH (Germany) – Maybachstrasse 14, 63456 Hanau- Steinheim, Germany

SIG Financing (Jersey) Limited (Jersey) – 44 Esplanade, St Helier, JE4 9WG, Jersey

SIG France S.A.S. (France) – 40 rue Gabriel Crie, 92240 Malakoff, France

SIG Germany GmbH (Germany) – Maybachstrasse 14, 63456 Hanau- Steinheim, Germany

SIG Holdings B.V. (The Netherlands) – Industrieweg 17, 5145 PD Waalwijk, The Netherlands

SIG Nederland B.V. (The Netherlands) – Industrieweg 17, 5145 PD Waalwijk, The Netherlands

SIG Property GmbH (Germany) – Maybachstrasse 14, 63456 Hanau-Steinheim, Germany

SIG Trading (Ireland) Limited (Ireland) (viii) – Ballymount Retail Centre, Ballymount Road Lower, Dublin 24, Ireland

SIG Sp. z.o.o. (Poland) – ul. Kamienskiego 51, 30-644 Krakow, Poland Sitaco Sp. z.o.o. (Poland) – ul. Kamienskiego 51, 30-644 Krakow, Poland

Sitaco Spolka z ograniczona odpowiedzialnością sp.k. (Poland) – ul. Kamienskiego 51, 30-644 Krakow, Poland

WeGo Systembaustoffe GmbH (Germany) – Maybachstrasse 14, 63456 Hanau-Steinheim, Germany

Notes

(i) Directly owned by SIG plc
(ii) Dormant company
(iii) Ownership held in cumulative preference shares
(iv) Ownership held in ordinary shares and 12% cumulative redeemable preference shares
(v) Ownership held in ordinary shares and preference shares
(vi) Ownership held in ordinary shares and deferred ordinary shares
(vii) Ownership held in ordinary shares and class A ordinary shares
(viii) Ownership held in ordinary shares and class B ordinary shares
(ix) Ownership held in ordinary shares, class A ordinary shares and class B ordinary shares
(x) Ownership held in ordinary shares, class B ordinary shares and class C ordinary shares
(xi) Ownership held in ordinary shares, class A ordinary shares, class B ordinary shares and class C ordinary shares
(xii) Ownership held in ordinary shares and class E ordinary shares
(xiii) Ownership held in ordinary shares, class A ordinary shares, class B ordinary shares, class C ordinary shares, class D ordinary shares, class E ordinary shares, class F ordinary shares and class G ordinary shares
(xiv) Ownership held in class A ordinary shares
(xv) Ownership held in class A ordinary shares and class B ordinary shares
(xvi) Ownership held in class A ordinary shares, class B ordinary shares and class C ordinary shares
(xvii) Ownership held in class A ordinary shares, class B ordinary shares and preference shares
(xviii) Ownership held in class A ordinary shares, class B ordinary shares and cumulative redeemable preference shares
(xix) Ownership held in class B ordinary shares and preference shares
(xx) Ownership held in class AA ordinary shares, class AB ordinary shares, class AC ordinary shares, class AD ordinary shares, class AE ordinary shares, class AF ordinary shares, class AG ordinary shares, class B ordinary shares and class C ordinary shares
(xxi) Limited partner SIG Retirement Benefit Plan Trustee Limited
(xxii) Ownership held in ordinary shares
(xxiii) Ownership held in ordinary shares and cumulative preference shares
(xxiv) Ownership held in ordinary shares, preference shares and redeemable preference shares
(xxv) Ownership held in class A ordinary shares, class B ordinary shares, class C ordinary shares, class D ordinary shares, class E ordinary shares, class F ordinary shares and class C redeemable ordinary shares.

Company information

Financial calendar

Annual General Meeting
Thursday 1 May 2025

Interim results 2025
Tuesday 5 August 2025

Full-year results 2025
March 2026

Annual Report and Accounts 2025
posted to shareholders
March 2026

Shareholder analysis at 31 December 2024

Size of shareholding	Number of shareholders	%	Number of ordinary shares	%
0 – 999	527	35.13%	200,527	0.02%
1,000 – 4,999	518	34.53%	1,168,853	0.10%
5,000 – 9,999	139	9.27%	931,889	0.08%
10,000 – 99,999	162	10.80%	5,489,166	0.46%
100,000 – 249,999	32	2.13%	5,026,588	0.43%
250,000 – 499,999	23	1.53%	8,257,291	0.70%
500,000 – 999,999	27	1.80%	18,477,724	1.56%
1,000,000 +	72	4.80%	1,142,004,939	96.65%
Total	**1,500**	**100%**	**1,181,556,977**	**100%**

Group General Counsel & Company Secretary

Andrew Watkins

Registered number

Registered in England 00998314

Corporate and Registered office

Adsetts House
16 Europa View
Sheffield Business Park
Sheffield S9 1XH
Tel: +44 (0) 114 285 6300
Email: info@sigplc.com

Company website

www.sigplc.com

Listing details

Market Reference Sector
UK Listed
SHI.L Support Services

Registrars and transfer office

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
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Email: Access the Computershare website www-uk.computershare.com/Investor and click on ‘Contact Us’, from where you can email Computershare.

Post: Computershare, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom.

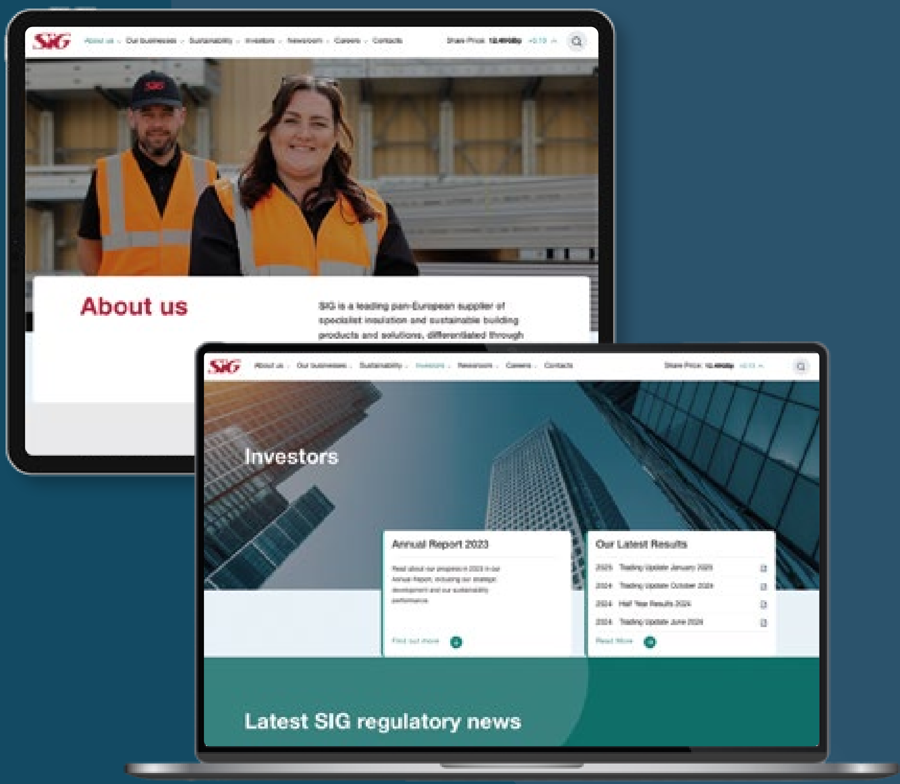
Website and electronic communications

Shareholders receive notification of the availability of the results to view or download on the Group's website www.sigplc.com, unless they have elected to receive a printed version of the results.

We encourage our shareholders to accept all shareholder communications and documents electronically instead of receiving paper copies by post as this helps to reduce the environmental impact by saving on paper and also reduces distribution costs.

If you sign up to electronic communications, instead of receiving paper copies of the annual financial results, notices of shareholder meetings and other shareholder documents through the post, you will receive an email to let you know this information is on our website.

If you would like to sign up to receive all future shareholder communications electronically, please register through our registrars Computershare at **www.investorcentre.co.uk/ecomms.**



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Registered number:
00998314

Registered in England

SIG plc Annual Report and Accounts 2024