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Highlights

Revenue

£2,591.0m

2024: £2,611.8m

Like-for-like ('LFL') sales growth/(decline)*

0%

2024: (4)%

Underlying operating profit margin*

1.2%

2024: 1.0%

Underlying operating profit*

£32.1m

2024: £25.1m

Statutory (loss)/profit before tax

£(61.7)m

2024: £(44.8)m

Net debt

£518.2m

2024: £497.3m

Lost time injury frequency rate ('LTIFR')*

7.8

2024: 7.7

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

16.3 metric tonnes

2024: 16.9 metric tonnes

* Refer to pages 34 to 35 for definitions.

To find out more
please visit
sigplc.com



Vision 2030 is our new strategy that will help us create a best-in-class distribution platform in building materials across the roofing and interiors markets.

Our purpose is to be the best provider of specialist construction and insulation products in Europe

Our strategy



Optimised Operating Leverage

We are focused on driving improved financial performance and a higher operating margin by continuing to take market share, and through driving further efficiencies in costs and working capital, including through improved procurement and greater and more effective use of technology.

[Read more on pages 12 to 13](#)



Optimised Business Portfolio

During 2026 and beyond, we will assess opportunities for simplification in our portfolio of businesses where there is a compelling case for shareholder value creation. By aligning to the most attractive structural long-term growth markets for SIG we can simplify our portfolio to enhance our leverage and deliver better returns.

[Read more on pages 12 to 13](#)

At a glance

Our pan-European operations

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

SIG

£102m Revenue
FY2025

12
Branches

6,500+

Employees

415

Branches

c.1,100

Delivery fleet

75k+

Customers

Benelux

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

SIG

£92m Revenue
FY2025

4
Branches

United Kingdom

- **No. 1** Insulation and drylining
- **No. 1** National roofing specialist



£673m 50
Revenue Branches
FY2025



£453m 114
Revenue Branches
FY2025

Germany

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



£432m 49
Revenue Branches
FY2025

Poland

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



£261m 50
Revenue Branches
FY2025

France

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



£190m 40
Revenue Branches
FY2025



£388m 96
Revenue Branches
FY2025

Our products

Roofing and Interiors specialist

SIG is a differentiated supplier of leading products and brands for the interiors and roofing 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 product¹



● Interiors	68%
● Roofing	32%

1. Revenue by product as set out in revenue and segmental information.

Roofing

Key products

Tiles, slates and membranes



Batten for pitched roofs



Solar and PV products



Flat roofing



Facades



Industrial roofing and metal fabrication



Interiors

Key products

Structural insulation



Technical insulation



Drylining



Partitioning and floor coverings



Construction accessories



Ceiling tiles and grids



Key suppliers



Case study

Nantes**France****SIG supplied**

Roofing tiles and other pitched roofing products and accessories

Restoration of ageing civic buildings in France

The historic Grand Palais de Justice, located in the centre of Paris, required significant restoration and roof repairs due to the ageing of the building. This included the installation of a new slate and copper roof. Larivière, our French specialist roofing business, supplied slate tiles and specialist roofing materials to create a roof that is in keeping with the historic style and architecture. The slate tiles were our own private label 'Galiza' brand.



Key suppliers



Case study

Manchester**UK****SIG supplied**

Insulation and drylining products

New hotel construction in Manchester

The construction of a new hotel at one of the Manchester football stadiums is a major construction project for the city and is set to open in late 2026. The project will include 401 rooms and suites. The building work has also included the construction of a variety of hospitality outlets and commercial offices in the expanded space.



Chairman's statement

New leadership, optimising value



Our continued focus on strengthening our operations will support the Board's overarching goal of delivering meaningful value creation over the medium and long-term."

Andrew Allner
Chairman



Dear Shareholder,

2025 was a year of continued challenging trading conditions across the European construction markets in which the Group operates. The Group's financial performance reflected these conditions, with operating margin remaining depressed and the Group reporting a modest free cash outflow for the year. However, I am also pleased to report that our businesses have again traded well relative to their markets and our teams have at the same time continued to strengthen the fundamentals of our business and to adapt our operations for the future.

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. Our business model and the value we bring to our suppliers and customers is set out in further detail on page 14.

Leadership change

In May 2025 CEO Gavin Slark informed the Board of his resignation, and the Board therefore embarked on a process to appoint a new CEO. The Board had already started a selection process to replace me as Chairman at the end of my scheduled term in late 2026, and was pleased to appoint Pim Vervaat, one of the candidates in that process, as both CEO and Chair designate. Pim started as CEO on 1 October 2025. Gavin Slark stepped down as CEO and from the Board on 8 July, when he was placed on garden leave until 31 December 2025. I will remain as Chairman until Pim transitions to the Chair role, which he is expected to do in March/April 2027.

Pim has been appointed CEO for approximately 18 months with a clear mandate to improve our performance and to lead the next chapter of our strategic evolution. He has a strong track record of driving operational improvement and strategic transformation across European and global businesses, and the Board is confident that his leadership will be instrumental as we move into the next phase of SIG's development. Further details on Pim's background can be found on page 52.

Strategic evolution

2025 saw further progress against our strategic objectives to improve our operating performance, focusing on growth, execution, modernisation and specialisation.

In the final quarter of 2025, and following Pim's appointment, the Board undertook a comprehensive review of our strategy, and we have now launched internally and externally an updated strategy, 'Vision 2030'. We will continue to prioritise improved margin and cash generation through an ongoing focus on productivity and operational efficiency, including through greater focus on digitalisation, thereby also maximising the operating leverage in our business when markets start to recover.

In addition, during 2026 we will complete a strategic review of our portfolio of businesses to ensure we optimise the returns on our invested capital and enhance returns to shareholders over time. Further details on our strategic progress in 2025 and our new Vision 2030 strategy can be found on pages 10 to 11 and pages 12 to 13 respectively.

Business performance

The Group's like-for-like revenue was flat in 2025 vs the prior year, reflecting persistently weak market demand and ongoing sales price deflation. Our teams maintained strong customer and employee engagement, which continue to underpin our ability to outperform the market in almost all of our businesses. In addition, continued focus on costs enabled us to improve our underlying operating profit to £32m (2024: £25m). The Group reported a free cash outflow of £12m for the year (2024: £39m outflow). Year-end net debt including leases was £518m (2024: £497m) and leverage was unchanged at 4.7x.

In the one to two year timeframe the Board's financial priority is to ensure the Group's financial position is optimised ahead of our next refinancing. To that end we will continue to focus on profitability, free cash flow generation and improved leverage, the progress to which has slowed in the weaker market of the last three years. The Board will consider returning to payment of a dividend when we sensibly can, as part of our wider capital allocation policy and our overarching commitment to generate value for shareholders. As such, no dividend is proposed for 2025.

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.

In 2025 we made good progress on our five long-term ESG commitments, and have recently refreshed these to give renewed focus in 2026 and beyond. Our operational carbon emissions reduced by 1% in 2025 compared to 2024, and by 19% since 2021, as we have focused on improving energy efficiency savings across branches and our fleet. Further details of these initiatives and more can be found on pages 19 to 21.

On health and safety, the Board was pleased to see that the 'Everyone Safe, Every Day' strategy launched in 2023 continues to deliver results, and that new initiatives are already being introduced under Pim's leadership to continue to improve our safety into the future. Further details on this can be found on page 23.

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 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 57.

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 strong and diverse pipeline of future leaders. Further information on talent and succession planning can be found in the Nominations Committee report on page 68. I believe we have a strong and experienced executive team in place, which gives the Board and me confidence for the future.

My colleagues and I believe the Board continues to perform effectively. Details of our 2025 internal review of the Board and its Committees' performance and effectiveness can be found in the Corporate Governance Report from page 50.

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 challenging economic climate and its impact on individuals and their families, including the cost of living, and we continue to implement appropriate initiatives and plans to mitigate its impact on our employees.

The employee survey made it clear that our people feel safe, valued and proud to work for SIG.

Our culture is built on employee engagement, which plays a core part in building the solid foundations that any business needs to succeed. Our annual survey allows us to gain valuable insights from a range of perspectives, helping to shape suitable strategies and policies at 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 24 to 25.

Outlook

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 geographies, and this will support the Board's overarching goal of delivering meaningful value creation over the medium and long-term.

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

Along with the rest of the Board, I look forward to working with Pim and the executive team in driving the business forward.

Andrew Allner

Chairman

3 March 2026

Market review

Pent-up demand across European construction markets

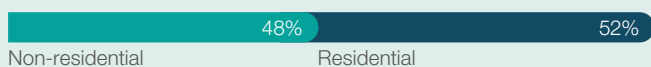
SIG is well-positioned to benefit from key long-term structural growth tailwinds including demand for more sustainable and safer buildings, pent-up demand for housing from an ongoing undersupply in Europe, and a large proportion of ageing buildings across Europe that require renovation.

Market context: Construction cycles

In addition to the long-term structural trends set out to the right, growth rates in the construction industry growth rates are also driven by national economic activity, GDP growth and population growth. Factors such as interest rates which influence the cost viability of construction projects for developers also play a role in short-term construction demand. Demand for repair, maintenance and improvement ('RMI') is also linked to economic growth tailwinds.

During 2025, market conditions for the European building sector have remained challenging, and volume demand for building products has remained weak in the large majority of geographies, linked to GDP and interest rates. We have responded by adjusting our cost base around the lower demand environment while also taking strategic actions to better capture growth and profitability ahead of market recovery.

Revenue by building type



Revenue by project type



Structural long-term drivers

1 Sustainability-driven regulation

The building and construction sector accounts for approximately 34% 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.

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.

How we are responding

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 and France Roofing businesses provide solar product offerings.

2 Ageing buildings across Europe requiring increased RMI

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, with a significant proportion built to lower energy-efficiency standards than those required today. As a result, a large share of these require ongoing renovation, refurbishment and upgrading, underpinning long-term RMI demand across European markets.

We believe we are well positioned to benefit from these long-term structural drivers due to our market leading positions in insulation, interiors and roofing in the construction supply chain in key markets across both the United Kingdom and the EU.

SIG's pan-European sales have around 44% weighting to RMI overall.

Within our two dedicated roofing business, the sales are weighted slightly more to RMI projects than the Group-wide average, 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.

3 Structural undersupply of housing

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.

For example, in Germany and France, demand continues to outpace supply in major metropolitan areas. Government housing targets in the Netherlands and Ireland have, for several years, exceeded actual annual completions, leading to an accumulated shortfall in housing stock. This imbalance between required and delivered housing has resulted in pent-up demand for new homes in many of SIG's markets.

SIG supplies products required for the construction of new-build residential projects in all of our geographies, with residential projects overall representing around 52% of Group sales.

We are focused on being the best-in-class distribution partner for specialist contractors, including those who supply new-build residential projects, to support long-term demand for housing.

Chief Executive Officer's review

Evolving our strategy in challenging markets



I see many opportunities to further improve our operations, and I am confident that substantial value can be created under our new strategy – Vision 2030.”

Pim Vervaat

Chief Executive Officer and Chair designate



Dear Shareholder,

I am delighted to share my first report as CEO of SIG. I joined the Group on 1 October 2025, and as announced at that time I expect to take up the role of Chairman after around 18 months as CEO. I am excited by the challenges and opportunities ahead for the Group.

Whilst the building and construction industry across Europe is experiencing prolonged weakness, I see many good opportunities to further improve our operations and am confident that substantial value can be created under our new strategy, Vision 2030.

In my first five months at SIG I have travelled extensively around our businesses and branches, and have been impressed by the energy, commitment and knowledge of the many people I have met so far. These qualities will remain key in driving our future success.

Market dynamics

Demand in all markets remains well below historical levels, with European construction remaining at a low point in the cycle for a protracted period without near term evidence of a meaningful recovery. Against this backdrop, our businesses continue to outperform and the majority are taking share within their end-markets

As set out in further detail on page 8 the short-term construction market demand is linked to the overall GDP environment in our end-markets together with factors such as interest rates, which influence levels of investment in new-build construction and in renovation across both residential and non-residential segments.

However, looking beyond the short-term cycle, we continue to see robust long-term structural growth drivers for our businesses, including pent-up demand for new buildings and renovation to improve building energy efficiency and overall building performance.

2025 results and operating performance

Group LFL sales were flat versus the prior year, up 1% in H1 and down 2% in H2. As noted above, subdued demand persisted across the Group's markets throughout 2025 and softened further in the final months of the year in several geographies, notably the UK, Germany and Ireland. However, our teams have continued to deliver strong commercial execution across our countries.

Our 2025 results also demonstrate the continued focus on disciplined management of cost and working capital across the Group, which has been critical in mitigating the impact on our business of the prolonged weak market demand and volumes. The Group reduced underlying operating costs, before the impact of inflation and foreign exchange, by £39m, a material reduction.

This has enabled us to deliver increased operating profit of £32.1m (2024: £25.1m), at an operating margin of 1.2% (2024: 1.0%). On a statutory basis, the Group generated a statutory loss before tax of £61.7m (2024: £44.8m).

The Group reported a free cash outflow of £12m in 2025 (2024: £39m outflow). This reflected continued good progress on working capital, which helped to partly offset the impact of the current subdued operating margin.

Strategic progress in 2025

During 2025, in the nine months prior to my joining, the Group made good progress on its strategic goals, encompassing actions and focus on four key areas as follows.

‘Growth’ – Despite the continued market weakness in 2025, we continued to deliver sales growth ahead of the market in the majority of our geographies. This was most pronounced in UK Interiors, driven by the successful turnaround programme in the UK Insulation & Drylining business, our largest business by revenue, which had a particularly strong year from a sales perspective, growing 8% in H1, 3% in H2, and 5% for the full year.

‘Execution’ – The Group has focused on improving execution in order to deliver consistent and profitable growth. In 2025 the Group continued to focus on streamlining its operating costs to mitigate the impact of weaker demand, but also to improve ongoing efficiency to drive higher margin and operating leverage when markets recover. Most notably, the UK Interiors and Benelux businesses continued to benefit from the self-help programmes put in place in Q4 2024. In December 2025, as part of the early phase of a portfolio review, we closed one of the smaller UK businesses, Mayplas, as it did not have the ability to deliver sustainable profitable growth.

Across the Group as a whole, restructuring actions in 2025, including headcount reduction and realigning our branch footprint in some areas, led to a decrease in underlying operating costs of £39m, driven by these savings initiatives.

‘Modernisation’ – The progressive modernisation and digitalisation of our operations is creating an important opportunity for the Group to increase profitability and efficiency sustainably over the medium and longer term. In 2025 we continued to expand our customer facing e-commerce platforms, with our French Interiors business launching its new e-commerce site in the pilot phase in the final quarter of the year, following the launch of a similar platform in Germany in 2024. These in-house developed platforms allow us to provide a more seamless and convenient customer experience.

‘Specialisation’ – In Q4 2025 we removed the separate management structure that was supporting the UK Specialist Markets businesses, and these businesses are now reported within either UK Interiors or UK Roofing.

Growing in higher margin categories remains a key focus and we believe these changes will allow us to better exploit the opportunities in these smaller specialist UK businesses, including synergies across our own portfolio. The strategic assessment being undertaken of each business in the Group is also driving clarity on areas of specialism that we can develop in the future.

New strategy: Vision 2030

In January 2026, I outlined the Group’s new Vision 2030 strategy, with the aim of creating an agile, focused and best-in-class pan-European distribution platform in building materials. In the medium and longer term, it is expected that this can deliver an operating margin of 3% – 5% through the cycle, alongside robust and predictable cash generation.

The Group’s immediate priorities are to improve the operating margin through further cost and efficiency programmes, including improved procurement. This will also help maximise the upside potential from operational leverage as markets recover and revenues grow. The Group also remains committed to sustaining investment in commercial initiatives to drive continued local market outperformance.

We will, in addition, assess opportunities to simplify and optimise the current business portfolio to enhance the Group’s focus on its most attractive growth markets to accelerate outperformance and deliver value creation. Our new strategy is explained in further detail on pages 12 and 13.

Sustainability

While improving the Group’s financial performance remains the key priority, we also made improvements in many of the Group’s sustainability metrics during the year. Operational carbon emissions were lowered by 1%, and we further reduced waste that goes to landfill and completed our five-year focus period for our waste improvement programme. Despite the actions taken to reduce headcount and costs, the Group’s employee engagement levels remained broadly stable, with our businesses keeping employee engagement as a key priority.

Outlook

The Group continues to expect softness in market conditions in 2026 and, to the extent there is a recovery, that it is more likely to materialise in the second half of the year. Trading in the first weeks of 2026 has also been adversely affected by particularly poor weather across Europe, and as a result LFL sales for the first two months of the year have been weaker than expected. We expect improvement over the balance of the year, along with continued progress on self-help measures on both costs and working capital. We therefore expect to deliver further financial and strategic progress in 2026, and expect to maintain healthy levels of liquidity throughout the year.

The operational gearing in our business model applies equally strongly in conditions of rising demand, and the Group remains well positioned to benefit from the market recovery when it occurs. This also underpins the Board’s confidence that the Group will deliver its targeted 3-5% operating margin range in the medium-term. This, combined with our focus on portfolio optimisation, which will continue at pace throughout 2026, will support the Board’s overarching goal of delivering meaningful value creation over the medium and long-term.

I would like to thank our people for their resilience and their achievements during 2025. I look forward to working with them to deliver our goals for 2026 and to building increasingly robust, sustainable and high-performing businesses across the Group.

Pim Vervaat

Chief Executive Officer and Chair designate
3 March 2026

Our strategy

Vision 2030

In early 2026 we have launched a new strategy that will enable us to create a best-in-class distribution platform in building materials across European roofing and interiors markets by 2030.

Creating a best-in-class distribution platform

The Group's new Vision 2030 strategy will build on the successful commercial, operational and financial initiatives implemented over recent years.

Through two distinct pillars, it aims to create an agile, focused and best-in-class pan-European growth platform which, in the medium and longer-term, can deliver an operating margin of between 3 to 5% through the cycle alongside robust and predictable cash generation.

The immediate priorities are to improve the operating margin and cash flow through further cost and efficiency programmes, including improved procurement. These will also help maximise the upside potential from operational leverage as markets improve and revenues grow.

The Group will continue to invest in commercial initiatives to drive continued local market outperformance. We will also assess opportunities to simplify and optimise the current business portfolio in order to enhance the Group's focus on its most attractive growth markets and deliver value creation.

Our purpose is to be the best provider of specialist construction and insulation products in Europe



Optimised Operating Leverage

Driving improved financial performance and a higher operating margin. Continuing to take market share and achieve efficiencies in costs, procurement and working capital, including through technology.



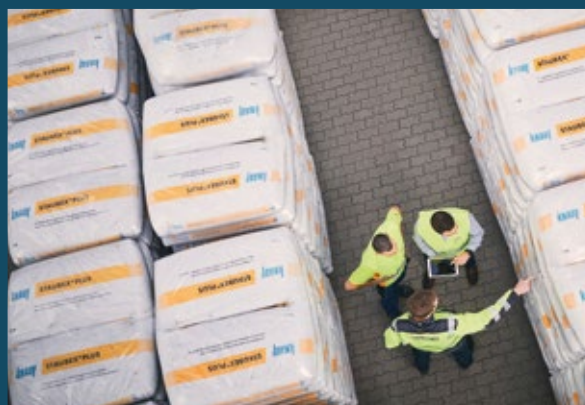
Optimised Business Portfolio

Assessing opportunities to simplify our portfolio of businesses for shareholder value creation. Aligning to the most attractive structural long-term growth markets for SIG to enhance our leverage and deliver better returns.

Ambition

Optimising operating leverage is a strategic priority and a key driver of improved financial performance for the Group through the market demand cycle. As a distribution business with a largely fixed cost base, we aim to continue to deliver sales outperformance relative to local markets and take market share, driving volumes and thereby enhancing the leveraging of the cost base. Alongside this, the Group will ensure its operational footprint remains optimally aligned to demand and to best serve customers.

Continued cost and efficiency programmes will ensure we have the right operations in place, both to address current market conditions and to support delivery to customers when markets fully recover. This includes driving greater discipline across divisional and central costs, and strengthening procurement through improved execution within our businesses and greater coordination across the Group. We will continue to modernise our operations using technology to support efficiencies and customer service. Rigorous management of working capital will remain a core focus to support robust liquidity and predictable cash generation. Together, we aim to maximise operational leverage to deliver sustainably higher operating margins and cash generation as markets improve.



Ambition

By optimising our business portfolio, we aim to sharpen the strategic focus of SIG's businesses and align the Group more closely to attractive structural growth markets across roofing and interiors. Our ambition is to create a simpler, more coherent portfolio of businesses, enhancing the Group's long-term growth profile and creating greater value for shareholders. Recognising the diversity of SIG's current activities, we will assess each of our business's alignment to mid- and long-term market growth, their return characteristics and their strategic fit within the Group.

We will consider opportunities for simplification where businesses may offer greater value under alternative ownership, as well as where portfolio streamlining can unlock organisational efficiencies and improve management focus. Portfolio optimisation is expected to be a continuous process over the medium-term, supporting improved returns, greater strategic clarity and the ambition to achieve best-in-class distributor status by 2030.



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.

6,500+

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 415 branches in local markets across six European geographies and a delivery fleet of around 1,100 vehicles to customer and project sites.

415

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

↑

Adding value

Access to highly fragmented customer market

Facilitating supplier market share and growth

Route to market support

Supported by

Responsible and sustainable approach

➔ Read more on page 16

...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

>150
apprentices

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

Customers

Includes specialist contractors and installers, developers and independent merchants

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

Suppliers

Leading international and national supplier brands

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

Communities & environment

1%
reduction in net zero carbon emissions

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

Investors

3-5%
operating margin target

- Meaningful value creation opportunity for shareholders

Sound corporate governance

➤ Read more on page 50

Risk management

➤ Read more on page 44

Sustainability review

Making a positive difference

As a leading supplier of specialist insulation and building products, SIG is well-positioned to contribute to the decarbonisation of the built environment by providing products that improve energy efficiency.

We introduced our five sustainability commitments in 2021, focused on our impact on the environment and our employees. Our sustainability approach underlines and supports our goal of growing as a sustainable business. For 2026 and beyond, we introduce our updated sustainability approach on page 32. Our five focus areas align to our double materiality assessment performed in 2024.

Robust internal controls, ethics and risk management underpin our approach to sustainability. Further details on our corporate governance framework are provided from page 50, with our material Group policies detailed on page 33.

Our sustainability performance

		Measure	2025 performance	2024 performance	Movement
	Carbon reduction Net zero carbon by 2035 ¹	Our operational GHG emissions in tonnes of carbon dioxide equivalent	38,736	39,285	Our operational GHG emissions include Scope 1, Scope 2 and business travel. While our largest country of operation, the UK, increased emissions, this was offset by a reduction in other operating companies.
	Waste Zero waste to landfill by 2025	Waste diverted from landfill	98%	96%	Three operating companies achieved zero waste to landfill, with the other operating companies reducing the amount of waste sent to landfill over the reporting year.
	Supply chain Partnering to reduce supply chain carbon and waste	Meetings held with suppliers where sustainability is discussed	84	85	Our Scope 3 assessment identified our most carbon intensive products and suppliers. We continued supplier engagement on this topic in 2025.
	Health and safety Health and safety leader	Lost time incident frequency rate ("LTIFR")	7.8	7.7	Our LTIFR has increased slightly to 7.8 from 7.7 in 2024 under our rebased LTIFR calculation. ²
	People Employer of choice	Employee engagement ("eNPS")	+9	+9	Our eNPS score remained steady at +9 in 2025, despite the impact of restructuring and some job reductions.

1. Please see updated carbon reduction targets for 2026 and beyond.

2. The updated methodology measures the number of employee lost-time incidents per one million hours worked. In 2024, our LTIFR included both employees and non-employees.



New lower-carbon branch in Saint-Nazaire, France

Our new Saint-Nazaire branch in Larivière was opened in March 2025, with a focus on increasing customers' awareness of the range of sustainable products that we stock. In addition, the building has a range of features to reduce carbon emissions, including solar panels, EV charging and good building energy efficiency.

Read more about our carbon reduction progress on page 19.

Improving road and delivery safety in Poland

In Poland we have reduced vehicle and loading incidents through a driver and loader training programme covering all aspects of load safety. This work is also enhanced by our annual Master Driver competition, where each driver demonstrates their knowledge and skill in safe and efficient heavy goods vehicle operations. The comprehensive judging uses vehicle telemetry, observations and inspections to find the best of the best.

Read more about our health and safety progress on page 23.





Waste

Waste diverted from landfill¹
(%)

98



Zero waste to landfill by 2025

SIG remains committed to reducing the waste we generate across our operations as far as is practicable, focusing on the waste produced in our branches.

2025 progress

Our commitment to achieve zero operational waste sent to landfill reached the end of its target period this year. We have made strong progress, diverting 98% of waste from landfill in 2025, compared to 86% when the commitment was set in 2021. Although we did not eliminate all waste sent to landfill, we have made substantial improvements year-on-year across all operating businesses. The improvements continued in 2025, as 162 tonnes of waste went to landfill, a reduction of 67% compared to 2024.

The total waste produced in 2025 reduced to 10,734 tonnes, primarily due to suppressed trading volumes as well as targeted initiatives for better waste management. Three of our operating companies have achieved zero waste to landfill, namely Germany, Benelux and Poland, with the UK also reaching zero landfill waste in six months of 2025. In the UK, we identified the branches producing the greatest volume of landfill waste and collaborated with our waste management company to identify alternative waste treatment routes.

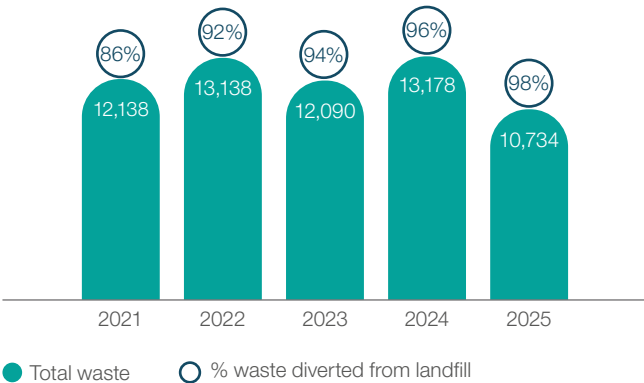
Our main type of hazardous waste relates to a small number of products such as paints, fillers and finishing products that contain certain chemicals. If these products are damaged or out of date, they require specialist handling in compliance with national waste regulations. Hazardous waste has decreased to 73 tonnes, and was not sent to landfill.

We worked with waste providers to identify opportunities for high value recycling. As a result, 7,538 tonnes of waste was recycled.

Looking ahead

Effective waste management will continue to be an important topic for SIG operationally, having passed our 2025 waste diversion timeline. While our double materiality assessment as set out on page 32 did not identify waste management as a separate material focus topic for SIG going forward, we will continue to manage, monitor and improve our waste practices into the future.

Tonnes of waste



1. Our waste reporting year runs from 1 October 2024 to 30 September 2025. Data is provided by waste management companies.



Carbon reduction

Operational greenhouse gas emissions (Metric tonnes)

-1%

2025	38,736
2024	39,285
2023	42,015

Reducing our carbon emissions

Our carbon footprint includes GHG emissions we are directly responsible for, including the fuel used in our company-owned or leased vehicles (Scope 1). The electricity used in our offices, branches and to power company electric cars form our Scope 2 emissions. 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 a high proportion of deliveries to customers are made by third-party logistics.

2025 progress

In 2025, we continued to make steady progress towards our interim milestone to reduce our operational GHG emissions ("operational emissions"), by 20% by 2025 compared to 2021. Operational emissions reduced by 19% compared to our 2021 base year, and 1% since 2024.

During 2025, the reduction in our operational emissions was primarily driven by decreased fuel consumption from lower sales volumes in many countries. For this reason, our carbon intensity has remained consistent with last year, at 14.9 tonnes (CO₂e) per £m in 2025 compared to 15.0 in 2024.

Decarbonising our branches

Electricity and heating our branches contributes 13% of our location-based GHG emissions. In 2025, we continued to source renewable electricity in the UK, Ireland, Germany and Poland. LED lighting is installed during branch refurbishments.

In Poland, we continued installing solar panels in branches where the heating system has replaced coal or oil-based heating with electric. We will continue to focus on energy-efficiency actions, as detailed on page 21.

As set out on page 17, during 2025 we opened a new branch in Saint-Nazaire, France. The new branch features several sustainable construction products and has features to improve building energy efficiency.

Decarbonising our fleet

The fuel for our company cars, vans, heavy goods vehicles ("HGVs"), forklifts and moffetts contributes 79% of our location-based GHG emissions. In 2025, we have continued to replace older vehicles with newer, more efficient alternatives.

We have increased the share of electric, hybrid or alternative fuel vehicles to 36% of the fleet this year from 31% in 2024. The majority of these vehicles are forklifts and cars.

Due to the success of the ongoing transition to electric forklifts, as well as the new electric moffetts in Germany, the emissions from plant have reduced by 16% compared to 2024.

Looking ahead

In 2021, we set an ambition to be a net zero organisation by 2035. This year, we reviewed and revised this target as set out on page 32, based on the commercial viability and cost of lower-carbon technology. The long-term decarbonisation pathway for the transport sector remains dependent on a number of regulatory, financial 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 fuels.

Carbon reporting

Mandatory GHG reporting

Our annual GHG reporting is calculated in accordance with the requirements of the Energy and Carbon Report Regulation 2018, for the period 1 October 2024 to 30 September 2025. This covers all geographies in which we operate. Our Scope 1, Scope 2 and limited Scope 3 emissions have been verified to a limited level of assurance by Intertek in accordance with ISO 14064-2.

We include the six main GHG and reported carbon dioxide equivalent ("CO₂e") for our Scope 1, Scope 2 and limited Scope 3 emissions. Our GHG reporting uses the GHG Protocol Accounting and Reporting Standard as the basis of our methodology. For GHG emission factors and energy conversions, we use the Department for Energy Security and Net Zero ("DENZ") 2025 conversion factors. In previous years, we also used the International Energy Agency ("IEA") for electricity factors. However, due to cost increases, in 2025, we used the European Residual Mix conversion factors.

Scope 1 – tonnes CO₂e

	2025 Group	2024 Group	2025 UK	2025 EU
Road vehicle fuel emissions ¹	32,738	32,533	14,211	18,527
Plant vehicle fuel emissions ¹	2,542	3,020	954	1,588
Natural gas ²	1,418	1,374	779	639
Coal/coke for heating ¹	7	38	0	7
Heating fuels (kerosene and LPG) ¹	748	862	515	233
Total	37,453	37,827	16,459	20,994

Scope 2 – tonnes CO₂e

	2025 Group	2024 Group	2025 UK	2025 EU
Electricity – location-based ²	3,611	4,517	1,575	2,036
Electricity – market-based ³	1,088	1,250	95	993
Total – Scope 1 and 2 – location-based	41,064	42,344	18,034	23,030
Total – Scope 1 and 2 – market-based	38,541	39,077	16,554	21,987

1. Total fuel purchased from fuel cards or invoices converted according to DENZ emission factors.

2. Electricity and gas consumption from meters or invoices converted according to DENZ emission factors. For branches without meters or receiving regular invoices, we estimate electricity or gas consumption using 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 – tonnes CO₂e

	2025 Group	2024 Group	2025 UK	2025 EU
Business travel ⁴	195	208	93	102
Third-party diesel ⁵	3,448	4,719	131	3,317
Own vehicles used for company business ⁴	163	141	99	64
Total	3,806	5,068	323	3,483

Total – Scope 1, 2 and 3 – location-based	44,870	47,412	18,357	26,513
Total – Scope 1, 2 and 3 – market-based	42,347	44,145	16,877	25,470
Total Scope 1, 2 and business travel – market-based	38,736	39,285	16,647	22,089

Emissions intensity – tonnes CO₂e per £m of revenue

	2025 Group	2024 Group
Revenue	2,591	2,612.0
Scope 1 and 2 – location-based	15.8	16.2
Scope 1 and 2 – market-based	14.9	15.0
Scope 1, 2 and 3 – market-based	16.3	16.9
Total Scope 1, 2 and business travel – market-based	14.9	15.0

Total energy use

	kWh			
	2025 Group	2024 Group	2025 UK	2025 EU
Total energy use	174,857,145	183,489,267	78,144,468	96,712,677

Energy-efficiency actions

We have continued initiatives to improve energy efficiency in all operating companies.

In Germany, an energy management system has been introduced to reduce the energy consumed from fleet, plant and buildings. In the UK, we have continued a programme of energy-efficiency initiatives in line with the Energy Saving Opportunity Scheme. This includes LED lighting replacements, and behaviour change and training for energy intensive branches.

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.



Supply chain

Supplier engagement meetings

held with suppliers including discussion related to sustainability

84

2025

84

2024

85

Partnering to reduce supply chain carbon and waste

SIG contributes to reducing carbon emissions within the built environment by supplying products that improve the energy efficiency of buildings. We continue to work with our supply chain partners to improve our sustainability performance together.

2025 progress

The goods and services we purchase continue to contribute the largest share of our Scope 3 carbon footprint, which we assessed in 2025. The end-of-life treatment of products sold and packaging was the next highest category of our Scope 3 footprint. For more information, please see our Scope 3 summary on the website.

We have an ongoing programme of supplier engagement targeting the Group's largest suppliers of carbon intensive products to discuss sustainability, with 84 meetings held in 2025 (85 in 2024). Our engagement topics include data sharing and environmental product declarations ("EPDs"), deforestation risks and initiatives to reduce embodied carbon, including the electrification of production facilities.

In the UK we have engaged with our suppliers to collect EPDs and integrate this on to our platform 'SIG assured', and our product information system.

In France we issued an ESG questionnaire to all suppliers and achieved a top 5% gold rating on the Ecovadis ESG rating for SIG France.

Bringing lower carbon products to market



In Poland, we have continued to support the 'Clean Air' programme – a national initiative to improve air quality through modernising heating systems and insulating walls, roofs, and foundations. On our newly launched enterprise resource planning system, we work with our suppliers to identify products that are compliant with the programme, allowing homeowners to claim grants.

Looking ahead

Under our new sustainability objectives, we will evolve this pillar to focus on 'supporting sustainable and lower carbon products'. We will continue to work with suppliers to reduce embodied carbon, enhance data transparency and promote energy efficiency through the products that we buy and sell.



Health and safety

Lost time incident frequency rate ('LTIFR')

7.8

2025	7.8
2024	7.7
2023	7.7

Health and safety leader

We are committed to being a health and safety leader in building materials distribution. We have maintained high employee engagement and perception on safety in 2025, with annual engagement survey results placing our Health, Safety and Wellbeing scores 1% above the benchmark for our industry. We strive to ensure we create and maintain systems and a working culture where everyone is safe, every day.

2025 progress

In 2025, our headline LTIFR increased by 1% to 7.8 under our new rebased measure, which aligns with CSRD and is defined further below.

We have continued to develop our health and safety initiatives including strengthening our health and safety induction training for new employees. This has also been enhanced with modular training, both on-line and in person to support our colleagues as they grow in new roles and take on new responsibilities at different stages in their career.

In Poland we have reduced vehicle and loading incidents through a driver and loader training programme to improve skills and knowledge in all aspects of load safety, as set out on page 17.

In Germany, we have reduced fall-related incidents following a project to further de-risk warehouse and yard activities, working with our teams to enable tasks to be completed at ground level where possible and to provide safer access where work at height is unavoidable.

The team embarked on a programme to understand what makes a safe working habit in preparation for the next stage in the development of its safety culture project. This included simulations of incidents to improve contextual understanding of risk.

Our Irish businesses celebrated a year without a lost time incident in October, demonstrating the results of the team's high level of focus on safety.

As part of our commitment providing our colleagues with the knowledge and skills they need to maintain a safe workplace, we have rolled out training in Fire Safety, Slips and Trips, Hazardous Substances and Manual Handling throughout the UK businesses.

This training also enhances safety beyond the workplace. Training of managers in the area of safety behaviour and culture using our own in-house trainers has also helped to raise awareness.

We believe that every one of our colleagues has a voice and a part to play in preventing accidents. In November 2025 we launched a new safety observation and reporting app across the Group to ensure that potential hazards and risks can be reported immediately and removed before they result in injury. Our aim is to engage everyone in safety and to recognise our colleagues' positive safety actions and behaviour, which underpins all that we do.

In 2025 our Fleet and Health and Safety teams worked with our branch-based colleagues and industry experts to further develop our vehicle load integrity and security and deploy best practices across the Group.

Our Executive Leadership Team continued to lead by example through safety walks, fostering idea-sharing and reinforcing our focus on employee safety in 2025. With Pim Vervaat's arrival as CEO in October, new safety leadership initiatives including monthly calls chaired by Pim, dedicated to reviewing lost time incidents, have been rolled out and will help to grow our open safety culture and our safety performance.

2025 LTIFR CSRD alignment

In 2025 we have rebased our LTIFR calculation to now only include incidents involving our employees (FTE or contracted) and to exclude those by third parties on our sites. We continue to prioritise the safety of all people, including visitors, at our sites. This data reporting change brings us into alignment with future Corporate Sustainability Reporting Directive (CSRD) requirements,

Looking ahead

Looking ahead we will continue our 'Everyone Safe, Everyday' safety strategy. Key areas of focus of our ongoing safety initiatives include driver safety including safe loading, manual handling safety, and raising our overall safety awareness and culture.



People

Employee engagement (eNPS)

+9



Employer of choice

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

In 2025, we made further progress on this commitment, investing in developing the skills and performance of our leaders, in enhancing skills for career and professional growth, and in building a more engaged culture.

For the third year running our German and Polish businesses have been recognised as leading employers in their markets. In Germany, Wego vti was again recognised as ‘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.

Employee Engagement & Wellbeing

The results of our 2025 employee engagement survey show that our people continue to feel positively engaged in their work at SIG.

To manage the Group’s performance through weaker and challenging markets, we have had to restructure some 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 70% (2024: 71%) tracking 2% points above our industry benchmark whilst we remained at +9 in our employee net promoter score (eNPS) (2024: +9).

The impact of these organisational 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. 84% 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.

Culture and Behaviours

Over recent years we have made strong progress on building our culture, increasing engagement and inclusion. Our Culture index scores have remained stable at 73% along with our Inclusion index at 67%. Our culture is shaped by our behaviours: Be Bold, Be Flexible and Agile and Making a Positive Difference.

Our behaviours are aligned and reinforced across our business, through their integration into our performance management and training processes as well as our recruitment and onboarding processes for new colleagues.

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. Across the group we undertake mandatory awareness training on DEI as part of our Code of Conduct for all employees.

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.

In the UK we launched Thrive@SIG in 2025. Thrive is an employee-led framework that brings together Diversity, Equality & Inclusion and Wellbeing initiatives, ensuring they are shaped by employee feedback and aligned with the demographics of the UK workforce. This approach has ensured that our programs are relevant, inclusive, and responsive to evolving needs.

As regards gender diversity, 14% of our positions at ELT level are held by females, and females comprise 22% of our overall workforce. Our latest UK gender pay gap report can be found on our website.

Talent, Leadership & Apprentices

Having great leaders remains a key enabler in our business. During 2025 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 continuing with the Leadership Academy in the UK.

Our employee survey showed very good feedback on the performance of our leaders, with over 91% of our people having confidence in our leaders and 80% feeling that their managers are supporting their development through constructive feedback.

Gender diversity (male/female split)¹

	2025		2024	
	Male %	Female %	Male %	Female %
Total Employees	78	22	78	22
Board members	89	11	80	20
Executive Leadership team	86	14	85	15
Senior Managers ²	86	14	80	20
Senior Managers ³	69	31	73	27

1. Headcount as at 31 December 2025. 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 21 employees.

3. Data as per provision 23 of the UK Corporate Governance Code – population of 136 employees.

Germany trainee forum 2025

In November we held a day in Mönchengladbach, Germany focused on developing our German trainees and talent. The session provided interactive and practical insights into how our drywall products are produced, overviews of suspended ceiling products, and information about different technical standards to support our apprentices' knowledge, understanding and capabilities. The day included a graduation ceremony for our third-year graduate apprentices as they completed the programme.



Apprenticeships, Charity & Community

Our apprenticeship programme continued in 2025 and we currently have 156 apprentices across our businesses, 41% of whom are female.

Our programmes also include the provision of education, skills and training to help their jobs within SIG but also their own professional development.

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 we maintained a number of our charitable activities as reported in prior years, including our initiatives to support skin cancer awareness among our at-risk roofing contractor customers, a campaign that was recognised with an industry award in 2025.

Learning and Development

In 2025, we invested over 32,000 hours in learning and development across the SIG Group. This included the continuation of leadership, sales and specialist product training across the group including our UK Sales Academy, which delivered bespoke sales training and coaching to strengthen the core competencies and commercial capabilities of our colleagues.

The programme was recognised with a Princess Royal Training Award for Excellence during the year, while our UK Operations Academy, was endorsed by the UK Chartered Institute of Logistics and Transport.

In 2025, we also improved our digital learning content across the Group producing additional modules for sales, management and product training.

Task Force on Climate-related Financial Disclosures (“TCFD”)

The following pages provide an overview of our climate-related risks and opportunities, and contain our 11 TCFD disclosures, meeting the requirements of LR 6.6.6(8)R, as well as 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 Governance of climate-related risks and opportunities.	Board’s oversight of climate-related risks and opportunities.	27, 55	(a)
	Management’s role in assessing and managing climate-related risks and opportunities.	27	
Strategy Impacts of climate-related risks and opportunities on our strategy and planning.	Climate-related risks and opportunities we have identified over the short-, medium-and long-term.	28 to 29	(d), (e), (f)
	The impact of climate-related risks and opportunities on our business, strategy, and financial planning.	29	
	The resilience of our strategy, taking into consideration different climate-related scenarios, including a 2°C scenario.	30 to 31	
Risk management How the organisation identifies, assesses and manages climate-related risks.	How we identify and assess climate-related risks.	27	(b), (c)
	How we manage climate-related risks.	27 to 28	
	How climate-related risks are integrated within our overall risk management.	27, 44 to 45	
Metrics and targets The metrics and targets used to assess and manage climate-related risks and opportunities.	The metrics we use to assess climate-related risks and opportunities.	20 to 21, 31	(g), (h)
	An overview of our GHG emissions and related risks.	20 to 21	
	The targets we use to manage climate-related risks, opportunities and our performance.	32	

Governance

We have aligned our climate change and risk management reporting with the recommendations of the TCFD since 2021. The frequency of Board meetings and a full explanation of roles and responsibilities of each Committee is disclosed in the Governance section from page 50.

Embedding climate change into our governance structure

The SIG plc Board

The Group's purpose, strategy and behaviour is overseen by the Board. Sustainability is a consideration for the Board when reviewing and guiding strategy. This includes overseeing major capital decisions, including acquisitions and divestments, reviewing the annual budget and business plans and monitoring progress against the five sustainability focus areas, including carbon reduction targets.

Audit & Risk Committee

The Audit & Risk Committee has delegated responsibility from the Board to oversee and review ESG risks including climate change risks.

Remuneration Committee

The Remuneration Committee is responsible for setting relevant ESG-related performance incentives, including climate-related incentives, for the Board and senior management. For example, the Remuneration Committee has included an ESG objective within the personal objectives in the bonus scheme for senior management.

Executive Directors

The CEO is responsible for the strategy of the Group, including management of climate-related risks and opportunities.

Management responsibilities related to climate change

Executive Leadership Team

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

Operating Company Managing Directors

Each Managing Director is responsible for embedding the Group sustainability strategy into the local operating companies, considering 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.

Sustainability leads

Each operating company has appointed sustainability leads who are responsible for overseeing sustainability initiatives, preparing for upcoming regulations and preparing environmental data. The sustainability leads meet regularly and share best practice.

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 the climate 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

- Climate risks have been assessed using the same risk thresholds as the principal risk register.
- Where possible, we have assessed the financial impact to evaluate the potential size and scope of the risks identified.



Risk approval

- The outputs of the risk review are consolidated with our principal climate risks and reviewed by the ELT.
- The Audit & Risk Committee approves 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 our approach to either mitigate, transfer, accept or control the risks. Our mitigations are included within the risk tables on pages 28 and 29.

Integration with our enterprise risk framework

Our approach to risk management is detailed from page 44. The Group employs a three lines model to provide a simple and effective way to enhance risk and internal control management processes. 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

We have considered the impact of climate change across our value chain – our own operations, as well as the impact to our suppliers and customers. All business areas, operating locations and main 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	Medium-term	Long-term
3 years	4-10 years	10 years +
Aligned with our viability review period.	Aligned with our medium-term carbon reduction targets.	Longer-term view aligned with national carbon commitments.

In our risk assessment, we consider the likely financial, reputation, regulatory and operational impacts. The risk thresholds for assessing the impact and likelihood that each risk will materialise are aligned with our enterprise risk management framework on page 44. We have chosen to disclose risks with the impact assessed as moderate, major or critical. Low impact risks are not disclosed, including energy management which was included as a transition risk last year.

Climate-related risks and opportunities

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 Fuel used by our vehicles contributes 79% of our location-based operational emissions. Therefore, the decarbonisation of our fleet is crucial to reduce our carbon emissions. This risk is greatest in the UK, France, Germany and Poland where we own or lease our HGVs. There is uncertainty regarding the optimum technology for our fleet of heavy-duty vehicles. In 2025, we paused Hydrotreated Vegetable Oil in the UK due to the cost and concerns over supply chain transparency.	Short-, medium- and long-term risk  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.	We continue to assess the viability of alternative fuel vehicles, considering government incentives and infrastructure availability, as part of our climate transition planning.
2. Product transparency and environmental performance Future regulations and changing customer priorities may require detailed product-level data, for example EPDs or other information on the environmental impact of products. As a distributor, we depend on our manufacturers to provide this data.	Medium- and long-term risk  Moderate impact There may be additional costs to review suppliers' environmental product information, invest in data management platforms or other certification and compliance costs.	We continue to engage with suppliers to ensure sustainability data and the long-term decarbonisation of their products is considered as part of the ongoing development of the customer proposition.
3. Emerging regulation and compliance costs The UK and other national governments may introduce additional regulations to support the climate transition. Examples of regulations include additional sustainability reporting requirements, emissions trading schemes and energy management initiatives.	Short- and medium-term risk  Moderate impact Diverging approaches could lead to additional compliance costs. Our compliance, assurance and operational costs may increase to respond to new and emerging regulation. Carbon costs through our supply chain may increase costs.	We establish working groups with representatives from each operating company to coordinate approaches and identify opportunities for efficiencies.

Physical risk	Impact	Mitigation
1. Climate-related working conditions for our workers and construction sector Labour productivity may be impacted because of extreme heat, impacting working patterns in the construction sector. Local governments may restrict outside or manual work during heatwaves.	Medium- and long-term  Moderate impact 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.	We would expect the construction sector to adapt working hours.
2. Extreme weather events impacting product supply Supply chain disruptions, including product shortages or logistics, may be caused by more frequent and intense weather events. During the year, we reviewed the climate change risk assessments of key manufacturers and found the overall risk to be low for their European operations.	Long-term  Major impact The impact of droughts or extreme rainfall may lead to product shortages or delays in our upstream logistics over the longer-term. This has been assessed as lower likelihood.	We have a diversified supply chain and could identify new supply routes in the event of product shortages.
3. Extreme weather impacting our branches Flooding may damage our branches. We could be exposed to flooding and other precipitation events due to severe rain and storms. In 2024, we completed a detailed review of physical climate risks on a branch level basis.	Medium- and long-term  Moderate impact Insurance premiums may increase or become commercially unviable as climate risks materialise. Asset values may reduce.	Disaster recovery plans include processes to follow after a flooding event.

Our climate-related opportunities

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

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. SIG offers a number of product solutions to achieve energy efficiency and decarbonisation of building construction.

2. Growth of new and sustainable products

Several of our products will support the built environment by providing more sustainable product options. In France and Benelux, we have published papers summarising products that have been introduced to the market with bio-based materials or products with lower embodied carbon because the manufacturing process has been electrified. We are partnering with our network and customer bases to bring new sustainable products to market, see page 22 for more information.

Impact on strategy and financial planning

The climate-related risks and opportunities have the potential to impact our business, strategy and 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 over the period of our viability assessment.
Decarbonisation and investment into fleet	We have an annual budget process that includes investments into lower-carbon technology. During 2025, we evaluated the most viable fleet decarbonisation pathways for each business. We expect to selectively pilot several lower carbon technologies, before potentially increasing deployment of electric or alternative fuel HGVs from 2030. We do not have any investment in research and development due to our business model.
Adaptation actions and operating expenses	We continue to work with our landlords and local council to ensure that flooding risks are considered and mitigated.
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 continued to support the wider sector by offering training sessions for roofers to install solar panels.

Climate resilience assessment

In 2024, we assessed the impact of climate change at branch level across our operating countries. This year, we performed a desktop review of the climate risks and opportunities identified by our suppliers in their climate risk disclosures. Our suppliers identified common risks, including severe weather events leading to business interruptions, and emerging regulations leading to increased costs.

Overall, our suppliers found that while severe weather events could affect operations, the risk is comparatively low in Europe, where most of our goods are sourced. Our suppliers have energy-intensive manufacturing processes and can be exposed to the increasing cost of carbon or energy costs. These findings informed our climate risk assessment in 2025.

In line with regulatory requirements, we have assessed our climate resilience using publicly available scenarios from the IEA and the Network For Greening the Financial System ("the 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. Net Zero Emissions by 2050 ("NZE") assumes at least a 50% chance of limiting global warming to below 1.5°C by 2100. Physical risks are relatively low, but transition risks are increased, with a rapid increase in renewable electricity from 2030, and additional carbon price mechanisms introduced. Net Zero Emissions Not Achieved ("Stated Policies") assumes increased emissions until 2080, leading to over 3°C of global warming by 2100. There are increased physical risks. Only current climate policies are considered within the climate scenario. Further explanation of the climate scenarios is included in our 2024 ARA page 48.

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.

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, with oil expected to be the dominant fuel for the transport sector until early 2030 in this scenario. We expect that we may transition our fleet of HGVs to electric commencing from 2030 onwards, supported by trials of emerging technology in the short-term.	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 or high costs compared to fossil fuel alternatives.
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 carbon-intensive products, would increase our costs. Changes to legislation related to products relies on compliance from supply chain partners.	Emerging regulation may impact suppliers of carbon-intensive products, for example additional carbon taxes, that lead to cost increases. 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	There would also be slower advancements and commercialisation of electric heavy-duty vehicles and the availability of other alternative fuel vehicles. The current charging infrastructure in our operating countries would not be sufficient to meet the logistic requirements of our business.	Our fleet replacement would be slower in this scenario due to current availability of technology, infrastructure availability and commercially unviable costs.
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.

Overall resilience of our business model

Pages 28 and 29 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, if supported by policy incentives and cost reductions. 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 an increased demand for products that improve the energy efficiency of buildings.

Metrics and targets

The table below shows the key metrics that are monitored to manage climate-related risks. GHG emissions and the mix of vehicles by fuel type are reviewed monthly against budget and prior performance. On a bi-annual basis, there is an update on sustainability performance to the Audit & Risk Committee.

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 20 and aligns to the GHG protocol. We completed a full Scope 3 assessment in 2023. Our Scope 3 assessment was updated for most operating companies in 2025.	Reported on pages 20 and 21. Reviewed monthly against budget and prior performance. Bi-annual update on performance to Audit & Risk Committee	Decarbonisation of our fleet.
Energy consumption	We report total energy consumed in our energy and carbon report on page 21.	Reported on page 21.	Energy management and infrastructure.
Vehicles by fuel type	We review the proportion of electric and alternative fuel vehicles in our fleet.	Reviewed monthly against budget and prior performance. Biannual update on performance to Audit & Risk Committee	Decarbonisation of our fleet.

During the year, we had an ESG objective and underpin within executive remuneration, with the details on pages 83 and 102. We do not have an internal carbon price but have reviewed potential future carbon prices in our scenario analysis.

Targets

Our new carbon reduction targets can be seen on page 32.

Updated sustainability focus areas

In 2024, we performed a materiality assessment with the support of a third-party sustainability specialist. The approach is aligned with the reporting standards and guidance in the European Sustainability Reporting Standards.

While we are not required to report under the Corporate Sustainability Reporting Directive this financial year, the outcome of the material assessment has identified priority topics, and supports our environmental, social and governance strategy. The materiality assessment was informed by interviews held with external and internal stakeholders, as well as a survey sent to a wide range of stakeholders across all operating companies in the European Union.

For 2026 and beyond, we are updating our sustainability focus areas based on the materiality assessment, as set out below. The operating companies will have the autonomy to address local opportunities and requirements, reflecting our federated model.

Focus area		Link to material topics
	Decarbonising our operations	We aim to reduce our operational GHG including Scope 1, 2 and business travel. Supported by interim targets: – 50% reduction by 2035 compared to 2021 base year We aim to meet net zero emissions before 2050.¹
	Health and safety leader in our sector	We aim to ensure that everyone associated with our business comes home safe and well every day. – Health and safety
	Employer of choice in our sector	We strive to be the employer of choice within the building distribution sector. Continuing focus area²
	Supporting sustainable and lower carbon products	We will work with our supply chain to: – Improve the availability of information related to the environmental performance of products, for example, through environmental product declarations. – Distribute products with lower embodied carbon or other sustainability attributes.³ – Sustainable products
	Responsible sourcing	We will align with evolving UK and EU regulations to shape our responsible sourcing practices. – Legal compliance – Product safety

1. We have defined reaching net zero as reducing emissions by at least 90% and neutralising any residual emissions.

2. While employee engagement was not identified as a material topic, it continues to be a core focus areas.

3. Sustainability attributes may include products contributing to energy efficiency of buildings, products produced with less carbon, renewable energy technologies, and products with recycled or bio-based materials.

Group Non-Financial and Sustainability Information Statement

SIG is 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 16 to 25) Climate-related disclosures (pages 26 to 31)
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 24 to 25) Board diversity (pages 25 and 52) Employee engagement (page 24) Health and safety (page 23)
Human rights	– Code of Conduct – Modern Slavery Policy – Ethical Trading and Human Rights Policy	People commitment (pages 24 to 25) Stakeholder engagement (pages 58 to 59)
Anti-bribery and corruption	– Anti-bribery and Corruption Policy – Whistleblowing Policy – Payment Practices	Governance (pages 50 to 108)
Description of business model	Business model and strategy (pages 12 to 15)	
Policy, due diligence and outcomes	Policies are listed above and on our website	
Non-financial KPIs	Key performance indicators (page 34)	
Principal risks and uncertainties	Principal risks (pages 46 to 49)	
UK Climate-related financial disclosures	Climate-related disclosures (pages 26 to 31)	

Key performance indicators

How we performed

The Group's key performance indicators (KPIs) are used by the Board and Executive Management to assess the Group's progress against strategic objectives and to monitor the overall performance of the business. The KPIs include a balanced set of financial and non-financial measures, reflecting both the Group's financial outcomes and the operational, people and sustainability factors that indicate the delivery of the Group's strategy over time.

Non-financial KPIs

Lost time injury frequency rate

2025	7.8
2024	7.7
2023	7.7

7.8

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.

2025 performance

In 2025, our headline LTIFR increased slightly from 7.7 to 7.8, under our new rebased measure, which is defined on page 23. Our ongoing initiatives include strengthening our health and safety induction training for new employees.

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.

GHG emissions per £m of revenue

(metric tonnes)

2025	16.3
2024	16.9
2023	17.1

16.3

Definition

Metric tonnes of GHG emissions per £m of revenue.

2025 performance

In 2025 we have further lowered our emissions to 16.3 metric tonnes per £m of revenue, from 16.9 in 2024. This has been driven by our 1% reduction in net zero carbon emissions, due to incremental improvement in fleet efficiency.

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

(eNPS)

2025	+9
2024	+9
2023	+14

+9

Definition

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

2025 performance

Our eNPS employee engagement score has remained steady year on year, in positive territory. This result is despite the impact of challenging market conditions and restructuring initiatives across the Group. Health, Safety and Wellbeing remains the highest scoring index from our Employee Engagement Survey.

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.

Financial KPIs

Like-for-like sales

(%)

2025	0
2024	(4)
2023	(2)

0%

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. See page 180 for the calculation.

2025 performance

Challenging market conditions, and pricing pressure offset market share gains to result in flat LFL sales. Relative to the market, the sales result was robust, supported by continued strong execution.

Link to risks

- Macroeconomic uncertainty
- Attract, recruit and retain our people
- Change management

Link to remuneration

Profit measures in annual bonus scheme.

Gross margin

(%)

2025	24.2
2024	24.5
2023	25.3

24.2%

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.

2025 performance

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

Link to risks

- Macroeconomic uncertainty
- Data quality and governance
- Digitalisation
- Change management

Link to remuneration

Profit measures in annual bonus scheme.

Operational margin

(%)

2025	1.2
2024	1.0
2023	1.9

1.2%

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 181 for the calculation.

2025 performance

Operating margin result driven by broadly flat sales volumes and price deflation in weaker markets, leading to underlying operating profit of £32.1m, up from £25.1m in 2024. This included mitigation through a material reduction in underlying operating costs, much of it driven by restructuring.

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

(%)

2025	12.9
2024	13.9
2023	14.3

12.9%

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 receivables, gross trade creditors and supplier rebates due.

2025 performance

Further incremental improvement in 2025 which highlights continuing balance sheet discipline against a backdrop of prolonged challenging market conditions.

Link to risks

- Macroeconomic uncertainty
- Change management

Link to remuneration

Included in operating company annual bonus schemes.

Financial review

Continued financial discipline



Actions taken have improved profitability and cash performance despite challenging market conditions.”

Ian Ashton
Chief Financial Officer



The Group again managed effectively the impact of challenging market conditions during 2025. At an underlying profit level, the effects of continuing subdued demand and marginally falling prices were more than mitigated by significant cost reduction, including ongoing restructuring and productivity initiatives, and solid progress on working capital initiatives. These actions also position the business to deliver a step-up in profitability and cash generation when markets return to growth. The Group has maintained robust liquidity and continued to invest in support of its commercial initiatives, enabling the businesses to outperform their local markets.

Revenue

£2,591.0m

2024: £2,611.8m

Underlying operating profit

£32.1m

2024: £25.1m

Gross margin

24.2%

2024: 24.5%

Net debt

£518.2m

2024: £497.3m

Revenue

Group revenue of £2,591.0m (2024: £2,611.8m) was 1% lower on a reported basis, including a net 1% negative impact from the combined effect of exchange rates, the number of working days, and branch closures and openings during the year.

LFL revenues, which are adjusted to exclude the impact of branch closures and openings, were flat year-on-year. Within this, the impact of sales price deflation was approximately 1%.

Operating costs and profit

Gross profit decreased 2.0% to £627.1m (2024: £640.0m) at a gross profit margin of 24.2% (2024: 24.5%). The reduction in gross margin reflects greater than normal pricing pressure as a result of the weak demand environment.

The Group's operating costs decreased by 3.2% to £595.0m (2024: £614.9m). The decrease was primarily due to savings initiatives, including restructuring actions taken from H2 2023 onwards, partially offset by inflation, with the biggest impact of the latter being on wages and salaries. Operating costs in the year also benefited from £3.5m profit on the sale of properties in France Roofing and Poland.

The Group's underlying operating profit increased to £32.1m (2024: £25.1m), at an operating margin of 1.2% (2024: 1.0%). The reported operating loss was £9.4m (2024: £3.8m) after Other items of £41.5m (2024: £28.9m). Other items includes £23.4m impairment of goodwill and intangibles relating to Miers and other former UK Specialist Markets businesses, £6.3m impairment of right-of-use assets in the UK Interiors business, £9.0m restructuring costs and £1.3m of ERP implementation costs.

Segmental analysis

	Revenue 2025 £m	Revenue restated 2024 £m	LFL sales vs 2024	Underlying operating profit 2025 £m	Underlying operating profit restated 2024 £m
UK					
UK Interiors	673.1	665.0	3%	7.7	0.6
UK Roofing	453.4	448.7	2%	14.3	13.9
UK	1,126.5	1,113.7	2%	22.0	14.5

Following a change in the UK management structure announced in November 2025, we now report two segments in the UK, with the various Specialist Markets businesses separated out and reported within Interiors and Roofing. The 2024 segmental information has been restated in order to present it on a consistent basis with the 2025 numbers.

Revenue in UK Interiors, a specialist insulation, interiors and construction accessories distribution business, increased 1% to £673.1m (2024: £665.0m). LFL revenue was up 3% year-on-year, with the business outperforming the market. The increase in revenue and good progress on operating cost reductions, which were only partially offset by the impact of pricing pressure on the gross margin, resulted in the business reporting an improved profit of £7.7m (2024: £0.6m). The Insulation and Drylining business that forms the majority of UK Interiors had a particularly strong year from a sales perspective, growing 8% LFL in H1, 3% in H2, and 5% for the full year. Its resulting turnaround in profit was the driver of the profit improvement in UK Interiors as a whole.

Revenue in UK Roofing, a specialist roofing merchant, which now also includes our Building Solutions business, increased 1% to £453.4m (2024: £448.7m), with LFL revenue up 2%. This was despite a weak market, and was driven by the business's successful execution of its multi-year programme of business development and growth initiatives. Operating margin was stable, and this resulted in an operating profit of £14.3m (2024: £13.9m).

	Revenue 2025 £m	Revenue 2024 £m	LFL sales vs 2024	Underlying operating profit 2025 £m	Underlying operating profit 2024 £m
France					
France Interiors	189.9	200.4	(6)%	4.8	6.2
France Roofing	388.4	410.1	(5)%	9.7	8.0
France	578.3	610.5	(5)%	14.5	14.2

France Interiors, a structural insulation and interiors business trading as LiTT, saw reported revenue decrease by 5% to £189.9m (2024: £200.4m), and by 6% on a LFL basis. This was driven by lower market demand, particularly in the new build residential segment. The revenue decline, coupled with increased margin pressure, resulted in a £1.4m decrease in underlying operating profit to £4.8m (2024: £6.2m).

Revenue in France Roofing, a specialist roofing business trading as Larivière, decreased by 5% to £388.4m (2024: £410.1m), and also by 5% on a LFL basis. Demand and volumes were lower due to continued softening of the new build market and input price deflation. The decreases in revenue and gross margin were more than offset by reduced operating costs and also £3.0m of profit on the disposal of certain properties, resulting in an operating profit increase of £1.7m to £9.7m (2024: £8.0m).

	Revenue 2025 £m	Revenue 2024 £m	LFL sales vs 2024	Underlying operating profit 2025 £m	Underlying operating profit 2024 £m
Germany					
	432.5	438.5	(3)%	1.3	4.7

Revenue in Wego/Vti, our specialist insulation and interiors distribution business in Germany, decreased 1% to £432.5m (2024: £438.5m). LFL revenue decreased 3%, though the business outperformed a soft overall market. Gross margin percentage remained stable year-on-year, whilst operating costs increased marginally, with inflation being mostly offset by cost savings, resulting in lower operating profit of £1.3m (2024: £4.7m).

	Revenue 2025 £m	Revenue 2024 £m	LFL sales vs 2024	Underlying operating profit 2025 £m	Underlying operating profit 2024 £m
Poland	260.5	241.4	5%	4.0	4.6

In our Polish business, a market-leading distributor of insulation and interiors products, revenue increased to £260.5m (2024: £241.4m), representing an 8% increase on a reported basis and 5% on a LFL basis. The impact of a weak market was more than offset by further improvements in our market position. However, the impact of this sales growth was more than offset by pricing pressure and operating cost inflation, resulting in lower operating profit of £4.0m (2024: £4.6m).

	Revenue 2025 £m	Revenue 2024 £m	LFL sales vs 2024	Underlying operating (loss) 2025 £m	Underlying operating (loss) 2024 £m
Benelux	91.6	103.6	2%	(1.3)	(4.5)

Reported revenue from the Group's business in Benelux decreased to £91.6m (2024: £103.6m) with a c13% impact from the strategic decision to close seven branches in late 2024. LFL revenue, adjusted for these branch closures, was up 2%, helped by an inflationary tailwind. Gross margin improved due to favourable product mix in the remaining branches. The closures generated material operating cost savings, resulting in a lower underlying operating loss of £1.3m (2024: loss of £4.5m).

	Revenue 2025 £m	Revenue 2024 £m	LFL sales vs 2024	Underlying operating profit 2025 £m	Underlying operating profit 2024 £m
Ireland	101.6	104.1	(3)%	2.7	3.3

Our business in Ireland comprises 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. Revenue decreased by 2% to £101.6m (2024: £104.1m), and by 3% on a LFL basis, driven by a deterioration in the market in H2. This, coupled with operating cost inflation, resulted in reduced operating profit of £2.7m (2024: £3.3m).

Reconciliation of underlying to statutory result

Other items, being items excluded from underlying results, amounted to a charge of £41.7m for the year (2024: £30.5m) on a pre-tax basis and are summarised in the table below:

	2025 £m	2024 £m
Underlying loss before tax	(20.0)	(14.3)
Other items – impacting profit before tax:		
Amortisation of acquired intangibles	(2.1)	(2.1)
Impairment charges	(29.7)	(7.3)
Cloud-based ERP implementation costs	(1.3)	(1.0)
Net restructuring costs	(9.0)	(13.4)
Costs associated with refinancing	–	(3.9)
Other specific items	0.6	(1.2)
Non-underlying finance costs	(0.2)	(1.6)
Total Other items	(41.7)	(30.5)
Statutory loss before tax	(61.7)	(44.8)

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 2025 are as follows:

- Non-cash impairment charges in the year relate to right-of-use asset impairment in the UK Interiors business (£6.3m) and impairment of goodwill and other intangible assets in the Miers and other former UK Specialist Markets businesses (£23.4m), as a result of a reduction in future cash flow forecasts due to continued challenging market conditions.
- Net restructuring costs in the year comprised £2.8m of redundancy and related staff costs and £6.2m of branch closure costs. The latter includes £4.2m non-cash impairment of right-of-use assets and tangible fixed assets, of which £3.5m relates to a head office property which is no longer being fully occupied by the Group, offset by £1.1m gain on lease terminations, all related to restructuring across the Group.
- 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 comprised income relating to an investment property no longer in use by the Group and other credits relating to the finalisation of amounts included in previous years.

Taxation

The effective tax rate for the Group on the total loss before tax of £61.7m (2024: £44.8m loss) is a “negative tax rate” of 3.9% (2024: negative 8.5%).

The tax charge for the year of £2.4m 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 £7.5m (2024: £8.3m), of which a charge of £1.0m (2024: £1.1m) related to defined benefit pension schemes and £6.5m (2024: £7.2m) related to defined contribution schemes.

The total net liability in relation to defined benefit pension schemes at 31 December 2025 was £16.4m (2024: £18.2m). 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. The next triennial valuation as at 31 December 2025 has recently commenced.

Financial position

Overall, the net assets of the Group decreased by £59.3m to £120.5m (2024: £179.8m), with a cash position at year end of £81.3m (2024: £87.4m) and net debt of £518.2m (2024: £497.3m), which includes net lease liabilities of £323.3m (2024: £321.4m). Excluding lease liabilities net debt was £194.9m (2024: £175.9m).

The movement in net debt mainly reflects the movement in cash noted below. Net lease liabilities increased by £1.9m in the year, including an unfavourable currency impact.

Cash flow

	2025 £m	2024 £m
Underlying operating profit	32.1	25.1
Add back: Depreciation	77.4	78.9
Add back: Amortisation	0.7	1.2
Underlying EBITDA	110.2	105.2
Decrease/(increase) in working capital	28.5	(6.6)
Repayment of lease liabilities	(70.0)	(67.5)
Capital expenditure	(16.0)	(16.1)
Other	(0.7)	2.2
Operating cash flow pre exceptional items¹	52.0	17.2
Cash exceptional items	(9.3)	(13.0)
Operating cash flow¹	42.7	4.2
Interest and financing	(51.2)	(34.8)
Tax	(3.5)	(8.0)
Free cash flow¹	(12.0)	(38.6)
Acquisitions and investments	–	(8.4)
(Repayment)/drawdown of debt	(0.8)	7.3
Total cash flow	(12.8)	(39.7)
Cash and cash equivalents at beginning of the year ²	87.4	132.2
Effect of foreign exchange rate changes	6.7	(5.1)
Cash and cash equivalents at end of the year²	81.3	87.4

1. Operating cash flow represents free cash flow before interest and financing and tax. Free cash flow is defined as all cash flows excluding M&A transactions, dividend payments, and financing transactions.

2. Cash and cash equivalents at 31 December 2025 comprise cash at bank and on hand of £81.3m (2024: £87.4m) less bank overdrafts of £nil (2024: £nil).

During the period, the Group delivered £52.0m of operating cash flow before exceptional cash spend, which represents a 162% conversion of the underlying operating profit. Post exceptional cash, the conversion was 133%. The higher profit in the year and continued working capital discipline were the key drivers of higher year-on-year operating cash flow, partially offset by slightly higher lease repayments. The Group reported a free cash outflow of £12.0m (2024: £38.6m). This improvement versus the prior year resulted from the improved operating cash flow, partially offset by the increased interest payments following the refinancing in October 2024.

Capex during the year was £16.0m (2024: £16.1m).

“Other” in the cash flow includes payments to the Employee Benefit Trust of £1.7m (2024: £0.8m) to fund share plans, £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. Cash exceptional items are those that are related to “Other items” in the Consolidated income statement, and include restructuring costs and ERP implementation costs.

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 secured notes are subject to incurrence-based covenants only. The RCF has a leverage maintenance covenant that was set at 6.5x for 2025, and is set at 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 2025, and remains undrawn at the date of this report.

The Group's liquidity position remained robust throughout 2025, and at the end of the period stood at £171m, consisting of cash of £81m and the £90m undrawn RCF noted above.

	2025 £m	2024 £m
Cash and cash equivalents at end of the year	81.3	87.4
Undrawn RCF at end of the year	90.0	90.0
Liquidity	171.3	177.4
Net debt	518.2	497.3
Leverage	4.7x	4.7x

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 RCF that expires in April 2029. One of the trading businesses also has a £0.5m 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 2025 and remains undrawn at the date of this report.

The Group has adequate 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 2027 ("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 in 2023 and 2024, with LFL revenue declines of 2% and 4% respectively, subdued demand persisted across the Group's markets in 2025, with demand remaining well below historical levels and markets experiencing longer than anticipated delays to the start of meaningful recovery, resulting in flat LFL revenue for the year. Continued market uncertainty, alongside market share gains, is reflected in the base forecasts for 2026. Further progress is also expected on working capital. A severe but plausible downside scenario has been modelled, which factors in a reduction in revenue from the base forecast (and a reduction from the 2025 actual revenue), together with a reduction in gross margin, and results in a 61% reduction in underlying operating profit from the base forecast for the 12 months to 31 March 2027. Certain mitigations are also included, for example delaying planned headcount increases, reducing discretionary spend and delaying non-essential capital expenditure. Under this scenario the analysis shows that sufficient cash would be available without triggering a breach of the leverage covenant at a relevant quarter end date.

Reverse stress testing has also been performed, which shows that the Group could withstand up to an 8% reduction in revenue from the severe but plausible downside scenario for the nine months to the forecast liquidity low point of 30 September 2026, or up to a 14% reduction for the 12 months to 31 March 2027, 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 2027.

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 2027 and the Directors therefore consider it is appropriate to adopt the going concern basis in preparing the 2025 Consolidated financial statements.

Viability statement

In accordance with provision 31 of the 2024 UK Corporate Governance Code ("the Code"), the Directors have undertaken an assessment of the viability of the Group, having given due consideration to the Group's ability to meet its liabilities as they fall due and taking into account the Group's current position.

The Directors confirm that they have also 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 and a description of the principal risks and uncertainties facing the Group are included in this Strategic report on pages 46 to 49. 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 2028 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 and key assumptions

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. The secured notes are subject to incurrence-based covenants only, and the RCF has a leverage maintenance covenant set at 6.5x in 2025 (and therefore no longer applicable), 5.5x in 2026 and 5.0x from March 2027 onwards, which only applies if the facility is over 40% drawn (i.e. over £36m) at a quarter-end reporting date. The Group had a strong liquidity position at 31 December 2025 despite the continued weak markets experienced during the year, with cash of £81.3m and the £90m RCF, which was undrawn throughout 2025 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 2028. The process included a detailed review of the forecasts, led by the Chief Executive Officer and Chief Financial Officer in conjunction with input from divisional and functional management, and these forecasts were reviewed and approved by the Board.

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. Under each of the scenarios considered, the forecasts indicate adequate headroom during the three-year period.

Following two years of market-driven downturn in 2023 and 2024, with a LFL revenue declines of 2% and 4% respectively, subdued demand persisted across the Group's markets in 2025, resulting in flat LFL revenue for the year. Continued market uncertainty is reflected in the base forecasts for 2026, alongside expectations of continued market share gains and further progress on working capital. Market recoveries and ongoing share gains are assumed in 2027 and 2028. The repayment of the €13.5m secured notes in November 2026 is also included in the base forecasts.

A severe but plausible downside scenario has also been modelled, factoring in a reduction in revenue from the base forecast for 2026 (and a reduction from the 2025 actual revenue), followed by reductions from the base forecast in 2027 and 2028, together with reductions in gross margin each year. These assumptions result in modest revenue growth in aggregate over the three years versus 2025 revenue, equating on average to 1.7% per annum, and a small increase in underlying profit over the three years versus 2025, such that 2028 would be slightly higher than the 2025 result. The Group would control costs tightly in this downside scenario to help mitigate the impact to operating profit and cash flow. These mitigations would include, for example, delaying planned headcount increases, reducing discretionary spend and delaying non-essential capital expenditure.

Scenarios

The 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 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 has been modelled by assuming a severe but plausible reduction in revenue and gross margins during the three year period.	– Macroeconomic uncertainty – Change management

Under this scenario the analysis shows that sufficient cash would be available without triggering a breach of the leverage covenant at a relevant quarter end.

To further manage seasonal liquidity low points, or declines from the severe but plausible downside scenario, considered under reverse stress testing, the Group has up to £90m RCF 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 controllable cash phasing and cost mitigations would also be available to help mitigate the requirement to draw over £36m. These would include the extension of the cost reduction initiatives referenced above and, for example, the phasing of procurement spend and payments. Furthermore, the Group has recently announced a focus on optimising and potentially simplifying the portfolio. This is with a view to maximising value for all stakeholders over the medium term, but any progress in this area is also expected to have a beneficial impact on the Group's balance sheet and is therefore a further potential mitigation that could benefit leverage and liquidity.

The Group's RCF and secured notes mature in April and October 2029 respectively. The Group expects to have a plan in place regarding the refinancing of these facilities by the end of the three year viability period.

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 2028.

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 46 to 49 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 49) was approved by the Board of Directors on 3 March 2026 and signed on the Board's behalf by:

Ian Ashton
Director
3 March 2026

Pim Vervaat
Director

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 10 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 objectives

As set out on pages 12 to 13, our new strategy, Vision 2030, focuses on two long-term objectives to improve our operating performance and increase the value we create for shareholders.

The risk matrix that follows also identifies how each risk relates to each of our two strategic objectives:

- Optimise Operating Leverage
- Optimise Business Portfolio

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:

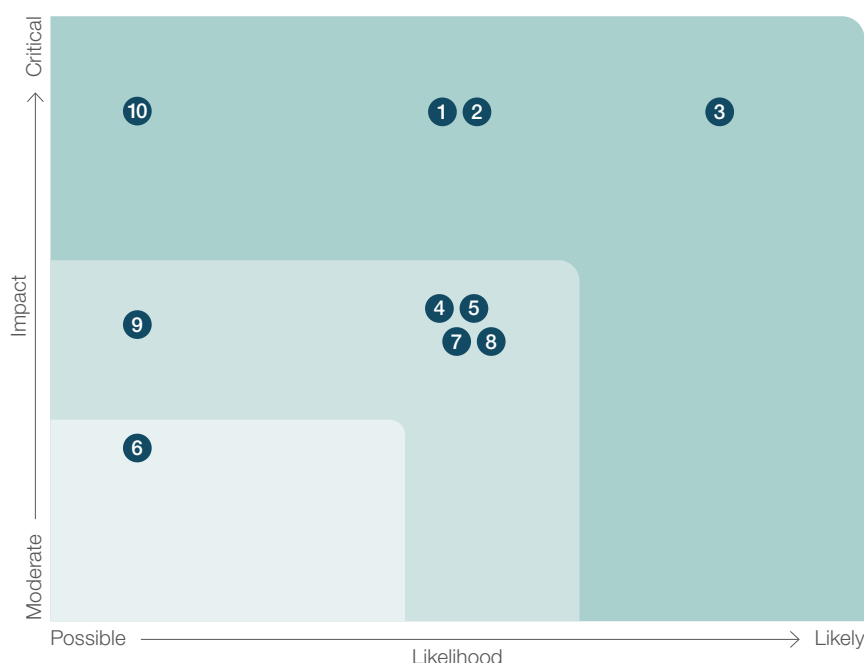
Our compliance, risk management and internal controls functions support the business in ensuring effective implementation of, and compliance with, policies and procedures across the business.

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	In the context of widespread dependency on increasingly complex digital systems, growing cyber threats are outpacing society's 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 demonstrated during 2025 by the high-profile attacks on a number of major UK businesses. The increasing willingness of nation states to engage in asymmetric cyber warfare to achieve geopolitical aims and the relative ease with advances in AI is transforming the threat landscape through the increased automation, sophistication and availability of new cyber threats is lowering the bar for potential adversaries to conduct and engage in cyber-attacks. 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. We also implemented a series of cyber response exercises in 2025 to test and confirm the effectiveness of our cyber capabilities. 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.
Risk movement: ▲		
Link to strategic objectives: 		
2. Health and safety		
Danger of incident or accident, resulting in injury or loss of life to employees, customers, or the general public	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.	Our CEO, supported by the Group HSE Director, is responsible for providing 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: ►		
Link to strategic objectives: 		

Risk movement

▲ increased

► unchanged

▼ decreased

Our strategic objectives

Optimise Operating
LeverageOptimise Business
Portfolio

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:  	Geopolitical and macroeconomic events can lead to a decline in general economic activity and, or including, a decline in construction industry activity. 2025 continued to see further contraction in construction activity across our UK and European markets. A combination of ongoing economic and geopolitical uncertainty and volatility, higher interest rates than those in the years following the global financial crisis, an acceleration in construction costs, and the slow progress in simplifying regulations around building permits continue to delay a meaningful recovery and industry confidence remains fragile. Nevertheless, structural housing shortages and government's desire to address the availability of affordable homes and deliver infrastructure improvements across Europe mean that markets will recover, but its timing will remain contingent on economic and geopolitical headwinds. Any delay in a recovery has the potential to further 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. We will also continue to make the necessary 'self-help' measures to ensure we optimise our organisational resilience and maintain our ability to respond to volatile market conditions.
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 and the potential impacts of changes to the business portfolio on our employees, 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 and their colleagues safe and well.

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 2025, we continued to enhance our data, information management and governance capabilities and will seek to accelerate these capabilities further throughout 2026 as we invest in new or upgraded ERP capabilities across our Irish and French businesses and ensure our IT systems continue to 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.	Our focus areas for 2026 and beyond are outlined on page 32. Our activities 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) to ensure that we are able to effectively track both the progress and financial impacts of these focus areas and ensure we are able to respond to increasing customer demands for environmental performance data. While the EU ESG Omnibus proposals have sought to simplify and reduce the regulatory burden of new legislation, including the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), we remain committed to implementing the appropriate management and reporting arrangements, systems and processes, required to ensure compliance. 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, acquisitions and disposals		
Inability to successfully execute, integrate and leverage merger, acquisition and disposal opportunities Risk movement: ▶ Link to strategic objectives: 	Where necessary, we may from time to time acquire new businesses or dispose of existing business to ensure we optimise and make best use of capital and resources. Such decisions are based on detailed plans that assess the value creation, savings, synergies or efficiency opportunities for the Group. By their nature, there is an inherent risk that we fail to manage the execution and integration or separation risks which may result in delays or additional costs and impact the realisation of anticipated benefits.	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 and disposal 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 strategic objectives



Optimise Operating
Leverage



Optimise Business
Portfolio

Risk	Description	Mitigation
8. Legal or regulatory compliance		
Failing to comply with, or breaching, legal or regulatory requirements Risk movement: ► Link to strategic objectives: 	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: 	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 2025 we started to further investigate the opportunities presented by the development of AI technologies, including exploiting process efficiencies from the use of autonomous AI agents and ensuring we have appropriate oversight and governance for AI-generated outputs and use cases. In 2026 we will also invest in new or upgraded ERP systems for our Irish and French businesses that will enhance our digital capabilities and provide the platform to support further modernisation and efficiency initiatives.
10. Change management		
Inability to change and grow the organisation as planned in order to meet growth targets Risk movement: ► Link to strategic objectives:  	The Group is committed to improving its operating performance with a strategy, key actions and progress on these as set out on pages 10 to 13. 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. We will also continue to perform the necessary assurance activities to ensure that change and transformational programmes are monitored and the benefits realised. 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.

Corporate governance report

Chairman's introduction to Governance



We remain focused on ensuring the Group remains well positioned to benefit from the market recovery when it occurs.”

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 2025.

As outlined in my Chairman's statement on pages 6 to 7, during the year the Group experienced prolonged challenging trading conditions. Notwithstanding this, the performance of the Group showed that it continued to take market share in many of the sectors in which it operates. 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 2025

In 2025, we remained focused on continuing to ensure that the Group is set up for long-term sustainable success. Following the announcement in May that Gavin Stark had resigned as Chief Executive Officer, a key focus for the Board was finding the right successor for the CEO role. As I explained in my Chairman's statement, the Board had already started a selection process to replace me as Chairman at the end of my scheduled term in late 2026, led by our Senior Independent Director Kath Durrant. Pim Vervaat was one of the candidates in that process and we were delighted to announce in July the appointment of Pim as Chief Executive Officer and Chair designate.

Board composition

As at 31 December 2025, the Board comprised seven Non-Executive Directors and two Executive Directors. Pim Vervaat joined the Board on 1 October 2025. Pim has significant experience of operating in decentralised European businesses and a strong track record of delivering shareholder value. The Board looks forward to continuing to work with Pim on SIG's growth and development. It is expected that

Pim will transition to the role of Non-Executive Chair after approximately 18 months in the CEO role, when I intend to step down as Non-Executive Chair, and from the Board. Further information on the CEO recruitment process can be found in the Nominations Committee report on page 68.

Board performance review

This year the Board undertook an internal review of its own and its Committees' performance and effectiveness. I am pleased to report that the review concluded that the Board, its Committees and individual Directors were performing effectively. Further details of the review, together with progress against the outcomes from the 2024 Board performance review, can be found on page 65.

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 60.

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 nine Directors of whom one is a woman. 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 over time. Further details on diversity and inclusion can be found in the Nominations Committee report on page 68.

Sustainability commitments

Progress we have made towards fulfilling our sustainability commitments is contained in the Strategic report set out at pages 16 to 33. The Board received regular updates on progress against these commitments during the year.

Annual General Meeting

The AGM will be held on 30 April 2026 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

3 March 2026

Compliance with the UK Corporate Governance Code 2024

Our Governance sections, set out over the following pages, explain how the Group has applied the principles and complied with the provisions of the Code¹ during the financial year ended 31 December 2025. In 2025, we were fully compliant with the Code with the exception of the matters disclosed below.

Provision 32 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.

Following the retirement as a Director of Gillian Kent at the 2025 AGM, the Board does not meet the requirements of independence contained in Provision 11. Notwithstanding this, the Board is confident that it continues to have the appropriate skills, experience and knowledge to support the Company on the next phase of delivery of its strategy. The Board includes four independent Directors and in addition a Chairman who was independent on appointment. Accordingly, the Board is satisfied that there is sufficient independence contained on the Board. The Company will keep under review the size and composition of the Board to ensure that this remains the case.

Provision 9 provides that the Chair of the Board should be independent on appointment. During the year, Pim Vervaat was appointed as CEO and Chair designate. Accordingly,

he will not be independent on taking up the role as Chair, having previously served as CEO. Provision 9 also provides that a CEO should not become Chair of the same company and that if, exceptionally, this is proposed by a Board, major shareholders should be consulted ahead of the appointment and that the Board should set out its reasons to all shareholders at the time of the appointment and publish these on the company website. The Board complied with these requirements of Provision 9 by consulting with major shareholders ahead of the announcement of Pim's appointment on 8 July, and in setting out its reasons for Pim's appointment in the circular to shareholders convening the General Meeting held on 28 August. As is also contained in the report of the Nominations Committee starting on page 66, the Board is satisfied that exceptional circumstances justify a departure from Provision 9 of the Code to the extent that Pim will not be independent when he takes up the Chair role.

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1. The UK Corporate Governance Code 2024 (the 'Code') can be accessed at www.frc.org.uk.

Board of Directors



Andrew Allner
Non-Executive
Chairman¹

R N

Appointed as Non-Executive Chairman on 1 November 2017.



Pim Vervaat
Chief Executive Officer
and Chair designate

Appointed as an Executive Director, Chief Executive Officer and Chair designate on 1 October 2025.



Ian Ashton
Chief Financial Officer

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



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.



Alan Lovell
Non-Executive Director

A R N I

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

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 with 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

Chair of the McAvoy Group.

Career and experience

Pim brings extensive leadership experience to the Board having served as Chief Executive Officer of large-scale European industrial companies in both the UK listed sector and private equity ownership. Pim was previously CEO of Constantia Flexibles, a multinational €2 billion turnover flexible packaging company. Prior to that he served as CEO of the UK listed plastics products business, RPC Group plc, from 2013 to 2019, where he also served as CFO from 2007 to 2013. Pim is currently Senior Independent Director of Luceco plc, a UK listed company offering wiring accessories, LED lighting, portable power and other products.

Key strengths

Significant experience of operating decentralised European businesses and a strong track record of delivering shareholder value.

Key external appointments

Senior Independent Director of Luceco plc.

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.

Career and experience

Kath has held senior roles at GlaxoSmithKline plc and AstraZeneca plc. She was previously Group Human Resources Director at Rolls-Royce plc and Ferguson plc and held the role 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 extensive leadership expertise across diverse industries and has a proven 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.

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 and of 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
I Independent Director

● Chair of Committee



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 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. Previously, he served as a Chief Financial Officer of Forterra plc and TT Electronics plc and has served as an alternative 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.



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 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 36 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 Director at James Donaldson Group Ltd and Chairman at Smoking Lobster Restaurants (Isle of Wight).



Diego Straziota
Non-Executive Director

A R N I

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 played a pivotal 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 2025

Matters considered	Outcomes, benefits and considerations	Stakeholders considered	
Strategy			
Group plans and budgets	– Approved the 2026 budget and the three-year financial projections. – Received updates and reviewed throughout the year the Group’s financing position, medium-term plan and business plan.	 Shareholders and Investors	 People
Strategy	– Discussed and approved the Group’s updated strategy. – Approved appointments to the new roles of Chief Procurement Officer and Group Corporate Development & Strategy Director.	 Customers	 Suppliers
Business updates	– Reviewed the performance of each of the operating companies. – Received updates on the digital modernisation of the Group. – Approved the renewal of material leases.	 Communities and Environment	
Financial			
Reporting	– Approved the release of Stock Exchange announcements in line with the Disclosure Guidance and Transparency Rules, UK Market Abuse Regulation and other requirements. – Approved the 2024 full-year and 2025 interim results and ensured work was on schedule for the production of the 2025 full-year Annual Report and Accounts. – Reviewed results presentations prepared for investors and employees during the year.	 Shareholders and Investors	 People
Going concern	– Reviewed the Group’s ability to trade as a going concern and its viability. – Approved the 2024 Annual Report Viability Statement upon recommendation of the Audit & Risk Committee.	 Customers	 Suppliers
Treasury policies	– Reviewed and approved the Group’s Treasury policies.		

Matters considered

Outcomes, benefits and considerations

Stakeholders considered

Governance and oversight

Board performance review	– Conducted an annual internal Board performance review. – Reviewed the results of the Board performance review, identified areas for improvement and recommended actions.	 Shareholders and Investors	 People
Succession planning	– Considered and approved the appointment of the new Chief Executive Officer and Chair designate.	 Customers	 Communities and Environment
Shareholders and stakeholders	– Reviewed and approved the 2025 Notice of AGM held in May and Notice of General Meeting held in August. – Reviewed feedback from the Chairman, Committee Chairs, Executive Directors and brokers following meetings with shareholders. – Considered feedback from the Board Workforce Engagement sessions conducted by the Designated Non-Executive Director for Workforce Engagement.		
Legal and compliance	– 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. – Approved the Group's 2025 Modern Slavery Statement, which can be found at www.sigplc.com – Annual review, update and approval of key Group-wide policies, including new requirements introduced by the Economic Crime and Corporate Transparency Act 2023.		
Sustainability	– Reviewed the reporting of the Group against the TCFD pillars and recommended disclosures. – Reviewed progress against the Group's sustainability commitments and received updates on sustainability activities and initiatives. – Approved updated sustainability focus areas for 2026 and beyond.		

Risk management and internal controls

Principal and emerging risks	– Received regular reports on risk management from the Audit & Risk Committee and Chief Financial Officer. – Approved the Group risk register, risk appetite and principal risks.	 Shareholders and Investors	 People
Internal control framework	– Received regular reports from the Audit & Risk Committee on internal controls.	 Customers	 Suppliers
		 Communities and Environment	

Board attendance during 2025

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 2025:

	Scheduled Board (7 meetings) ¹	Scheduled Audit & Risk (4 meetings)	Scheduled Remuneration (5 meetings)	Scheduled Nominations (2 meetings)
Andrew Allner²	7	n/a	5	2
Pim Vervaat³	3	n/a	n/a	n/a
Ian Ashton⁴	7	n/a	n/a	n/a
Shatish Dasani	7	4	5	2
Bruno Deschamps	7	n/a	5	2
Kath Durrant	7	4	5	2
Diego Straziota	7	n/a	n/a	n/a
Gillian Kent⁵	2	1	2	1
Simon King	7	4	5	2
Alan Lovell	6	4	5	2
Gavin Slark⁶	3	n/a	n/a	n/a

1. There were seven scheduled Board meetings and four additional meetings, which were convened principally in connection with the succession planning for the CEO following the resignation of Gavin Slark.

2. The Chairman attended all four Audit & Risk Committee meetings.

3. Following his appointment on 1 October 2025, Pim Vervaat attended all Board and 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.

5. Gillian Kent stepped down as a Non-Executive Director at the AGM on 1 May 2025.

6. Gavin Slark stepped down as CEO and as a Director of the Company on 8 July 2025.

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 that sought re-election attended the 2025 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. 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.

Embedding and monitoring culture

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. 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.

Branch visits

Branch visits are invaluable to the Board, enabling the Directors to meet members of staff and local management and gain a better insight into not only culture and purpose in the working environment, but to also understand the functions of the branches and any restrictions or opportunities they face. In addition to individual visits to branches by Directors, the whole Board visited the Trafford branch in Manchester during the year. Further, the Designated Non-Executive Director for Workforce Engagement carried out a number of branch visits during the year.

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. Despite the continuing headwinds faced by our business, the engagement levels of our people remained encouragingly consistent and above the benchmark for our industry. More information can be found on page 24.

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. All employees, including the Board, 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 to understand their insights and views. This year I met with employees in Belgium, Poland, England, Scotland, Wales and the Netherlands. I learned about their experience of our culture and how we can continue to make SIG a better place to work and for serving our customers.

Our people continue to feel empowered by our local branch-based business model. While our people recognise that the construction market has been challenging in recent years, they feel enabled to make the right decisions for delivering great service to our customers locally. Our people believe that SIG's culture of local empowerment and trust is a differentiator of SIG as an employer.

What has gone well

Our agility and speed to respond to our customers' needs has continued to improve as a result of our local market business model. Our continued investment in upgrading our HGV and forklift trucks has improved our service to our customers. In Poland, the investment in new branches, digitalisation and product availability has boosted the confidence of our people. In Belgium and the Netherlands, the local teams are valuing the senior leadership in place since 2024, which has built confidence and morale across our teams there. Our apprentice programmes were recognised by colleagues as successful and effective and in bringing new ideas into the business.

Where can we improve

The key areas of concern, given the weaknesses in the wider economy and the construction sector across Europe, are cost of living, job security and career development. These concerns have been fed back to our local management teams for them to address.

Simon King

Designated Non-Executive Director for Workforce Engagement

Engagement with our stakeholders

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.



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.
- Results presentations publicly available via the corporate website.
- Investor roadshows, face-to-face meetings and addressing regular investor and analyst enquires.
- Meetings between shareholders and Directors, including the Chairman and Chairs of Board Committees.
- Meeting shareholders at the Annual General meeting.

Outcomes of engagement

- Reviewed the voting results of shareholders who voted at the 2025 AGM.
- Consulted with our major shareholders as required under Code Provision 9 ahead of the announcement of the appointment of Pim Vervaat as CEO and Chair designate.



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.
- Regular communications to employees on Workvivo relating to company news and recognising achievements.
- During the year the Board visited the Trafford, Manchester branch and attended the conference of the UK Interiors operating company.
- 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.

Outcomes of engagement

- Launched a new safety reporting tool across the Group.
- Reviewed feedback from the annual employee engagement survey.
- Reviewed and approved all-employee policies and training, including the refreshed Anti-Bribery, Corruption, Fraud and Tax Evasion policy in light of the new failure to prevent fraud offence under the Economic Crime and Corporate Transparency Act 2023.



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

- 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.
- Engaging with customers at the event to mark the opening of a new branch site in Frankfurt, Germany.

Outcomes of engagement

- Reviewed 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.



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 bribery, corruption, fraud, and tax evasion 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.
- Discussions on supply chain (Scope 3) carbon emissions.
- Reports to the Board made by the CEO regarding relationships with major suppliers.
- Meeting suppliers at the UK Interiors conference.

Outcomes of engagement

- Better understanding of suppliers' strategies.
- Feedback on Scope 3 emissions.



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

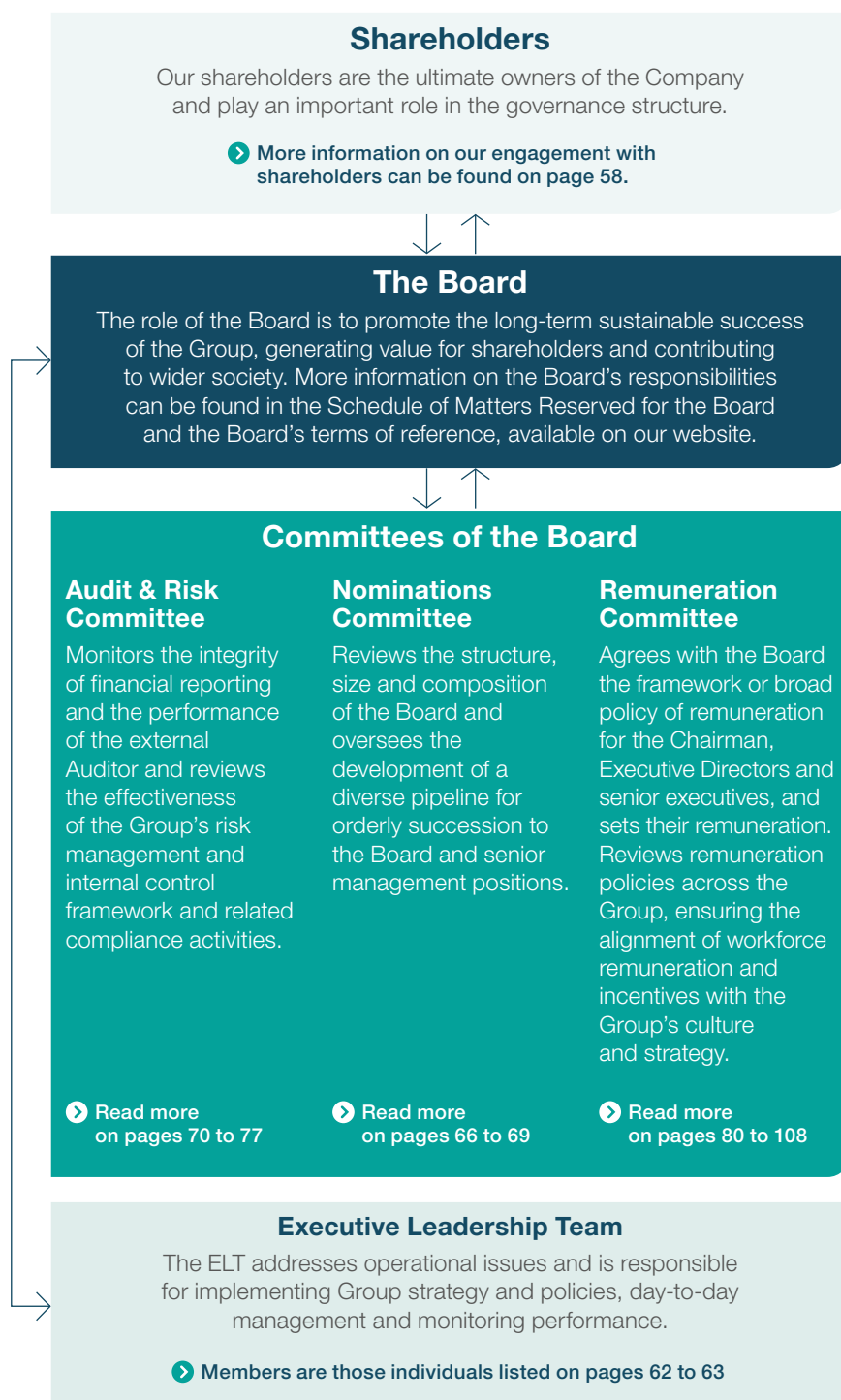
- Sustainability working group meetings comprising Group and operating company sustainability representatives.
- Waste and Fleet forums to facilitate the Group's waste and carbon reduction commitments.
- Throughout the year, our local businesses supported various charities through fundraising efforts and other initiatives to help those in need in the communities in which we operate.
- Regular sustainability updates to understand key sustainability initiatives across the Group.
- Overseeing, considering and reviewing the Group's Environmental, Social and Governance Strategy and sustainability commitments.

Outcomes of engagement

- Approval of the revised Group sustainability focus areas for 2026 and beyond.
- Further assessment of requirements for future sustainability reporting and assurance of reporting.

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.



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. 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 2025 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 sets 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.
- 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 an effective internal control framework 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 material 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 3 March 2026



Pim Vervaat
Chief Executive Officer
and Chair designate

See Pim's biography
on page 52.



Ian Ashton
Chief Financial Officer

See Ian's biography
on page 52.



Julie Armstrong
Chief People Officer

Julie joined SIG as Chief People Officer in 2021, bringing over 22 years' experience across various roles in and outside of HR. Before 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.



Darin Evans
Chief Procurement Officer

Darin joined SIG in September 2025. He has over 25 years' experience in procurement, most recently as an Executive Vice President in global procurement at Berry Global Inc. Prior to this he led Group Purchasing at RPC Group plc before it was acquired by Berry Global, where he then led the Group's global purchasing and procurement programme and relationships across 37 countries.



Alfons Horn
Managing Director Germany

Alfons re-joined SIG in 2021 and has over 27 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 Roofing and joined the ELT. Chris brings over 28 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 Insulation and Drylining. He has a strong background in building materials with over 41 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 17 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 22 years' experience in corporate affairs and investor relations, holding prior roles at Intertek Group plc, Accys Technologies plc and Good Energy plc. She began her career 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 15 years.



Tom Saunderson

Group Corporate Development
& Strategy Director

Tom joined SIG in September 2025. Prior to joining SIG, Tom led M&A and strategy at RPC Group plc and subsequently led corporate development for the EMEA region of RPC's successor company, Berry Global Inc. Tom has over 25 years' experience in corporate development, M&A, corporate finance and strategy, having also worked previously within Grant Thornton's UK lead advisory team. Tom is a qualified chartered accountant and began his career at PwC.



Marcin Szczygiel

Managing Director Poland

Marcin joined SIG in 1999 as Managing Director of SIG Poland. With over 27 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 27 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 Trowers & Hamlin 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 24 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. During 2025, approval was given to Andrew Allner prior to taking up his role as Chair of the McAvoy Group.

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 2026 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 brings considerable management experience and an independent perspective to Board discussions and is considered independent of management. Each of the independent Non-Executive Directors 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 2025 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 101. Full details of Directors' remuneration, interests in the share capital of the Company and share options held are set out on page 106. 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 2026 AGM.

Induction and training

Directors receive induction training on their 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. On appointment, Directors also 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. The Chairman reviews with the Board its ongoing training and development needs.

Board performance review

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

The recommendations from the 2024 performance review are set out below together with a summary of the progress that was made to satisfy the recommendations during the year.

2024 recommendations	Action taken during 2025
Developing the plan to make the Group a profitable, cash generative, and financially sustainable business and one thereby capable of creating value for shareholders	Despite the challenging market conditions that continued to prevail in 2025, the Group delivered improved underlying profitability and a significantly reduced cash outflow. More recently, the Vision 2030 strategy has been published, as explained in more detail in the Strategic report.
Making material progress in addressing the UK Insulation and Drylining business through focused Board reviews, understanding the issues and challenges, and supporting the management team	A new Managing Director joined the business in October 2024, with a clear objective to deliver improved financial returns. During the year the Board supported him with the turnaround of the business. We are pleased to report that despite the challenging trading conditions the business delivered material profit improvement through strong operational execution.
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	The ELT and their first-line reports were strengthened during the year, notably with the appointment of seasoned professionals to the new roles of Chief Procurement Officer and Group Corporate Development & Strategy Director. The Board continued to ensure that it has a flexible and pragmatic framework within which incentives to management can be delivered appropriately, including through the revisions to the Directors' Remuneration Policy to be put to shareholders for approval at the 2026 AGM. The annual employee engagement survey provided the Board with feedback on which to evaluate the Group's culture.

Process and outcomes of the 2025 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 2025 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 2026 include:

- Focus on optimising operational leverage.
- Significant progression on optimising the business portfolio.
- Continuing to develop the Board succession pipeline, including for the Chair and CEO roles.

Further information on the objectives set by each Committee for 2026 can be found in their reports.

Nominations Committee report

Committee members

Andrew Allner¹ (Chairman)

Alan Lovell

Bruno Deschamps

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 2025. 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.

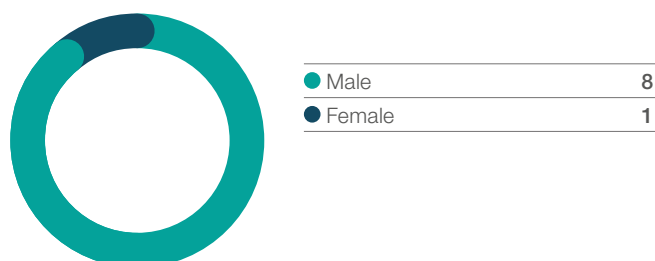
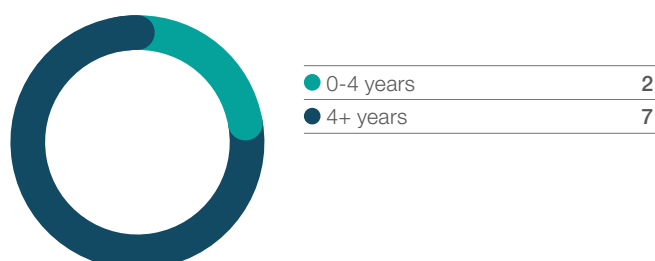
Meetings and membership

During the year, the Committee met on two occasions. Following the resignation of the former Group CEO in May, formal meetings related to the Group CEO succession process were conducted as Board meetings. The quorum for Committee 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 five Non-Executive Directors of whom four 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 56.

Highlights from the year

- Appointment of our new Chief Executive Officer and Chair designate, Pim Vervaat on 1 October 2025.
- 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 (%)**Board gender balance (%)****Board tenure (%)****Ethnic diversity (%)****Summary of Directors' skills¹**

As at 3 March 2026



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 2025**Board composition and succession planning**

The Board comprises nine Directors: the Chairman of the Board, two Executive Directors, and six Non-Executive Directors, of whom four 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.

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 short to medium term with the CEO and Chair designate role change and as other Directors near the end of their tenures. The Committee will lead the appointment process for new Director appointments. For more information on the biographical details for each Director see pages 52 to 53.

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 election or re-election at the 2026 AGM. Details of the reasons each Director continues to contribute to the success of the Group are contained in the Notice of AGM.

Chief Executive Officer recruitment process

At the end of October 2026 I will have served nine years as Chairman and accordingly a formal, rigorous and transparent process to find my successor as Chair was commenced early in 2025, led by the Senior Independent Director Kath Durrant. The Board identified Pim Vervaat, with his significant experience of operating in decentralised European businesses and strong track record of delivering shareholder value, as a potential successor for the Chair role. Following Gavin Slark's resignation as CEO announced on 9 May, the Board asked Pim whether he would be interested in joining the Board as CEO, for a limited period, prior to transitioning to become Chair. Pim, like the Board, felt that this would work well for the business and consequently agreed. Ahead of the announcement on 8 July of Pim's appointment, the Board consulted with the Company's major shareholders in relation to Pim's expected transition from the role of CEO to Non-Executive Chair. As is explained on page 51, the Board is satisfied that these exceptional circumstances justify a departure from Provision 9 of the UK Corporate Governance Code.

It is expected that Pim will transition to the role of Non-Executive Chair after serving approximately 18 months in the CEO role, when I intend to step down as Non-Executive Chair, and from the Board. A process to identify Pim's successor as CEO will be undertaken in advance of this handover. Following the year end, my term of office has been extended to 29 April 2027, being the expected date of the 2027 AGM. The 2026 Notice of AGM sets out why the Board considers it appropriate that I serve as a Director of the Company for slightly in excess of nine years.

Group Executive Leadership Team (ELT) appointments

In September 2025, the ELT was strengthened with two appointments: Darin Evans joined the Group as Chief Procurement Officer and Tom Saunderson joined as Group Corporate Development & Strategy Director. Darin will support each operating company in their procurement strategies whilst Tom will lead strategy and corporate development activities, working with and providing support to the operating companies. Biographical details of all ELT members can be found on pages 62 to 63.

Talent and succession planning

During 2025, the Committee considered succession planning for the ELT. 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 whilst supporting the development of 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 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 2025, 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 nine Directors, of whom one is a woman. 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 2025, representation of women within the ELT was 14%, and within the ELT and their direct reports was 31%. 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 UKLR 6.6.6R (9) can be found on page 111.

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 shortlist of diverse candidates.

SIG has a number of diversity and inclusion initiatives underway across the business and a Group DEI framework guides 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. This year, we expanded the scope of our DEI initiative through THRIVE@SIG, a holistic approach to workplace culture and wellbeing, supporting all our people. Further information on our DEI activities during the year can be found on page 24.

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 2025 and further details can be found on page 65. The recommendations from the Committee's 2024 performance review are set out below together with a summary of the progress that was made to satisfy the recommendations during the year:

2024 recommendations	Action taken during 2025
Board structure and succession	Succession planning was a key focus of the Committee following the resignation of the previous CEO, which led to the appointment of Pim Vervaat as CEO and Chair designate in October 2025. The process to find Pim's successor will commence during 2026. The Committee notes that some Directors are now serving, or are due to shortly begin serving, their final terms of office and succession planning will continue to be a key focus area.
Review of ELT talent and succession	During the year, there were two new joiners to the ELT, being the Chief Procurement Officer and the Group Corporate Development & Strategy Director. The Committee's view was that the appointments were important to support the Group's future growth and development.
Review of talent pipelines for leadership and critical roles	During the year, the Committee reviewed the talent and succession pipeline for ELT roles, assessing critical skills and retention risks.

The priorities that the Committee has established for 2026 include:

- Succession for the Group CEO role.
- Board structure and NED succession.

Andrew Allner

Chair of the Nominations Committee

3 March 2026

Audit & Risk Committee report

Committee members

Shatish Dasani (Chair)

Alan Lovell

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 2025. 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 robustness 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 control framework 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.
- Ensuring compliance with the 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, ensuring the necessary resources are in place for it to perform effectively.
- Reviewing and approving the annual internal audit plan and monitoring its effectiveness, including reviewing timely implementation of management actions on agreed control recommendations.

Sustainability reporting

- Reviewing whether sustainability related disclosures, particularly in the context of new and upcoming reporting requirements, are appropriate and whether the assumptions used in the financial statements are aligned with these disclosures.

Meetings and membership

The Committee meets regularly throughout the year, with four meetings being held during 2025. 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 52 to 53.

Attendance by individual members of the Committee is disclosed in the table on page 56. The Committee Chair regularly invites senior management to attend meetings of the Committee to discuss or present specific items.

The CFO, Ian Ashton, attended all of the Committee meetings in 2025, 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 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

- Review of the 2024 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 2025 half-year results announcement
- Post-investment reviews
- Biannual cyber security review
- Review of current and proposed sustainability reporting obligations
- Received updates on the work underway to prepare for the changes introduced by the UK Corporate Governance Code 2024 ("the Code"), specifically in relation to the new Provision 29

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
- Progress on identification of material controls and plans for testing purposes of Provision 29 of the Code
- 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 2025 actions
- Review of the effectiveness of the Internal Audit function
- Review of the Committee terms of reference
- Facilities management risk assessment update
- IT general controls assessment SIG France and SIG UK

The Committee in 2025**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 2025 impairment review have been reviewed. The Committee considered the impairments of goodwill and intangible assets recognised in relation to Miers (£20.7m) and the former UK Specialist Markets businesses transferred into UK Interiors (£2.7m) and is satisfied with the conclusions reached. For the other CGUs where the assessment is based on value in use, the Committee considered the level of headroom and sensitivity analysis performed, in particular the percentage change in the key assumptions that would be required to lead to the value in use equalling carrying value. The Committee 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 the independent third-party valuations for a number of properties, based on the potential rental income to be obtained from subletting. An impairment of £6.3m 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 also considered the impairment review performed in relation to the parent company's investments in subsidiaries and was satisfied that the £28.3m impairment charge is appropriately recognised and disclosed in the Company financial statements. Outcome: The Committee was satisfied with the conclusions reached and with 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 2025 compared to the supplier rebate income recognised, and has reviewed the relevant disclosures in the Consolidated financial statements. Outcome: The Committee was satisfied that the recognition and measurement of supplier rebate income was disclosed appropriately.
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. Outcome: The Committee agreed that the costs were appropriate to be treated as non-underlying.
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. Outcome: On the basis of the financing available to the Group and the Group's latest financial forecasts, the Committee was 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 41.

Oversight of the risk management and internal control framework

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.

Major activities performed as part of the annual controls plan for 2025 included:

- Identifying key material controls across the Group and a framework for ongoing governance;
- Implementing fraud prevention measures as a result of the Economic Crime and Corporate Transparency Act 2023;
- UK third-party shared services audit;
- Review and refresh of the quarterly key controls statement; 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.

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 reviews of:

- AI Governance
- International sourcing due diligence
- UK Entertainment & Hospitality
- SIG Poland IFS ERP implementation
- SIG UK product information management

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 2025 are set out below together with a summary of how these were addressed during the year:

1. 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.

During 2025 the status of the Internal Audit plan was reviewed at every Committee meeting and approval was sought for potential additions or other amendments to the plan. Internal Audit also met with the Chair of the Committee to discuss potential audit topics for 2026 and presented an indicative internal plan for consideration at the December meeting.

2. Assess the quantity of audits to be conducted during the year, aim to complete audits within the agreed timeframe to mitigate disruption to the Opcos and ensure findings and remediation are discussed, taking account of the level of resource and costs.

The Committee approves the annual audit plan and reviews the progress of the Group Director of Audit and Risk in delivering the plan through regular updates to the Committee, with a focus on monitoring of open or overdue management actions and commitments made.

3. Explore the use of technology and further embedding of data analytics techniques to continue to develop the effectiveness and efficiency of the internal audit.

In 2025 a digitalisation strategy for the Internal Audit function was presented to the Committee, and there has since been investment in skills and training for the Internal Audit function and Internal Controls team through the use of Microsoft CoPilot to perform volume testing and data analytics. To further improve the use of new technologies, an AI augmented ACL data analytics tool will be introduced in 2026.

4. Ongoing focus required to continue to improve the timeliness of management response to audit findings and drive actions in line with the agreed timetable.

The Internal Audit function utilises a third party database to manage the monitoring and reporting of agreed management actions. Regular reports were provided to the Committee on the status of open and overdue management actions, with a focus on understanding the reasons for delays and mitigations implemented to minimise potential risk exposures. Internal Audit also re-audited topic areas where significant issues were identified, and in 2025 re-audited risks and recommendations relating to property and quality assurance audits performed the previous year. In both instances, all significant actions were found to have been addressed.

The evaluation for 2025 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 2026 were agreed by the Committee and include:

1. Assess the quantity of audits to be conducted during the year and work closely with the operating companies to determine reasonable timelines for closing audit actions, taking account of business priorities and resources.
2. Further evolve data analytics capabilities of the IA function and assess the use of AI by the operating companies including the risks to the business of utilising AI.

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 2025.

This financial year end is Ernst & Young's eighth 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 third 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 July, 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 2024, 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 2023 across all areas. There was a slight decrease in ratings compared to 2023, mainly due to changes to the EY audit team in Germany. There were improvements in ratings in France and Benelux, which were the two operating companies with the lowest ratings in the prior year. 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 was 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 2025.

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.

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 2025 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 2025 were £0.2m, primarily the interim review (2024: £0.4m, including £0.2m assurance services in connection with the refinancing completed in the year). The total fees payable to the external Auditor for audit services in respect of the same period were £2.7m (2024: £2.6m). Current year costs include £0.1m in relation to the 2024 audit (2024: £nil in relation to the 2023 audit).

The ratio of audit to non-audit fees was 13.5:1 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 141.

A full breakdown of external Auditor fees is disclosed in Note 3 to the Consolidated financial statements on page 141.

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 2026 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.

Review of 2024 Report and Accounts by FRC

SIG's 2024 Report and Accounts were one of those selected for review by the FRC's Corporate Reporting Reviews team. That team's monitoring activity is designed to stimulate improvements in the quality of corporate reporting to increase trust by investors.

We were pleased that, following this review, there were no questions or queries raised by the FRC with the Group on its 2024 report and accounts.

The FRC permits issuers to publicly refer to its reviews provided that the scope of the FRC's review is also presented for investors and shareholders, as follows:

- The review was based solely on the 2024 Annual Report and Accounts and did not benefit from any detailed knowledge of SIG's business or an understanding of the underlying transactions entered into. It was, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework.
- The FRC's findings provide no assurance that the 2024 Annual Report and Accounts were correct in all material respects; the FRC's role is not to verify the information provided to it but to consider compliance with reporting requirements.
- The FRC (which includes its officers, employees and agents) accepts no liability for reliance on its findings by the issuer or any third party, including but not limited to investors and shareholders.

Committee performance review

An internal performance review of the Committee was conducted for 2025 and further details can be found on page 65. The recommendations from the Committee's 2024 performance review are set out below together with a summary of the progress that was made to satisfy the recommendations during the year:

2024 recommendations	Action taken during 2025
Continue monitoring key and emerging risks faced by the business, including that created by the tough trading situation	The Committee reviews and approves key and emerging risks at the half year and the year end. At the half year the principal risk register was updated to reflect the ongoing challenging trading conditions across the Group and the impact on performance and cash generation, which were stress tested as part of the going concern and viability assessment. The Committee noted new emerging risks, including increased cyber threats driven by AI and machine learning, and potential delays to UK residential construction arising from Building Safety Regulatory approvals. These risks will continue to be monitored by the Committee throughout 2026.
Continue to oversee effectiveness of the Finance function across the Group	During the year the Committee received and discussed an update from the CFO on the effectiveness of the Finance function across the Group.
Maintain focus on integrity of financial information and control standards	At each of its meetings the Committee received updates on controls across the Group, in line with the controls plan for the year. Responsibility for controls is in each operating company with the effectiveness of the controls being overseen by the Group Head of Internal Controls.
Oversee the implementation of new reporting and governance requirements so as to ensure a balanced approach	During the year the Committee approved the approach that would be undertaken to identify the Group's material controls, to ensure readiness for future compliance with Provision 29 of the Code. The Group Director of Audit & Risk worked closely with the Group Head of Internal Controls and operating companies to determine for each principal risk a breakdown of material risks and the effectiveness of the relevant controls. Work will continue during 2026 with regular progress updates to the Committee.

The priorities that the Committee has established for 2026 include:

- Oversight of the work around Provision 29 and the Board declaration on control effectiveness.
- Continued monitoring of risks faced by the Group, particularly in relation to cyber.
- Maintain focus on the integrity of financial information and control standards during the period whilst the Group's new strategy is being implemented.

Shatish Dasani

Chair of the Audit & Risk Committee

3 March 2026

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 70 to 77.

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 44 to 49.
- 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 2026.

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 2025 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 2025 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 2025 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 (“ITGC”). 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 Audit & Risk Committee;
- during 2025 the Group Internal Audit team also performed reviews of control effectiveness of RACMs relating to supplier rebates in the UK operating companies. RACM reviews were additionally undertaken in the Polish and German operating companies regarding the close of financial periods and in the UK concerning the use of AI technologies;
- the Group Delegation of Authority policy was refreshed and approved by the Board in May 2025 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 undertook ITGC assessments in the UK, France and Germany.

Financial reporting

- In addition to the general internal controls and risk management processes described on pages 44 to 49, 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 2025 and up to and including the date of this report.

Directors' remuneration report

Committee members

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



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Dear Shareholder,

On behalf of the Remuneration Committee, I am pleased to present the Directors' remuneration report for 2025. As in previous years, the Annual report on remuneration and this annual statement are subject to an advisory vote at the 2026 AGM.

The Committee was appreciative of the high level of shareholder approval at the 2025 AGM for the 2024 Directors' remuneration report, which received slightly in excess of 99% of votes in favour.

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 current Directors' Remuneration Policy is due to reach the conclusion of its three-year term, so a new policy is being presented for shareholder approval at the 2026 AGM. During 2025, the Committee undertook a comprehensive review of the existing Policy and concluded that some amendments should be proposed to provide additional flexibility over the next three years. The revised policy is set out on pages 88 to 99. In line with standard governance practice, the Committee will continue to review the effectiveness of the policy annually to ensure that it has operated as intended.

The main proposed changes are to enable the Committee to grant long-term performance share awards in place of or alongside the restricted share awards that have been granted to Executive Directors since 2020. Given our expected need, during the lifetime of this policy, to recruit a CEO of the calibre required to successfully lead the business, the Committee believes that introducing this flexibility is essential. The current limit of 125% of salary in restricted shares will remain, but if performance share awards are made then their limit will be 250% of salary (reflecting a market standard conversion rate of 1:2). Alternatively, flexibility will be provided for a mixture of restricted and performance share awards to be granted. The limit in relation to any one year will reflect the proportions outlined above.

For 2026, it is not envisaged that any performance share award will be granted to an Executive Director. However, if performance share awards are granted during the lifetime of the policy, the performance conditions will be weighted at least 75% to financial measures (e.g. Total Shareholder Return, EPS, ROCE and Cash Flow) aligned to our long-term business strategy.

It is the Committee's intention, where practicable, to consult with major shareholders at the appropriate time if it intends to grant performance share awards to Executive Directors in place of or alongside the restricted share awards over the lifetime of the policy.

Performance in 2025

As set out in further detail in the Strategic report, 2025 was a year of continued financial and operational discipline against a backdrop of challenging markets and a CEO transition.

The Group has reported an underlying operating profit of £32.1m at an operating margin of 1.2%, with strategic and operational initiatives mitigating in part the impact of the weaker markets, and a like-for-like sales performance that demonstrates a continued strong performance relative to our markets. Set alongside the expectations we had at the beginning of the year, this is reflected in the lower than target bonus payment for the Executive Director. The Group reported a statutory loss before tax, after interest and Other items, of £61.7m.

Group performance

Metric	2025	2024
Revenue	£2,591.0m	£2,661.8m
Like-for-like sales growth	0%	(4)%
Gross margin	24.2%	24.5%
Underlying operating profit	£32.1m	£25.1m
Average trade working capital to sales ratio	12.9%	13.9%
Underlying operating margin	1.2%	1.0%

In 2025, we took further actions to execute strategic initiatives to drive cost savings and productivity to support profitability, and began to evolve our strategy under our new CEO Pim Vervaat, as announced in early 2026. Further detail of our progress is set out on pages 10 to 13.

At SIG, we believe all employees, customers and suppliers should be able to work in a safely managed environment. In 2025, our LTIFR was 7.8 and this remains a strategic focus for the coming year as we are committed to lowering our score. We have continued to maintain good employee engagement levels despite a challenging year and our people continued to show strong commitment during 2025. Employee engagement in 2025 was 70%, only 1% lower than the last two years where we have scored 71%, and our eNPS remained the same as last year at +9 which is encouraging progress from our 2021 position of 2% below the industry benchmark. This improvement, achieved against a backdrop of continued market challenges, demonstrates the energy, resilience and motivation of our people as they work to secure and strengthen our market position.

Board changes

During the year, Gavin Slark resigned as CEO in May. In line with the policy, the Board determined that all of his unvested share awards would lapse and no termination related payments or benefits were made. Our CFO Ian Ashton assumed CEO responsibilities for five months while the Board completed a search process for a replacement. Details of the additional remuneration for the CFO for this period are detailed on page 100.

In October, the Board appointed a new CEO and Chair designate, Pim Vervaat. To facilitate this appointment, the Remuneration Committee agreed a one-off recruitment share

award of 285% of base salary. The new CEO's salary was set at £750,000, which is 7.9% higher than the outgoing CEO's salary, reflecting the absence of pension or benefits and noting that it will be frozen at this level until the end of 2026. There is no entitlement to an annual bonus during 2025 and 2026 for the CEO. It is also our intention that the CEO will not receive any further share-based awards during his expected 18-month tenure as CEO. The Remuneration Committee determined that this structure of remuneration and level of salary and recruitment award were entirely appropriate and in the Company's best interests. The Board is satisfied that the transition was managed in accordance with established governance standards and ensured stability during the transition period. As the one-off recruitment share award was not covered by the current policy, shareholders were asked to approve the award at a General Meeting on 28 August 2025. The resolution passed with a level of support of 95.25%.

Since joining SIG in October, Pim has initiated a review of the Group's strategy and portfolio of businesses to improve shareholder value creation. The resulting new strategic framework is called 'Vision 2030'. Pim has also strengthened the Executive Leadership Team and taken further action to reduce cost, commencing with the removal in Q4 2025 of the management structure supporting UK Specialist Markets.

Corporate governance and remuneration

The Committee sets high standards in corporate governance, and during the year the Committee:

- approved 2024 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 60 individuals, including the Executive Directors, under the terms of the SIG plc 2020 Restricted Share Plan;
- approved the vesting of the March and September 2022 restricted share awards and approved in principle the March 2023 restricted share 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;
- formally reviewed an analysis of the underpin and windfall tests that apply to the outstanding Restricted Share Plan ("RSP") awards; and
- approved the remuneration of the new CEO effective 1 October 2025 and the CFO's temporary salary increase over the period that he covered the duties of the CEO.

An internal evaluation of the Committee was conducted in 2025 and further details can be found on page 108.

Salary increases

Throughout our businesses we have implemented an annual salary review. As noted in the 'Board changes' section of this letter, the Committee agreed that the CEO would not receive an increase for 2026 and that the CFO's increase would not exceed the general workforce average for 2026. The CFO received an increase of 2%, in line with the UK workforce average increase. Additionally for the period the CFO assumed CEO responsibilities, the Committee approved a temporary salary increase to reflect the increased accountability and strategic oversight required in fulfilling both executive roles. The Committee also determined that the Chair and NED fees would not increase for 2026. Annual salary reviews in our operating countries take place between January and April, with average increases ranging from 1.5% to 4.5% for 2026. The annual salary reviews in our Benelux operation are subject to collective labour agreements.

Annual bonus outcomes for 2025

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. Having undertaken this review, the Committee was satisfied that the bonus was appropriate in this context.

Focusing on the individual performance of the 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. The resulting level of bonus was 47.8% of maximum for the year. More detail can be found on page 101.

Annual bonus design for 2026

Financial measures will represent 90% of the overall bonus opportunity for 2026, with the remainder reflecting a strategic focus including health and safety performance. Underlying operating profit will continue as the measure of profit representing 45% weighting, with cash-based measures of working capital and free cash flow, equally split, representing 45% weighting.

RSP awards

Under the terms of the 2020 RSP, awards granted in March 2023 will vest on 10 March 2026. The Committee has 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 an award in 2026 of restricted shares only, representing 125% of salary, to the CFO, subject to a similar underpin as that used for the 2025 award. This is an increase from the grant level in 2025 of 100% of salary and reflects the Committee's assessment of the CFO's performance in 2025, amidst the significant market challenges faced by the Company during the year, and his criticality to the business. As referred to earlier and as voted on by shareholders at the General Meeting on 28 August 2025, the CEO will not receive an award under the 2020 RSP in 2026.

Focus for the year ahead

The Committee's 2026 objectives include:

- review the Executive Directors' Remuneration Policy to ensure continued strategic alignment, regulatory compliance and shareholder support;
- 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 amended short and long-term incentive plans to ensure they assist in delivering the required performance;
- ensure that talent is appropriately incentivised, and that SIG remains able to attract and retain individuals of the calibre required to lead the business;
- appraise incentives containing ESG (including health and safety) measures following the increased focus on health and safety; and
- review updates received from the Chief People Officer regarding developments in workforce reward, incentive and benefit structures.

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

3 March 2026

How do our incentives align to our strategy?

Our new Vision 2030 strategy is aimed at improving the Group's performance throughout 2026 to 2030, and hence enhancing value for shareholders and all other stakeholders. As set out in our Remuneration Policy, RSP awards are subject to a general underpin on business performance, allowing the Committee to review holistically the overall performance of the Group and individuals, as well as wider 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 purpose

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

Our strategic pillars

Optimise Operating Leverage

Driving improved financial performance and a higher operating margin through further cost and efficiency programmes, including improved procurement, to maximise our operational leverage as markets improve and revenues grow.

Optimise Business Portfolio

Assessing opportunities to simplify and optimise the current business portfolio to enhance the Group's focus on its most attractive growth markets and deliver value creation.

Our key performance indicators

Like-for-like sales	Gross margin	Operating margin	Average trade working capital to sales ratio	LTIFR	GHG emissions per £m of revenue	eNPS
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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	Commercially sensitive – 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	✓

Remuneration principles

Our remuneration principles 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 communicated clearly to individuals. – Pay arrangements are fair and equitable across the Group.
Rewarding contribution and performance	– Bonus plans are designed 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 and objectives are accurately assessed. – Health and safety is a feature of all management and executive plans.
Transparency and participation	– Remuneration decisions are communicated effectively through stakeholder engagement. – Incentive and benefits plans are clear 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.

It also ensures that the annual bonus plans and share incentive plans of our senior management teams across our countries 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 the decisions made on Executive Director pay by providing information on where 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 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 a selection of employees through a Town Hall briefing hosted by the Group Head of Reward to solicit employee views and sentiment, including discussions focused on executive remuneration and corporate governance. 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, ensuring that they are objectively justifiable; and
- if the approach seems fair and equitable in the context of other employees.

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 2025, the average UK employee base salary increase was 2%.	Salary increases are considered in the context of the wider workforce review and Group performance. No salary increase was awarded to either the CEO or CFO in 2025.
Pensions and benefits	We offer market-aligned benefits packages in each country in which we operate. Where appropriate, we offer benefit choices to our employees.	Pension contributions do not exceed those of UK employees. Benefits are aligned to those received by the senior leadership team in the country of operation.
Bonus plan	Over 93% of our workforce participate in a cash bonus scheme. The level and performance targets differ depending on the role and country of operation.	Previous CEO annual bonus of up to 150% of base salary; current CEO does not receive a bonus; 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	Fifty-eight senior leaders participated in the RSP in 2025, 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. In 2025, an award of 125% of salary was made to the previous CEO, and an award of 100% of salary was made to the CFO.
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

The Committee is comfortable that the Remuneration Policy operated as intended in 2025, as set out in the following table. The full Remuneration Policy is detailed in the Policy section of this Annual Report.

The Group's policy is to provide remuneration packages that provide fair reward for the contributions individuals make to the business which are appropriately competitive in order to attract, retain and motivate talent of the right calibre to lead the business. A significant proportion of remuneration is in the form of variable pay, linked to specific and stretching targets that align with the creation of shareholder value and the Group's strategic goals.

To avoid conflicts of interest, no individual is involved in the decision-making process related to their own remuneration. In particular, Executive Directors' remuneration is set and approved by the Committee; Executive Directors are not 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 2025	How we will implement the policy in 2026
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 2025 were as follows: – previous CEO £695,250 pa – current CEO £750,000 pa – CFO £424,000 pa The general UK employee base salary increase was 2%.	Executive Director salaries for 2026 are as follows: – CEO £750,000 pa – CFO £432,477 pa The CEO's salary is in line with that set on his recruitment, whilst the CFO has received a salary increase of 2%, in line with the general employee base salary increase in the UK.
Pension		
Provides a fair level of pension provision for all employees.	The previous CEO and the CFO 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.	As noted, the CEO does not receive a pension allowance. The CFO's pension remains unchanged.
Benefits		
Provides a market standard level of benefits.	The benefits received by the previous CEO and the CFO were as follows: – car allowance – private medical insurance – income protection – life assurance	As noted, the CEO does not receive any benefits. The CFO's benefits are unchanged.
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 2025 was as follows: – previous 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 101 for bonus outcomes for 2025.	As noted, the current CEO is not eligible for an annual bonus in 2026. The CFO's opportunity remains at 125% of base salary. The health and safety override will continue to operate in 2026. The performance measures for 2026 are underlying operating profit (45%), free cash flow (22.5%), average Group working capital divided by annual sales (22.5%) 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.

Element and link to strategy

How we implemented the policy in 2025

How we will implement the policy in 2026

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 2025 were as follows:

- previous 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.

The current CEO will not be granted an RSP award in 2026.

The CFO's award will increase to 125% of base salary to reflect his excellent performance in role and his criticality to the business.

Share ownership requirements

The Group requires 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 their appointment, and it is a condition of continued participation in the scheme. 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 NEDs with the necessary experience to advise and assist with establishing and monitoring the Group's strategic objectives.

Fees for 2025 were not increased.

Fees for 2025 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 2025 and it was agreed that they would not increase for 2026.

Directors' Remuneration Policy

This section of the report sets out the Company's amended Remuneration Policy for Executive and NEDs, to be approved by shareholders at the AGM on 30 April 2026. Once approved, the amended Remuneration Policy may operate for up to three years.

Subject to approval by shareholders at the 2026 AGM, this policy will be effective for the 2026 financial year and so will apply to incentive awards with performance periods beginning on 1 January 2026. Payments to Directors can only be made if they are consistent with a shareholder approved policy or amendment to the policy. The amended Remuneration Policy has been prepared in accordance with the requirements of UK company law and regulations. It also meets the relevant requirements of the Financial Conduct Authority's Listing Rules and describes how the Board has applied the principles of good governance as set out in the 2024 UK Corporate Governance Code.

The Committee will continue with a degree of flexibility to ensure the practical application of the amended Remuneration Policy. Where such discretion is reserved, the extent to which it may be applied is described. The purpose of the amended Remuneration Policy remains to attract, retain and motivate the Group's leaders and ensure they are focused on delivering business priorities within a framework designed to promote the long-term success of the Group, aligned with shareholder interests.

Changes in the amended Remuneration Policy

The following table sets out the material changes in the amended Remuneration Policy from the current policy (approved by shareholders in 2023) and the rationale:

Element	Changes to policy	Rationale
Base salary	Where an individual's role/responsibilities change, a stepping up allowance as an alternative to a temporary salary increase will be able to be paid.	This provides added flexibility within the policy.
Long-term incentives	Currently only restricted share award can be granted. In place of some or all of the annual restricted share award, a performance share award will be able to be granted at a rate of two performance shares for each restricted share. Performance share awards will only vest to the extent that performance targets set by the Committee have been met and normally only three years after their grant.	The Company anticipates appointing a new CEO during the three-year policy period and wants to ensure that there is the flexibility within the policy to link the vesting of long-term incentives and performance delivery.
Non-Executive Director and Chair fees	Enable other forms of payment than cash and allow the participation in benefit arrangements available to the UK workforce.	This provides added flexibility within the policy.

Considerations when setting the amended Remuneration Policy

In setting the amended Remuneration Policy for the Executive Directors and senior management, the Committee has considered:

- the need to maintain a clear link between the overall reward policy and the specific performance of the Group;
- the need to achieve alignment to the Group's strategy both in the short and long-term;
- the requirement for remuneration to be competitive, with a significant proportion dependent on risk-assessed performance targets;
- the responsibilities of each individual's role and their individual experience and performance;
- the need to attract, retain and motivate Executive Directors and senior management when determining remuneration packages, including an appropriate proportion of fixed and variable pay;
- the need to be compliant with the regulatory framework applicable to the Group;
- pay and benefits practice and employment conditions both within the Group as a whole and within the sector in which it operates; and
- periodic external comparisons to examine current market trends and practices and equivalent roles in companies of similar size, business complexity and geographical scope.

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 and retention 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 typically 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 are recruited or promoted to 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 increases for employees until the target positioning is achieved. Where an individual's role or responsibilities change, a temporary salary increase or an allowance may be paid.	There is no maximum limit on salaries, but the Committee ensures that salary levels are positioned having regard to salary levels at companies of a similar size or sector to SIG. 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) or for any other reason that the Committee deems appropriate.	A broad assessment of individual and business performance is used as part of the salary review. No recovery provisions apply.
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.

Element and link to strategy	Operation	Maximum	Performance conditions and recovery provisions
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 create and deliver a successful 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.
Annual bonus plan			
The annual bonus plan provides a significant incentive to the Executive Directors linked to achievement of goals that are closely aligned with the Group's strategy and the creation of value for shareholders.	Details of the performance conditions, targets and their level of achievement in 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 as deemed appropriate. No less than one-third of any bonus earned is deferred in 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. The percentage of bonus maximum earned for levels of performance where relevant targets can be set is: – 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. Due to commercial sensitivity of the detailed financial targets used for the annual bonus, disclosing precise targets for the annual bonus plan in advance would not be in shareholders' interests. Actual targets, performance achieved and awards made will be published annually in the Directors' remuneration report following the performance period, so shareholders can fully assess the basis for any payouts under the annual bonus. The annual bonus plan contains malus and clawback provisions.

Element and link to strategy	Operation	Maximum	Performance conditions and recovery provisions
Long-term Incentive Plan ("LTIP")			
Long-term Incentive Plan awards are designed to incentivise the Executive Directors over the longer-term to successfully implement the Group's strategy. They may be made as restricted share ("RSP") awards and/or performance share ("PSP") awards.	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 – for RSP awards, the satisfaction of an underpin as determined by the Committee whereby the Committee can adjust vesting for business, individual and wider Group performance, – for PSP awards, the satisfaction of one or more performance conditions. 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 taxes on the shares. The Committee may award dividend equivalents on RSP and/or PSP awards to the extent that these vest.	Maximum value of 125% of salary per annum of RSP awards based on the market value shortly before grant, or 250% of salary per annum of PSP awards based on the market value shortly before grant, or a combination of RSP and PSP awards in direct proportion. 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 awards will normally be subject to an underpin such that the Committee will have the discretion to adjust vesting taking into account business, individual and wider company performance. The performance conditions to be applied to PSP awards will be set prior to grant and align to the delivery of the Group's strategic objectives. At least 75% of the award will be based on financial and/or share price related metrics (e.g. Total Shareholder Return, EPS, ROCE or Cash Flow). The threshold level of vesting for any PSP awards will be no more than 20% of each separate part of an award. Awards are subject to clawback and malus provisions.

The Committee will operate the annual bonus plan and the LTIP within the policy detailed above and in accordance with their respective rules.

In relation to the discretions included within the annual bonus plan and the LTIP rules, these include, but are not limited to: (i) who participates in the plans; (ii) testing of the relevant performance targets; (iii) undertaking an annual review of performance targets and weightings; (iv) the determination of the treatment of leavers in line with the plan rules; (v) adjustments to existing performance targets and/or share awards under the plans if certain relevant events take place (e.g. a capital restructuring, a material acquisition/divestment etc) or for any other reason the Committee deems appropriate, with any such adjustments to result in the revised targets being no more or less challenging to achieve; and (vi) dealing with a change of control.

The Committee retains discretion in exceptional circumstances to change bonus plan and LTIP performance measures and the targets and weightings attached to performance measures part-way through a performance period if there is a significant and material event or any other reason the Committee deems appropriate 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 or LTIP 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 or LTIP awards that vest resulting from the application of the performance measures.

Any discretion applied by the Committee will be fully disclosed in the following year's Directors' remuneration report.

The Committee will take into account the following factors (amongst others) when determining whether to exercise its discretion to adjust the number of shares vesting under an LTIP award:

- 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.
- whether there has been 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.
- the level of employee and customer engagement over the period.

Legacy remuneration arrangements

All variable remuneration arrangements previously disclosed in prior years' Directors' remuneration reports or approved by shareholders will remain eligible to vest or become payable on their original terms and vesting dates, subject to any related clawback provisions.

Shareholding requirement

The Committee requires Executive Directors to build up their holdings in the Company's shares to a level of 300% of their salary. This is to be achieved through retaining 100% of the post-tax amount of vested shares from the Company incentive plans until the minimum shareholding requirement is met and maintained.

The Committee retains the discretion to increase the shareholding requirements.

The post-cessation shareholding requirement is aligned to the full in-employment requirement as listed above (or the executive's actual shareholding on cessation if lower) for two years following cessation of employment. In exceptional circumstances, the Committee may exercise discretion to reduce the amount and/or time period for the post cessation of employment requirements. Any exercise of this discretion will be fully disclosed and explained in the next Directors' remuneration report

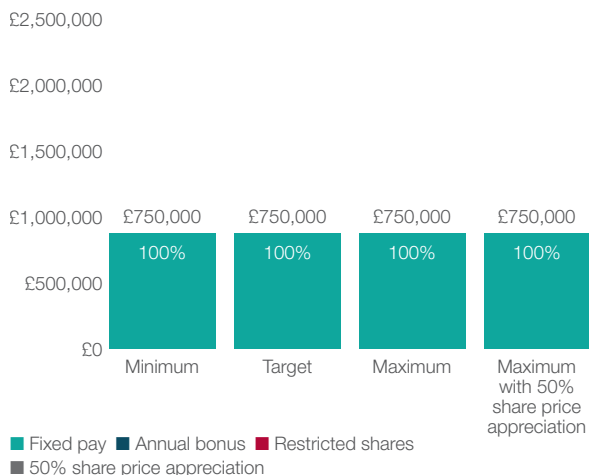
Non-Executive Director's Remuneration Policy table

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 NEDs with the necessary experience to advise and assist with establishing and monitoring the Group's strategic objectives.	The Board sets the remuneration of the NEDs. The Committee sets the Chair's fees. Fees are typically reviewed annually. NEDs are paid an annual basic fee and additional fees for chairing of committees. The Group retains the flexibility to pay additional fees for the membership of committees. The Chair does not receive any additional fees for membership of committees. Additional fees may be paid to the Chair and NEDs if additional time commitments or roles outside the normal scope of their appointments (e.g. in periods of M&A activity) are required. The Group retains the flexibility to pay Chair and NED fees in a form other than cash if deemed appropriate. NEDs and the Chair do not participate in any variable remuneration or pension arrangements. They are not prohibited from participating in benefit arrangements that are available to UK-based employees so long as there is no additional cost to the Group in them doing so. The Group will pay reasonable expenses incurred by the NEDs and Chair in carrying out their duties and may settle any tax incurred in relation to these.	There is no maximum limit on fees for NEDs and the Chair, but fees are broadly set at a competitive level having regard to fee levels at companies of a similar size or sector to SIG. In general, the level of fee increase for the NEDs and the Chair will be set taking into account any change in responsibility and the general increase in salaries across the UK workforce.	No performance or recovery provisions applicable.

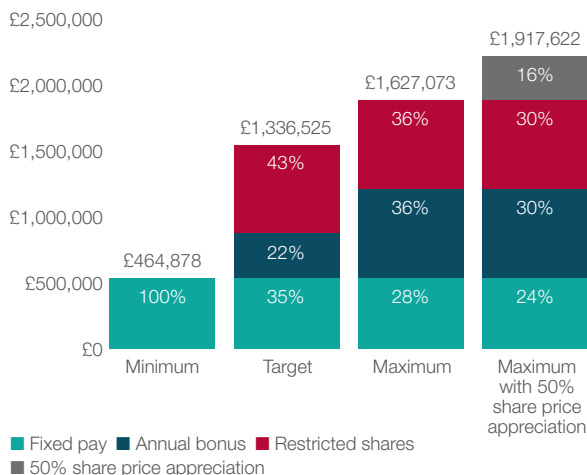
Illustration of application of new Remuneration Policy

The chart below shows an estimate of the remuneration that could be received by Executive Directors under the proposed amended Remuneration Policy set out in this report:

Chief Executive Officer



Chief Financial Officer



Scenario charts show 'minimum', 'target' and 'maximum' scenarios in accordance with the regulations, as well as the impact of a 50% share price growth on the long-term incentives for the 'maximum' scenario. All scenarios do not account for dividend equivalents on deferred bonus shares or LTIP awards.

Assumptions used in determining the level of pay-out under given scenarios are as follows:

Element	Minimum	Target	Maximum	Maximum with 50% share price growth
Fixed pay	Base salary for 2026 Benefits for CFO based on amount paid in 2025. No benefits for CEO Pension contribution of 5% for CFO. No pension contribution for CEO			
Annual bonus	Nil	50% of the maximum opportunity	100% of the maximum opportunity	100% of the maximum opportunity
LTIP awards	0% vesting; underpins not met Award levels of 125% of salary for the CFO	100% vesting of awards Award levels of 125% of salary for the CFO	100% vesting of awards Award levels of 125% of salary for the CFO	100% vesting of awards Award levels of 125% of salary for the CFO

Discretion within the Directors' Remuneration Policy

The Committee has discretion in several areas of the amended Remuneration Policy as set out in this report. The Committee may also exercise operational and administrative discretions under relevant plan rules as set out in those rules. In addition, the Committee has the discretion to amend the Remuneration Policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or await shareholder approval.

In addition to the performance metrics set by the Committee annually for the incentive plans, the Committee will also assess the overall, or underlying, performance of the Group and the operating companies. In light of this assessment, the Committee may make a downward adjustment, including to zero, to the vesting outcome on all or any of the performance metrics.

The Committee will also assess the risk performance of the Group and the operating companies, and may make a downward adjustment, including to zero, to the vesting outcome on all or any of the bonus and/or LTIP performance metrics, to take account of any material failures of risk management or regulatory compliance in the Group and the operating companies.

Additionally, Committee discretion can be applied in implementing the post-employment shareholding requirement including in cases of significant financial hardship, material ill-health and conflict of interest.

Malus and clawback

Malus is the adjustment of the annual bonus plan payments or unvested LTIP awards or the imposition of additional conditions because of the occurrence of one or more circumstances listed below. The adjustment may result in the value of an outstanding award being reduced to nil.

Clawback is the recovery of payments made under the annual bonus plan or vested long-term incentive awards as a result of the occurrence of one or more circumstances listed below. Clawback may apply to all or part of a participant's payment under the bonus plan or LTIP awards and may be effected, among other means, by requiring the transfer of shares, payment of cash or reduction of awards or bonuses.

The circumstances in which malus and clawback could apply are as follows:

- Discovery of a material misstatement resulting in an adjustment in the audited accounts of the Group or any Group company.
- The assessment of any vesting condition or any other condition under the plan was based on error, or inaccurate or misleading information.
- The discovery that any information used to determine the award was based on error, or inaccurate or misleading information.
- Action or conduct of a participant which amounts to fraud or gross misconduct.
- Events or the behaviour of a participant have led to the censure of a Group company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company provided that the Board is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to the participant.
- Material failure of risk management.
- Corporate failure.

	Annual bonus (cash)	Annual bonus (deferred shares)	LTIP awards
Malus	Up to the date of the cash payment.	To the end of the three-year vesting period.	To the end of the three-year vesting period.
Clawback	Two years post the date of any cash payment.	n/a	Two years following the end of the vesting period. The total malus and clawback period may be extended where there is an ongoing internal or regulatory investigation.

The Committee believes that (i) the Group's incentive plans rules provide sufficient powers to enforce malus and clawback where required and (ii) the applicable time periods are appropriate and likely sufficient for any issues to be identified.

Loss of office policy

When considering compensation for loss of office, the Committee will always seek to minimise the cost to the Group whilst applying the following philosophy:

Remuneration element	Treatment on cessation of employment
General	The Committee will honour Executive Directors' contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee would determine such mitigation as it considers fair and reasonable in each case. There are no contractual arrangements that would guarantee a pension with limited or no abatement on severance or early retirement. There is no agreement between the Group and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid. The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.
Salary, benefits and pension	These would be paid over the notice period. The Group has discretion to make a lump sum payment in lieu.

Remuneration element	Treatment on cessation of employment		
Annual bonus plan	Good leaver reason	Other reason	Discretion
Cash	Performance conditions will be measured at the bonus measurement date. Bonus will normally be pro-rated for the period worked during the financial year.	No bonus payable for the year of cessation.	The Committee has discretion to determine: – that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which would be explained in full to shareholders at the appropriate time; and – whether to pro-rate the bonus to time. The Committee's normal policy is that it would pro-rate bonus for time. The Committee has the discretion to not pro-rate in circumstances where there is an appropriate business case which would be explained in full to shareholders at the appropriate time.
Deferred share awards	All subsisting deferred share awards will vest.	Lapse of any unvested deferred share awards.	The Committee has discretion to: – determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which would be explained in full to shareholders at the appropriate time; – vest deferred shares at the end of the original deferral period or at the date of cessation. The Committee would make this determination depending on the type of good leaver reason resulting in the cessation; and – determine whether to pro-rate the maximum number of shares to the time from the date of grant to the date of cessation. The Committee's normal policy is that it would not pro-rate awards for time, but the approach would be determined at the appropriate time based on the circumstances of the Executive Director's departure.
LTIP	Good leaver reason	Other reason	Discretion
For the year of cessation	The award will normally be pro-rated for the period worked during the financial year and underpins/performance conditions will be assessed.	No award for year of cessation.	The Committee has discretion to determine: – that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion where there is an appropriate business case which would be explained in full to shareholders at the appropriate time; – whether to pro-rate the award to time. The Committee's normal policy is that it would pro-rate for time. The Committee has the discretion to not pro-rate in circumstances where there is an appropriate business case which would be explained in full to shareholders at the appropriate time; and – whether the award will vest on the date of cessation or the original vesting date. The Committee would make its determination at the appropriate time based amongst other factors on the reason for the cessation of employment.

Remuneration element	Treatment on cessation of employment		
	Good leaver reason	Other reason	Discretion
LTIP			
Subsisting awards	Awards will typically be pro-rated to time and will typically vest on their original vesting dates and remain subject to the holding period and underpins/ performance conditions will be assessed.	Unvested awards will be forfeited on cessation of employment. Vested awards will remain subject to the holding period	The Committee has discretion to determine: – that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which would be explained in full to shareholders at the appropriate time; – whether to pro-rate the award to the date of cessation. The Committee's normal policy is that it would pro-rate but the approach would be determined at the appropriate time based on the circumstances of the Executive Director's departure; – whether the awards vest on the date of cessation or the original vesting date. The Committee would make its determination at the appropriate time based amongst other factors on the reason for the cessation of employment; and – whether the holding period for awards applies in part or in full. The Committee would make its determination at the appropriate time based amongst other factors on the reason for the cessation of employment.

The following definition of leavers will apply to all the above incentive plans. A 'good leaver' is one whose cessation of employment falls into the following circumstances:

- death
- ill-health
- injury or disability
- retirement with agreement of the employing Group company
- employing company ceasing to be a Group company
- transfer of employment to a company which is not a Group company
- at the discretion of the Committee (as described above).

Cessation of employment in circumstances other than those set out above is cessation for other reasons.

Change of control policy

Name of incentive plan	Change of control	Discretion
Annual bonus plan	Typically pro-rated for time and performance to the date of the change of control.	The assessment is to take place at the time of the change of control. The Committee has discretion regarding whether to pro-rate the bonus to time. The Committee's normal policy is that it would pro-rate the bonus for time. It is the Committee's intention to use its discretion to not pro-rate in circumstances only where there is an appropriate business case.
Deferred share awards	Subsisting deferred share awards will vest on a change of control.	The Committee has discretion regarding whether to pro-rate the award to time. The Committee's normal policy is that it would not pro-rate awards for time, but the approach would be determined at the appropriate time depending on the circumstances of the change of control.
LTIP	The number of shares subject to subsisting RSP or PSP awards will vest on a change of control typically pro-rated for time and performance against any underpins or performance conditions.	The Committee has discretion regarding whether to pro-rate the LTIP awards for time. The Committee's normal policy is that it would pro-rate the LTIP awards for time. It is the Committee's intention to use its discretion to not pro-rate in circumstances only where there is an appropriate business case. The Committee also has discretion to consider attainment of any underpins or performance conditions.

Recruitment and promotion policy

Remuneration for new recruits will be assessed in line with the same principles as set out in the Remuneration Policy table. The Committee is mindful that it wishes to avoid paying more than it considers necessary to secure a preferred candidate with the appropriate calibre and experience needed for the role. In setting the remuneration for new recruits, the Committee will have regard to guidelines and shareholder sentiment regarding one-off or enhanced short-term or long-term incentive payments, as well as giving consideration for the appropriateness of any performance measures associated with an award. The Group's policy when setting remuneration for the appointment of new Directors is to consider the following:

'Buy out' of incentives forfeited on cessation of employment	Where the Committee determines that the individual circumstances of recruitment justify the provision of a buyout, the equivalent value of any incentives that would be forfeited on cessation of an Executive Director's previous employment would be calculated, taking into account the following: – the proportion of the performance period completed on the date of the Executive Director's cessation of employment; – the performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied; and – any other terms and conditions having a material effect on their value ("lapsed value"). The Committee may then grant up to the same value as the lapsed value, where possible, under the Group's incentive plans. To the extent that it is not possible or practical to provide the buyout within the terms of the Group's existing incentive plans, a bespoke arrangement would be used.
Relocation policies	In instances where the new Executive Director is required to relocate or spend significant time away from their normal residence, the Group may provide one-off compensation to reflect the cost of relocation for the Executive Director. The level of the relocation package will be assessed on a case-by-case basis but would take into consideration any cost-of-living differences/housing allowance and schooling, and typically not exceed a period of two years from recruitment.

Where an existing employee is promoted to the Board, the Remuneration Policy for existing Executive Directors would only apply from the date of promotion onwards. The previous elements of the employee's existing remuneration package would be honoured and form part of the ongoing remuneration of the person concerned. These would be disclosed to shareholders in the remuneration report for the relevant financial year.

The Group's policy when setting fees for the appointment of a new Chair or NEDs is to apply the policy which applies to the current Chair or NEDs.

Where an interim CEO or deputy CEO is appointed but without being a Director of the Company, the Remuneration Policy for existing Executive Directors would apply from appointment but there would be no retrospective application of the Remuneration Policy, therefore any existing remuneration arrangements, subsisting incentive awards and notice period would be permitted to continue for up to the earlier of 12 months from appointment or the next date of award/review date. A stepping up allowance may be paid for the duration of their appointment.

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 Committee may in exceptional circumstances, arising on recruitment, allow a longer period, which would typically reduce to 12 months following the first year of employment. The NEDs of the Company do not have service contracts. The NEDs are appointed by letters of appointment.

Each independent NEDs term of office runs for a three-year period. The Company follows the UK Corporate Governance Code's recommendation that all Directors be subject to annual reappointment by shareholders.

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
Pim Vervaat	1 October 2025	12 months	12 months	None
Ian Ashton	1 July 2020	6 months	6 months	None

To the extent amendments are made to the Executives' contracts in the year, this section will be updated in the next Annual Report to reflect the changes made in the year.

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	1 November 2017	1 November 2023	29 April 2027
Bruno Deschamps ²	10 July 2020	10 July 2023	9 July 2029
Diego Straziota ²	4 May 2023	4 May 2023	3 May 2029
Kath Durrant	1 January 2021	1 January 2024	31 December 2026
Shatish Dasani	1 February 2021	1 February 2024	31 January 2027
Simon King ²	1 July 2020	1 July 2023	30 June 2029

1. Following the year end date, the term of office for Andrew Allner was extended to 29 April 2027, being the expected date of the 2027 AGM.

2. Following the year end date, each of these terms of office for Bruno Deschamps, Diego Straziota and Simon King were renewed for a further three years.

Policy on other appointments

Executive Directors are permitted to hold non-executive directorships in a FTSE company and the fees from their appointment may be retained, provided that the Board considers that this will not adversely affect their executive responsibilities.

Consideration of employment conditions elsewhere in the Group.

Consideration of employment conditions elsewhere in the Group

Each year, prior to reviewing the remuneration of the Executive Directors and the members of the Executive Leadership Team, the Committee considers a report prepared by the Chief People Officer detailing base pay and share schemes practice across the Group. The report provides an overview of how employee pay compares to the market and any material changes during the year, and includes detailed analysis of basic pay and variable pay changes within the UK.

While the Group does not directly consult with employees as part of the process of reviewing Executive Director pay and formulating the Remuneration Policy, the Group does receive an update and feedback from the broader employee population on an annual basis using an engagement survey, which collates information relating to remuneration, and consults a representative sample of employees on executive remuneration as part of the workforce engagement agenda.

Consideration of shareholder views

The Committee takes the views of shareholders seriously and these views are taken into account in shaping Remuneration Policy and practice.

Shareholder views are considered when evaluating and setting remuneration strategy and the Committee welcomes an open dialogue with its shareholders on all aspects of remuneration. The Committee consulted its major shareholders and major proxy agencies on the proposed amended Remuneration Policy. The Committee is grateful for the time taken to consider the Committee proposals and provide feedback. At the end of the consultation the majority of shareholders consulted indicated they were supportive of the amended Remuneration Policy.

Compliance with UK Corporate Governance Code

The following table sets out how the amended Remuneration Policy aligns with the UK Corporate Governance Code and ensures that the remuneration arrangements operated by the Group are aligned to all stakeholder interests including those of our shareholders:

Key remuneration element of the 2024 UK Corporate Governance Code	Alignment with our proposed amendments to the Remuneration Policy
Five-year period between the date of grant and realisation for share incentives	The LTIP meets this requirement through a three-year vesting/ performance period followed by a two-year post-vesting holding period.
Phased release of equity awards	The LTIP meets this requirement as awards are made in an annual cycle.
Discretion to override formulaic outcomes	Included in the terms and conditions of the annual bonus plan and the LTIP.
Post-cessation shareholding requirement	The full in-employment requirement must be held for two years following cessation of employment.
Pension alignment	All Executive Directors' pension contributions are aligned with wider employee contributions.
Extended malus and clawback	The malus and clawback provisions align with the FRC's Board Effectiveness Guidance.

Annual report on remuneration

The following section provides details of how SIG's Remuneration Policy was implemented during the financial year ended 31 December 2025.

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 2026 AGM. The information on pages 100 to 107 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 2025 and the prior year. Gavin Slark stepped down as CEO on 8 July 2025 and Pim Vervaat was appointed as CEO on 1 October 2025. Their remuneration has been pro-rated to these dates where appropriate. The CFO's base salary and pension contributions increased compared to 2024 reflecting the temporary salary increase awarded in respect of the additional responsibilities undertaken during the CEO transition period.

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	2025	363	6	0	0	18	0	387	387	0
	2024	695	11	145	0	35	0	886	741	145
Pim Vervaat	2025	188	8	0	0	0	0	195	195	0
Ian Ashton	2025	479⁵	20	286	95⁶	24⁷	0	904	523	381
	2024	424	20	74	127 ⁸	21	0	665	465	201

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 provided to employees. In addition, taxable benefits in respect of the CEO include travel and accommodation costs incurred for travel between their overseas residence and the UK for business purposes, which are treated as taxable benefits under UK tax legislation.
3. Annual bonus: payment for performance during the year (including any deferred portion).
4. Pension: the Company's pension contribution during the year.
5. The increase in base salary reflects the temporary salary increase awarded for the CEO transition period.
6. The value for the LTIP represents the RSP award vesting on 10 March 2026, based on the three-month average share price to 31 December 2025 of 9.22p. As the award will not vest before the publication of the 2025 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. The award is not subject to performance conditions but is subject to an underpin applicable during the three-year vesting period.
7. The increase in pension contributions reflects the temporary increase in base salary awarded for the CEO transition period.
8. The March 2025 RSP award vested after the publication of the 2024 Annual Report. For the purposes of that report, its value was estimated based on the three-month average share price to 31 December 2024. The award vested on 14 March 2025, and its value has been restated here (£127k) to reflect the actual number of shares and executed price of 12.74p on the date of vesting.

Single total figure of remuneration for Non-Executive Directors (audited)

The table below sets out the single total figure of remuneration received by each NED for services rendered to the Group as a NED for the year ended 31 December 2025 and the prior year.

	Base fee		Committee Chair/Senior Independent Director fees		Total fees	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Andrew Allner (Chairman)	241	241	–	–	241	241
Alan Lovell	67	67	–	–	67	67
Bruno Deschamps ¹	67	67	–	–	67	67
Gillian Kent ²	22	67	–	–	22	67
Kath Durrant	67	67	22	22	89	89
Shatish Dasani	67	67	12	12	79	79
Simon King	67	67	10	10	77	77
Diego Straziota ¹	67	67	–	–	67	67

1. The fees paid to Bruno Deschamps and Diego Straziota are not retained by them individually but paid to CD&R.

2. Gillian Kent stepped down as a NED at the AGM on 1 May 2025. This figure pertains to the period 1 January 2025 to 30 April 2025.

2025 bonus out-turn

The maximum potential bonus opportunity for Gavin Slark (previous CEO) was 150% of salary and for Ian Ashton (CFO) was 125% of salary. Pim Vervaat (CEO) was not eligible to participate in the 2025 bonus plan.

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 2025, 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%	29%	0	104.1
	£32.1m	£31.5m	£35.0m	£38.5m			
Average working capital ² (20%)		25%	50%	100%	57%	0	68.2
	12.9%	13.6%	13.0%	12.3%			
Free cash flow ³ (10%)		25%	50%	100%	100%	0	59.9
	£(12.0)m	£(42.5)m	£(34.0)m	£(25.5)m			
Strategic objectives (10%)	See below pay-out level				90%	0	53.9
Total⁴						0	286.1

1. Group underlying operating profit, adjusted for M&A during the year. No M&A transactions were undertaken in 2025.

2. Average working capital – calculated as 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

Gavin Slark resigned as CEO in May 2025 and was therefore not eligible for a bonus in respect of the year.

Chief Financial Officer

Bonusable objectives	Measures	Outcome
Business performance	Continued opex reduction ensuring clear plans in place across all businesses. Drive short-term working capital and cash performance.	The Group achieved operating cost savings of £39 million against the prior year, pre inflation, which was also well in excess of the internal budget. Working capital ratios continued to improve. These factors both contributed very positively to the Group's full year financial performance, supported by effective engagement with MDs across the business.
Investor relations	Both business performance and changes to strategy communicated to and understood by investors.	The Group maintained clear and timely communications with equity and debt investors during the year, including in relation to financial performance and the CEO transition. The results and reporting processes continued to operate effectively.
M&A and capital allocation	Portfolio and capital allocation decisions made and executed upon.	During the period of CEO transition, certain activities were temporarily deferred. Strong support provided to the incoming CEO in establishing priorities and developing a clear forward plan, including detailing key recommendations and milestones to the Board.
Audit and control	Maintain and improve, where necessary, high standards of audit and control across the business.	The audit process was again completed successfully. The Financial Reporting Council review of the Annual Report and Accounts concluded with no comments or questions. The Group continues to demonstrate a strong position in relation to the new Material Controls requirements when benchmarked against peers.
ESG/People	SIG's drive to deliver on Sustainability including net zero 2035 ambition and people development.	A revised ESG program was agreed. Employee engagement within the Central Finance team increased year on year, and the team continued to operate effectively and increasingly efficiently. Clear view obtained of talent and succession pipeline.

The Committee evaluated the performance of the CFO against the above outcomes and scored this part of the bonus at 9% out of the 10% available for these strategic objectives.

Restricted share awards vesting in March 2026

Awards granted on 10 March 2023 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.
- 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.

2025 restricted share awards

Gavin Slark and Ian Ashton were granted RSP awards of 125% and 100% of salary respectively on 27 March 2025. 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 14.03 pence per share, which was the three-month average share price up to and including the date of grant.

Gavin Slark forfeited his 2025 RSP award upon his resignation in May 2025. However, details of the award are included below for completeness.

The normal vesting date of the award will be 27 March 2028, being the third anniversary of the award date. The award 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 award will normally be exercisable until the day before the 10th anniversary of the award date. The award is 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	27 March 2025	100	6,194,315	£869,062
Ian Ashton	27 March 2025	100	3,022,066	£423,996

New CEO recruitment share award

To facilitate his appointment as CEO and Chair designate, Pim Vervaat was granted an award of shares with a value of 285% of his salary (calculated using a share price of 14.57p, being the average daily closing share price over the three months prior to 8 July 2025, the date his appointment was announced). The award is equal to 190% of his salary on an annualised basis over the 18 months of his expected tenure as CEO. This is slightly less than the target bonus (75% of salary) and RSP award (125% of salary) for the CEO role under policy. As the award was outside of the Directors' Remuneration Policy, it was approved by shareholders at a General Meeting in August 2025 following prior consultation with major shareholders. Consistent with his expected tenure as CEO, the award will vest 18 months after grant, so that he does not have any unvested share awards at the time he assumes the role of Non-Executive Chair. The shares that vest from this award will have a minimum holding period which ends on the later of (i) the fifth anniversary of the date of grant and (ii) the date that Pim ceases to be a Director of the Company. The Committee retains the discretion to vary the number of shares that vest if the circumstances at the time of vesting necessitate this.

Other than if there is a change of control following which the Company's shares remain listed, in the event of a change of control of the Company, the recruitment award will vest in full and not be reduced as a result of time pro-rating by the Company's Remuneration Committee, as may otherwise be the case in line with the Remuneration Policy for RSP awards. The approach taken to the award is consistent with its vesting period.

In the event that Pim becomes a 'good leaver' before the normal vesting date, the award may be time pro-rated by the Committee by reference to the proportion of the 18-month vesting period which has elapsed on the date Pim ceases employment (or, if the Committee so decides, the date he gives (but not receives) notice to so cease), unless the Committee at the time determines that a less stringent pro-rating level should apply.

If the reason for being a 'good leaver' is that Pim has retired but, during the 12 months post-resignation he commences a full-time executive role in another organisation, then the award will lapse to the extent unexercised, and the Committee may require him to return any shares (or the value thereof) that he has acquired pursuant to the award. The malus and clawback provisions in respect of the award will otherwise be the same as under the RSP, save that they will not apply in relation to actions or events that took place prior to 1 October 2025 (the date on which Pim's appointment as CEO became effective).

The details of this award are set out in the table below:

Executive Director	Date of grant	% of award for minimum performance	Shares subject to award	Face value
Pim Vervaat	1 October 2025	100	14,674,121	£2,137,500

Directors' interests in SIG shares (audited)

The interests of the Directors in office during the year ended 31 December 2025, and their families, in the ordinary shares of the Company at the dates below were as follows:

	Shares held		Nil-cost options held			Shareholding required (% basic salary) ¹	Current shareholding as a % of basic salary ²	Requirement met ²
	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			
Gavin Slark ³	890,000	–	–	–	–	300%	20%	No
Pim Vervaat ³	3,000,000	–	–	14,674,121	–	300%	144%	No
Ian Ashton ⁴	827,102	1,288,537	–	6,282,734	–	300%	129%	No
Andrew Allner	288,384	–	–	–	–	–	–	–
Kath Durrant	193,292	–	–	–	–	–	–	–
Alan Lovell	500,000	–	–	–	–	–	–	–
Bruno Deschamps	Nil	–	–	–	–	–	–	–
Simon King	388,391	–	–	–	–	–	–	–
Shatish Dasani	420,000	–	–	–	–	–	–	–
Diego Straziota	Nil	–	–	–	–	–	–	–

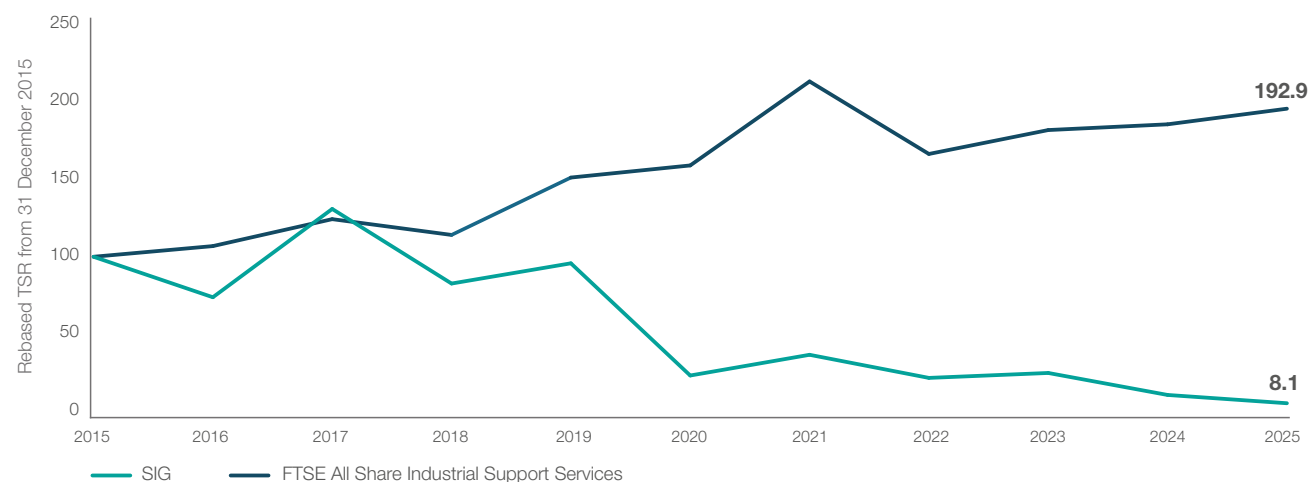
- This relates to the in-employment shareholding requirement. Executive Directors are expected to achieve target shareholdings within five years of appointment. In the event of cessation, Executive Directors are expected to hold the lower of this shareholding requirement and their actual holding on cessation.
- Pim Vervaat and Ian Ashton's holdings are based on the SIG share price of 10.04p as at 31 December 2025. The post-tax value of the RSP awards granted in March 2023, March 2024 and March 2025 have been included in the current shareholding figure. The % shareholding will fluctuate due to share price movements at each year end.
- Gavin Slark was appointed as CEO on 1 February 2023 and stepped down as CEO on 8 July 2025. His shareholdings are as at the date he resigned using the share price on that day of 15.38p. Pim Vervaat was appointed as CEO on 1 October 2025.
- Ian Ashton was appointed as CFO on 1 July 2020. Ian Ashton exercised 1,400,167 share options during the year and there was no increase in the value of shares as a result of share price movement between the time of grant and exercise (2024: £nil).

On 14 January 2026, Pim Vervaat bought 500,000 shares. There have been no other changes to shareholdings between 1 January 2026 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 10 year period to 31 December 2025. 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



CEO pay in the last 10 years

The table below shows how pay for the CEO role has changed in the last 10 years.

Year	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	2025 £'000	2025 £'000
Incumbent	Stuart Mitchell ¹	Mel Ewell ²	Mel Ewell	Meinie Oldersma ³	Meinie Oldersma	Meinie Oldersma	Meinie Oldersma ³	Steve Francis ⁴	Steve Francis	Steve Francis	Steve Francis ⁴	Gavin Slark ⁵	Gavin Slark	Gavin Slark ⁵	Pim Vervaat ⁶
Single figure of remuneration	581	100	150	794	669	688	258	850	1,315	1,435	876	874	886	387	195
% of max annual bonus earned	n/a	n/a	n/a	70	0	0	0	57	87	96.5	22.1	22.5	13.9	0	n/a
% of max LTIP awards vesting	n/a	n/a	n/a	n/a	n/a	0	n/a	n/a	n/a	n/a	100	n/a	n/a	0	n/a

1. 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.
2. 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.
3. Meinie Oldersma was appointed CEO on 3 April 2017. The 2017 figure pertains to the period 3 April 2017 to 31 December 2017. He 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.
4. 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.
5. Gavin Slark was appointed CEO on 1 February 2023. The 2023 figure pertains to the period 1 February to 31 December 2023. He stepped down from his role as CEO on 8 July 2025, and his remuneration relates to the period he served. He did not receive a bonus for 2025, and all of his unvested share awards lapsed.
6. Pim Vervaat was appointed CEO on 1 October 2025. The 2025 figure pertains to the period 1 October to 31 December 2025.

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 2025 and 2024, 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 2025 v 2024			% change 2024 v 2023			% change 2023 v 2022			% change 2022 v 2021		
	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
Gavin Slark (previous CEO) ¹	(47.8)	(48.1)	(100)	12.4	(31.2)	(30.5)	–	–	–	–	–	–
Pim Vervaat (CEO)	–	–	–	–	–	–	–	–	–	–	–	–
Ian Ashton (CFO) ²	13.0	0.8	288.5	3	(13.3)	(31.8)	5	2	(77)	3	0.6	12.4
Andrew Allner (Chairman)	0	–	–	3	–	–	4	–	–	3	–	–
Shatish Dasani	0	–	–	2.5	–	–	3	–	–	11.8	–	–
Bruno Deschamps	0	–	–	3	–	–	4	–	–	3	–	–
Kath Durrant	0	–	–	11.6	–	–	7	–	–	3	–	–
Gillian Kent ³	(66.7)	–	–	3	–	–	4	–	–	3	–	–
Simon King	0	–	–	2.6	–	–	3	–	–	19.4	–	–
Alan Lovell	0	–	–	(7.4)	–	–	(0.25)	–	–	3	–	–
Diego Straziota	0	–	–	56.4	–	–	–	–	–	–	–	–
Average % increase for employees	3.2	(6.2)	50.8	3.6	1.0	(4.0)	6.7	0	(41.1)	5.6	(5.6)	(18.3)

1. Gavin Slark stepped down as CEO on 8 July 2025. The reduced % change reflects that only part of the year is reported for 2025.
2. Ian Ashton's increase in salary is attributable to a temporary adjustment made to recognise the additional duties he assumed during the CEO transition period.
3. Gillian Kent stepped down as a NED at the AGM on 1 May 2025. The reduced % change reflects that only part of the year is reported for 2025.

CEO pay ratio

Financial year	Method used	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2025	Option B (Gender Pay Data)	20:1	18:1	11:1
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 2025, 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 2025 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 2025.

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.

	2025				2024			
	CEO	25th	50th	75th	CEO	25th	50th	75th
Basic salary	550,077	25,455	30,634	44,808	695,250	28,319	28,227	42,538
Benefits	13,851	215	0	5,971	11,278	0	0	819
Pension	18,129	2,021	2,410	3,525	34,762	693	2,300	3,337
Bonus plan	0	1397	0	969	144,960	500	3,285	1,276
LTIP	0	0	0	0	0	0	0	0
Total pay	582,057	29,088	33,044	55,273	886,250	29,512	34,052	47,970

CEO pay for 2025 has been calculated for the period 1 January 2025 to 31 December 2025 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 2025 compared with the prior year is largely driven by the fact that the Company did not have a CEO in place for a three-month period during 2025, resulting in a lower basic salary for the year. In addition, no annual bonus plan payments were made to the CEO for 2025. By contrast, the CEO pay used in calculating the 2024 pay ratio reflected a full year of service and included bonus plan payments. Looking ahead to 2026, despite a structural change in CEO remuneration, under which the CEO will not be eligible for benefits or a bonus payment in 2026, the Company expects the CEO pay ratio to increase as a full year of service is reflected; however, it is not expected to return to 2024 levels.

To ensure that pay is managed appropriately across the organisation, the Company regularly reviews salary levels against comparable roles in both the wider market and within its sector. We also undertake additional pay analyses, including gender pay reporting, to help identify and, where appropriate, address any pay disparities. Our workforce comprises a diverse range of roles and skillsets required to operate the business effectively, from operational employees in our distribution centres to specialist technical roles, such as those within our IT functions. Remuneration is set by reference to the responsibilities, skills and experience required for each role.

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 2024 to the financial year ended 31 December 2025.

	2025 £m	2024 £m	% Change
Distribution to shareholders	–	–	–
Employee remuneration ¹	325.1²	327.0	(0.58)%

1. Continuing operations employee remuneration.

2. In addition to the above, redundancy and related staff costs of £2.8m (2024: £6.5m) have been included within Other items (Note 2), including £0.1m (2024: £nil) share-based payment expense.

The Company has declared that no final dividend would be paid for 2025 and no interim dividend was paid in 2025 (2024: nil).

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 2025 was independent and robust.

The fees for the advice provided by Korn Ferry in 2025 were £95,673 (2024: £66,968) 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 questions 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 2024 Directors' remuneration report at the AGM held on 1 May 2025 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 2024	917,829,828	99.0	9,139,081	1.0	21,828,999
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 2025, 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 2025 and further details can be found on page 65. The recommendations from the Committee's 2024 performance review are set out below together with a summary of the progress that was made to satisfy the recommendations during the year:

2024 recommendations	Action taken during 2025
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 2026 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

3 March 2026

Directors' report

The Directors present their report and consolidated financial statements of the Group for the year ended 31 December 2025.

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 49. The Corporate Governance report is deemed to be incorporated into this Directors' report by reference and can be found on pages 50 to 108. 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:

Disclosure	Page reference
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Directors' interests	104
Employee policies and the employment of disabled persons	33
Details on employee share schemes and long-term incentive schemes	145-146
Future developments in the business	1-49
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Disclosure of greenhouse gas (GHG) emissions	16
Environmental, social and governance (ESG) matters	16-33
Engagement with employees, suppliers, customers and others	58-59
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Corporate Governance Statement including internal control and risk management statements	50-51; 78-79
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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 2025 and 3 March 2026.

Shareholder	Interests disclosed to the Company as at 31 December 2025	%	Interests disclosed to the Company as at 3 March 2026	%
CD&R Sunshine S. a. r. l.	342,220,120	28.96%	342,220,120	28.96%
IKO Enterprises Limited	174,743,803	14.78%	174,743,803	14.78%
AzValor Asset Management	153,675,426	13.01%	153,675,426	13.01%
Aberforth Partners LLP	84,206,385	7.12%	84,806,385	7.18%
Wellcome Trust	38,247,837	3.23%	38,247,837	3.23%

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 2025, 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 2025, 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 76), 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 2025 is fully disclosed in Note 3 to the Consolidated financial statements on page 141.

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 Workvivo 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 57 to 58.

Numerical diversity data as at 31 December 2025

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	89%	3	12	86%
Women	1	11%	1	2	14%
Not specified/prefer not to say	–	–	–	–	–

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)	8	89%	4	14	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	11%	–	–	–
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 2025 Annual Report together with the notice convening the 2026 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 2026. Details of the Group's policies in relation to corporate governance are disclosed on page 33.

Group results and dividends

The Consolidated income statement for the year ended 31 December 2025 is shown on page 117. The movement in Group reserves during the year is shown on page 120 in the Consolidated statement of changes in equity. Segmental information is set out in Note 1 to the Consolidated financial statements on pages 138 to 140.

The Board has taken the decision not to declare a final dividend for the year ended 31 December 2025 (2024: nil). No interim dividend was paid in 2025 (2024: nil). Therefore, the total dividend paid in 2025 was nil (2024: nil).

Related party transactions

Except as disclosed in Note 30 to the Consolidated financial statements on page 179, 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 60.

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 2025, the Company had a called-up share capital of £118,155,697.70 divided into ordinary shares of 10p each (2024: £118,155,697.70).

During the year ended 31 December 2025, Directors' options over 1,400,167 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 pages 145 to 146, 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 25 February 2026 was 35,446,700. 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.

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.

2026 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 118,155,697 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 43 of the Strategic report.

Approval of the Directors' report

The Directors' report set out on pages 109 to 114 was approved by the Board of Directors on 3 March 2026 and signed on its behalf by:

Andrew Watkins

Group General Counsel & Company Secretary

3 March 2026

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 3 March 2026 and is signed on its behalf by:

Pim Vervaat
Chief Executive Officer and Chair designate

Ian Ashton
Chief Financial Officer
3 March 2026

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Consolidated income statement

for the year ended 31 December 2025

	Note	Underlying ¹ 2025 £m	Other items ² 2025 £m	Total 2025 £m	Underlying ¹ 2024 £m	Other items ² 2024 £m	Total 2024 £m
Revenue	1	2,591.0	–	2,591.0	2,611.8	–	2,611.8
Cost of sales		(1,963.9)	–	(1,963.9)	(1,971.8)	–	(1,971.8)
Gross profit		627.1	–	627.1	640.0	–	640.0
Other operating expenses	2	(592.4)	(41.5)	(633.9)	(609.1)	(28.9)	(638.0)
Impairment losses on trade receivables	2	(6.1)	–	(6.1)	(5.8)	–	(5.8)
Gain on disposal of property	2	3.5	–	3.5	–	–	–
Operating profit/(loss)	3	32.1	(41.5)	(9.4)	25.1	(28.9)	(3.8)
Finance income	5	1.7	–	1.7	2.7	–	2.7
Finance costs	5	(53.8)	(0.2)	(54.0)	(42.1)	(1.6)	(43.7)
Loss before tax		(20.0)	(41.7)	(61.7)	(14.3)	(30.5)	(44.8)
Income tax (expense)/credit	6	(2.7)	0.3	(2.4)	(5.4)	1.6	(3.8)
Loss after tax		(22.7)	(41.4)	(64.1)	(19.7)	(28.9)	(48.6)
Attributable to:							
Equity holders of the Company		(22.7)	(41.4)	(64.1)	(19.7)	(28.9)	(48.6)
Loss per share							
Basic	8			(5.5)p			(4.2)p
Diluted	8			(5.5)p			(4.2)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 2025

	Note	2025 £m	2024 £m
Loss after tax for the year		(64.1)	(48.6)
Items that will not subsequently be reclassified to the Consolidated income statement:			
Remeasurement of defined benefit pension liability	28	0.2	(0.2)
Deferred tax movement associated with remeasurement of defined benefit pension liability	22	(0.2)	–
		–	(0.2)
Items that may subsequently be reclassified to the Consolidated income statement:			
Exchange difference on retranslation of foreign currency goodwill and intangibles		2.6	(2.2)
Exchange difference on retranslation of foreign currency net investments (excluding goodwill and intangibles)		14.1	(13.1)
Exchange and fair value movements associated with borrowings and derivative financial instruments		(14.5)	12.3
Losses on cash flow hedges		–	(1.1)
Transfer to profit and loss on cash flow hedges		1.2	1.0
		3.4	(3.1)
Other comprehensive income/(expense)		3.4	(3.3)
Total comprehensive expense		(60.7)	(51.9)
Attributable to:			
Equity holders of the Company		(60.7)	(51.9)

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 2025

	Note	2025 £m	2024 £m
Non-current assets			
Property, plant and equipment	10	67.7	64.9
Right-of-use assets	23	248.2	250.3
Goodwill	11	115.6	129.0
Intangible assets	12	2.4	12.5
Lease receivables	23	1.6	1.9
Deferred tax assets	22	5.1	4.6
Non-current financial assets	18	0.2	0.3
		440.8	463.5
Current assets			
Inventories	14	257.0	253.8
Lease receivables	15,23	0.3	0.3
Trade and other receivables	15	359.9	370.8
Current tax assets	15	1.5	2.3
Current financial assets	18	0.2	0.1
Cash at bank and on hand	18	81.3	87.4
		700.2	714.7
Total assets		1,141.0	1,178.2
Current liabilities			
Trade and other payables	16	370.9	358.6
Lease liabilities	16,23	69.1	64.9
Interest-bearing loans and borrowings	17	16.5	5.2
Derivative financial instruments	16,18	0.2	1.3
Current tax liabilities	16	0.1	1.7
Provisions	21	5.1	7.6
		461.9	439.3
Non-current liabilities			
Lease liabilities	23	256.1	258.7
Interest-bearing loans and borrowings	17	259.7	256.9
Derivative financial instruments	18	–	0.1
Other payables		2.5	2.8
Retirement benefit obligations	28	16.4	18.2
Provisions	21	23.9	22.4
		558.6	559.1
Total liabilities		1,020.5	998.4
Net assets		120.5	179.8
Capital and reserves			
Called up share capital	24	118.2	118.2
Treasury shares reserve	24	(6.1)	(8.6)
Capital redemption reserve		0.3	0.3
Share option reserve		6.7	7.8
Hedging and translation reserves		4.1	0.7
Cost of hedging reserve		0.1	0.1
Merger reserve		92.5	92.5
Retained losses		(95.3)	(31.2)
Attributable to equity holders of the Company		120.5	179.8
Total equity		120.5	179.8

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 3 March 2026 and signed on its behalf by:

Pim Vervaat
Director

Ian Ashton
Director

Registered in England: 00998314

Consolidated statement of changes in equity

for the year ended 31 December 2025

	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 2024	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
Loss after tax	–	–	–	–	–	–	–	(64.1)	(64.1)
Other comprehensive income	–	–	–	–	3.4	–	–	–	3.4
Total comprehensive income/(expense)	–	–	–	–	3.4	–	–	(64.1)	(60.7)
Purchase of treasury shares	–	(1.6)	–	–	–	–	–	–	(1.6)
Credit to share option reserve	–	–	–	3.0	–	–	–	–	3.0
Settlement of share options	–	4.1	–	(4.1)	–	–	–	–	–
As at 31 December 2025	118.2	(6.1)	0.3	6.7	4.1	0.1	92.5	(95.3)	120.5

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 2025

	Note	2025 £m	2024 £m
Net cash flow from operating activities			
Cash generated from operating activities	25	123.5	83.5
Income tax paid		(3.5)	(8.0)
Net cash generated from operating activities		120.0	75.5
Cash flows from investing activities			
Finance income received		1.7	2.7
Purchase of property, plant and equipment and computer software		(16.0)	(16.1)
Initial direct costs of right-of-use assets		(0.1)	(0.6)
Proceeds from sale of property, plant and equipment		6.9	1.8
Settlement of amounts payable for previous purchases of businesses	13	–	(4.4)
Net cash flow from investing activities		(7.5)	(16.6)
Cash flows from financing activities			
Finance costs paid		(52.9)	(37.5)
Repayment of lease liabilities		(70.0)	(67.5)
Repayment of borrowings		(0.8)	(239.7)
Proceeds from borrowings		–	247.0
Acquisition of treasury shares		(1.6)	(0.9)
Net cash flow from financing activities		(125.3)	(98.6)
Decrease in cash and cash equivalents in the year	26	(12.8)	(39.7)
Cash and cash equivalents at beginning of the year ¹	27	87.4	132.2
Effect of foreign exchange rate changes	27	6.7	(5.1)
Cash and cash equivalents at end of the year¹	27	81.3	87.4

1. Cash and cash equivalents comprise cash at bank and on hand of £81.3m (2024: £87.4m) less bank overdrafts of £nil (2024: £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 2025

The material accounting policy information relating to this Annual Report and Accounts for the year ended 31 December 2025 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 2027 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 £0.5m 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 2025 and has remained undrawn to the date of this report.

The Group has adequate 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 2027 ("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 in 2023 and 2024, with LFL revenue declines of 2% and 4% respectively, subdued demand persisted across the Group's markets in 2025, with demand remaining well below historical levels and markets experiencing longer than anticipated delays to the start of meaningful recovery, resulting in flat LFL revenue for the year. Continued market uncertainty, alongside continued market share gains, is reflected in the base forecasts for 2026. Further progress is also expected on working capital. A severe but plausible downside scenario has been modelled, which factors in a reduction in revenue from the base forecast (and a reduction from the 2025 actual revenue), together with a reduction in gross margin, and results in a 61% reduction in underlying operating profit from the base forecast for the 12 months to 31 March 2027. Certain mitigations are also included, for example delaying planned headcount increases, reducing discretionary spend and delaying non-essential capital expenditure. Under this scenario the analysis shows that sufficient cash would be available without triggering a breach of the leverage covenant at a relevant quarter end date.

Reverse stress testing has also been performed, which shows that the Group could withstand up to an 8% reduction in revenue from the severe but plausible downside scenario for the nine months to the forecast liquidity low point of 30 September 2026, or up to a 14% reduction for the 12 months to 31 March 2027, 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 2027.

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 2027 and the Directors therefore consider it is appropriate to adopt the going concern basis in preparing the 2025 Consolidated financial statements.

New standards, interpretations and amendments adopted

The Group has adopted the following amendments which apply for the first time in 2025:

- Amendments to IAS 21: The effects of changes in foreign exchange rates

This did not have any 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 2025 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. The Group is also assessing the impact of the amendments to IFRS 9 and IFRS 7 in relation to the classification and measurement of financial instruments. 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.

Disclosure restatements

Segmental reporting

Reported operating segments for the UK have been changed during the year to align with changes in the UK leadership structure, as explained in more detail in the Segmental reporting section below, and the segmental reporting disclosure has been updated to reflect the way in which information is reported to the Chief Operating Decision Maker. The prior year comparatives have been restated to be consistent with the current year presentation.

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.

Accounting policies continued

for the year ended 31 December 2025

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.

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.

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 refinancing and changes to debt facility agreements are included within Other items as they tend to be significant in size, do not form part of the underlying trading activities and are not 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. Further information on 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 previous debt arrangements is included within finance costs in Other items, as this tends to be significant in size, does not form part of the underlying trading activities and is not incurred on an ongoing basis, consistent with other costs associated with 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.

Accounting policies continued

for the year ended 31 December 2025

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”.

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 2025 and 2024). 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.

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, 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.

Accounting policies continued

for the year ended 31 December 2025

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
Product testing and certification costs	Life of the testing/certification	5 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.

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 is 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.

Accounting policies continued

for the year ended 31 December 2025

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.

The Group has a cash pooling arrangement in place in the UK. As the Group has the legally enforceable right to offset the balances and intends to settle them on a net basis, the bank balances within this arrangement are offset and presented as a net cash balance in the Group financial statements.

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 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.

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 classifies 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.

Accounting policies continued

for the year ended 31 December 2025

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 2025

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 for the UK have been changed in the current year to align with changes in the UK leadership structure. There are now considered to be two operating segments in the UK, being UK Interiors and UK Roofing. The Building Solutions business is now included within UK Roofing, and the other businesses previously included within the UK Specialist Markets segment are now included within UK Interiors, consistent with the new reporting structure. 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 122 to 134, 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 £121.5m (2024: £109.5m) 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 that future taxable profits will be available at 31 December 2025. 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 2025 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 £121.5m (2024: £109.5m). 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 renewal 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 c£1.0m as disclosed in Note 28. At 31 December 2025 the Group's retirement benefit obligations were £16.4m (2024: £18.2m).

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 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% to 2.7%) 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 based on 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 £6.3m (2024: £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 2025 is £433.9m (2024: £456.7m) 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 £6.3m has been recognised at 31 December 2025 in relation to fleet right-of-use assets in the UK Interiors CGU. An impairment charge of £20.7m has also been recognised in relation to goodwill and intangible assets in the Miers CGU, as a result of a reduction in forecast future cash flows and continued challenging market conditions, and an impairment charge of £2.7m has been recognised in relation to the remaining goodwill and intangible assets of the former UK Specialist Markets CGU following the transfer of part of this CGU into UK Interiors. An impairment charge of £3.5m (£3.0m against right-of-use assets and £0.5m against fixed assets) has also been recognised in relation to a head office property which is no longer being fully occupied by the Group, which is included in restructuring costs within Other items, as disclosed in Note 2. The carrying value of non-current assets associated with all the other Group's CGUs is considered supportable at 31 December 2025.

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 £115.6m. 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 £383.5m for the year ended 31 December 2025 (2024: £348.0m). At 31 December 2025 trade payables is presented net of £38.2m (2024: £37.4m) 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 £64.8m (2024: £71.7m) 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 c£2.0m.

Provisions against receivables

At 31 December 2025 the Group has recognised trade receivables with a carrying value of £265.1m (2024: £271.0m). 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 2025. The total allowance for ECLs recorded at 31 December 2025 is £19.5m (2024: £18.4m). 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 £25.0m at 31 December 2025 (2024: £25.9m) 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 2025

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.

2025	UK Interiors £m	UK Roofing £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	673.1	–	673.1	189.9	–	189.9	432.5	91.6	54.3	260.5	–	1,701.9
Exteriors	–	453.4	453.4	–	388.4	388.4	–	–	47.3	–	–	889.1
Inter-segment revenue	2.4	2.5	4.9	0.1	10.3	10.4	–	–	0.2	–	(15.5)	–
Total underlying and statutory revenue	675.5	455.9	1,131.4	190.0	398.7	588.7	432.5	91.6	101.8	260.5	(15.5)	2,591.0
Nature of revenue												
Goods for resale (recognised at point in time)	675.5	455.9	1,131.4	190.0	398.7	588.7	432.5	91.6	94.0	260.5	(15.5)	2,583.2
Construction contracts (recognised over time)	–	–	–	–	–	–	–	–	7.8	–	–	7.8
Total underlying and statutory revenue	675.5	455.9	1,131.4	190.0	398.7	588.7	432.5	91.6	101.8	260.5	(15.5)	2,591.0
Segment result before Other items												
Parent company costs	7.7	14.3	22.0	4.8	9.7	14.5	1.3	(1.3)	2.7	4.0	–	43.2
Underlying operating profit												(11.1)
Other items (Note 2)												32.1
Operating loss												(41.5)
Net finance costs before Other items												(9.4)
Non-underlying finance costs												(52.1)
Loss before tax												(0.2)
Income tax expense												(61.7)
Loss for the year												(2.4)
												(64.1)

Other segment information:

2025	UK Interiors £m	UK Roofing £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	12.3	15.0	27.3	8.6	13.1	21.7	18.2	1.8	2.9	6.1	0.1	78.1
Profit on sale of property	–	–	–	–	3.0	3.0	–	–	–	0.5	–	3.5

2024 (Restated) ¹	UK Interiors £m	UK Roofing £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	665.0	–	665.0	200.4	–	200.4	438.5	103.6	60.1	241.4	–	1,709.0
Exteriors	–	448.7	448.7	–	410.1	410.1	–	–	44.0	–	–	902.8
Inter-segment revenue	4.7	2.8	7.5	0.1	11.8	11.9	–	–	0.2	–	(19.6)	–
Total underlying and statutory revenue	669.7	451.5	1,121.2	200.5	421.9	622.4	438.5	103.6	104.3	241.4	(19.6)	2,611.8
Nature of revenue												
Goods for resale (recognised at point in time)	669.7	451.5	1,121.2	200.5	421.9	622.4	438.5	103.6	96.2	241.4	(19.6)	2,603.7
Construction contracts (recognised over time)	–	–	–	–	–	–	–	–	8.1	–	–	8.1
Total underlying and statutory revenue	669.7	451.5	1,121.2	200.5	421.9	622.4	438.5	103.6	104.3	241.4	(19.6)	2,611.8
Segment result before Other items	0.6	13.9	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 (Restated) ¹	UK Interiors £m	UK Roofing £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	15.7	15.2	30.9	8.0	13.2	21.2	17.0	2.0	3.1	5.7	0.2	80.1

1. The 2024 segmental information has been restated in order to present on a consistent basis with the current year. See the Accounting policies for further details.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

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	2025 £m	2024 £m
United Kingdom	195.7	225.0
Ireland	13.3	14.6
France	130.8	129.1
Germany	65.6	60.0
Poland	21.6	21.0
Benelux	6.9	7.0
Total	433.9	456.7

2. Operating expenses

a) Analysis of operating expenses

	2025			2024		
	Before Other items £m	Other items £m	Total £m	Before Other items £m	Other items £m	Total £m
Operating expenses:						
Distribution costs	312.7	3.2	315.9	316.1	10.3	326.4
Selling and marketing costs	167.0	0.7	167.7	172.5	1.1	173.6
Management, administrative and central costs	112.7	37.6	150.3	120.5	17.5	138.0
Total other operating expenses	592.4	41.5	633.9	609.1	28.9	638.0
Impairment losses on trade receivables	6.1	–	6.1	5.8	–	5.8
Gain on disposal of property	(3.5)	–	(3.5)	–	–	–
Total net operating expenses	595.0	41.5	636.5	614.9	28.9	643.8

b) Other items

Loss 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):

	2025			2024		
	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%	(2.1)	0.1	4.8%
Impairment charges ¹	(29.7)	–	–	(7.3)	–	–
Net restructuring costs ²	(9.0)	0.1	1.1%	(13.4)	1.0	7.5%
Cloud-based ERP implementation costs ³	(1.3)	0.2	15.4%	(1.0)	0.2	20.0%
Costs associated with refinancing ⁴	–	–	–	(3.9)	–	–
Other specific items ⁵	0.6	(0.1)	16.7%	(1.2)	0.3	25.0%
Impact on operating profit	(41.5)	0.3	0.7%	(28.9)	1.6	5.5%
Non-underlying finance costs ⁶	(0.2)	–	–	(1.6)	–	–
Impact on loss before tax	(41.7)	0.3	0.7%	(30.5)	1.6	5.2%

1. Impairment charges in the current year comprise £20.7m impairment of goodwill and intangibles in the Miers CGU, £2.7m impairment of goodwill and intangibles in the former UK Specialist Markets CGU and £6.3m impairment of right-of-use assets in the UK Interiors CGU. The charge in the prior year related to the impairment of right-of-use assets in the UK Interiors CGU. See Note 11 for further details.

2. Net restructuring costs in the year comprise £2.8m (2024: £6.5m) redundancy and related staff costs and £6.2m (2024: £6.9m) other branch closure and impairment costs. The latter includes £4.2m (2024: £2.9m) impairment of right-of-use assets and tangible fixed assets, of which £3.5m relates to a head office property which is no longer being fully utilised by the Group, offset by £1.1m gain on lease terminations, all related to restructuring across the Group.

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. Costs associated with refinancing in the prior year related to legal and professional fees incurred in connection with the refinancing of the Group's debt arrangements.

5. Other specific items in the current year includes £0.3m credit following the finalisation of a property lease dispute provided for in the prior year, together with sublease income relating to an investment property no longer in use by the Group and other small credits relating to amounts included in Other items in previous years. In the prior year, other specific items comprised the estimated impact of a property lease dispute, including impairment of right-of-use and fixed assets of £0.7m, and costs relating to the investment property no longer in use by the Group which has been sublet in the current year.

6. Non-underlying finance costs in the current year relates to the investment property noted above (2024: £0.2m). In the prior year, non-underlying finance costs also included £1.4m write-off of arrangement fees in relation to the previous debt arrangements.

The total impact of the above amounts on the Consolidated cash flow statement is a cash outflow of £9.3m (2024: £17.1m), including costs accrued in the prior year and paid in the current year.

3. Operating profit/(loss)

	Note	2025 £m	2024 £m
Operating profit/(loss) is stated after charging/(crediting):			
Cost of inventories recognised as an expense		1,952.3	1,959.0
Net increase/(decrease) in provision for inventories		0.7	(1.3)
Depreciation of property, plant and equipment	10	12.4	12.5
Depreciation of right-of-use assets	23	65.0	66.4
Amortisation of acquired intangibles	12	2.1	2.1
Amortisation of computer software	12	0.7	1.2
Gain on disposal of property		(3.5)	–
Gain on disposal of other plant and equipment		(0.8)	(1.0)
Impairment charges	10,11,12,23	33.9	11.0
Impairment losses on trade receivables		6.1	5.8
Expense relating to short-term leases	23	2.2	1.8
Foreign exchange rate gains		0.5	0.2

Auditor's remuneration:

During the year the Group incurred the following costs for services provided by the Company's Auditor:

	2025 £m	2024 £m
Audit of the Company and Group financial statements	0.9	0.9
Audit of the Company's subsidiaries	1.8	1.7
Total audit fees¹	2.7	2.6
Audit-related assurance services ²	0.2	0.4
Total non-audit fees	0.2	0.4
Total fees	2.9	3.0

1. The current year costs include £0.1m in relation to the 2024 audit (2024: £nil in relation to 2023).

2. The audit-related assurance services comprise £0.2m (2024: £0.2m) relating to the interim review. The prior year costs also included £0.2m relating to assurance services in connection with the refinancing completed during the prior year. It is usual practice for a company's Auditor to perform this work.

The Audit and Risk Committee report on page 76 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:

	Note	2025 £m	2024 £m
Employee costs during the year amounted to:			
Wages and salaries		261.6	262.7
Social security costs		52.5	50.7
IFRS 2 share-based payment expense		2.9	4.1
Pension costs	28	6.9	7.7
Redundancy costs		1.2	1.8
Total staff costs		325.1	327.0

In addition to the above, redundancy and related staff costs of £2.8m (2024: £6.5m) have been included within Other items (Note 2), including £0.1m (2024: £nil) share-based payment expense.

Of the pension costs noted above, a charge of £0.4m (2024: £0.5m) relates to defined benefit schemes and a charge of £6.5m (2024: £7.2m) relates to defined contribution schemes. See Note 28 for more details.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

4. Staff costs continued

The average monthly number of persons employed by the Group during the year was as follows:

	2025 Number	2024 Number
Distribution and operations	3,219	3,306
Sales and marketing	2,663	2,889
Management and administration	738	756
Total	6,620	6,951

Directors' emoluments

Details of the individual Directors' emoluments are given in the Directors' remuneration report on pages 100 and 101. The employee costs shown above include the following emoluments in respect of Directors of the Company:

	2025 £m	2024 £m
Directors' remuneration (excluding IFRS 2 share-based payment expense but including social security costs)	2.2	2.4
Total	2.2	2.4

5. Finance income and finance costs

	2025			2024		
	Underlying £m	Other items £m	Total £m	Underlying £m	Other items £m	Total £m
Finance income						
Interest on bank deposits and other	1.7	–	1.7	2.7	–	2.7
Total finance income	1.7	–	1.7	2.7	–	2.7
Finance costs						
On bank loans, overdrafts and other associated items ¹	2.8	–	2.8	3.5	–	3.5
On secured notes ²	26.6	–	26.6	15.9	–	15.9
On obligations under lease contracts ³	23.8	0.2	24.0	22.1	0.2	22.3
Total interest expense	53.2	0.2	53.4	41.5	0.2	41.7
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	0.6	–	0.6
Total finance costs	53.8	0.2	54.0	42.1	1.6	43.7
Net finance costs	52.1	0.2	52.3	39.4	1.6	41.0

1. Other associated items includes the amortisation of arrangement fees of £0.2m (2024: £0.2m).

2. Included within finance costs on the secured notes is the amortisation of arrangement fees of £0.5m (2024: £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 were written off.

6. Income tax

The income tax expense comprises:

		2025 £m	2024 £m
Current tax			
UK & Ireland corporation tax:	charge for the year	0.3	0.5
	adjustments in respect of previous years	–	(0.1)
		0.3	0.4
Mainland Europe corporation tax:	charge for the year	3.0	3.7
	adjustments in respect of previous years	(0.6)	0.1
		2.4	3.8
Total current tax		2.7	4.2
Deferred tax			
Origination and reversal of deductible temporary differences		(0.5)	(0.7)
Adjustments in respect of previous years		(0.1)	0.3
Effect of change in rate		0.3	–
Total deferred tax		(0.3)	(0.4)
Total income tax expense		2.4	3.8

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 corporation 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:

	2025		2024	
	£m	%	£m	%
Loss before tax	(61.7)		(44.8)	
Expected tax credit	(16.0)	25.9%	(11.8)	26.3%
Factors affecting the income tax expense for the year:				
Expenses not deductible for tax purposes ¹	3.5	(5.7)%	3.3	(7.4)%
Non-taxable income	–	–	(0.4)	0.9%
Taxed at different rate	0.1	(0.2)%	0.4	(0.9)%
Impairment and disposal charges not deductible for tax purposes ²	4.1	(6.6)%	–	–
Deductible temporary differences not recognised for deferred tax purposes ³	11.0	(17.8)%	12.0	(26.7)%
Other adjustments in respect of previous years	(0.7)	1.1%	0.3	(0.7)%
Effect of change in rate on deferred tax ⁴	0.3	(0.5)%	–	–
Provisions in relation to uncertain tax positions	0.1	(0.2)%	–	–
Total income tax expense	2.4	(3.9)%	3.8	(8.5)%

1. The majority of the Group's expenses that are not deductible for tax purposes are in relation to share-based payments, business entertainment, leasing of assets and other disallowable expenditure in the current year.

2. During the year the Group incurred impairment charges of £16.4m (2024: £nil) in relation to goodwill and certain tangible fixed assets (as set out in Notes 10 and 11) 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).

4. During the year, legislation was enacted in Germany providing for a phased reduction in the corporation tax rate from 15% to 10% between 2028 and 2032. The Group has remeasured its deferred tax balances in Germany using the substantively enacted rates expected to apply when the underlying temporary differences reverse. This remeasurement resulted in a £0.3m reduction in deferred tax assets.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

6. Income tax continued

The effective tax rate for the Group on the total loss before tax of £61.7m (2024: £44.8m) is negative 3.9% (2024: negative 8.5%). The tax impact of Other items is shown in Note 2. The tax charge for the year of £2.4m (2024: £3.8m) 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).

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation is effective for the Group from the 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 is 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:

	2025 £m	2024 £m
Deferred tax movement associated with remeasurement of defined benefit pension liabilities ¹	(0.2)	–
Exchange rate movements	0.4	(0.1)
Total	0.2	(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 2025 and no final dividend is proposed. No interim or final dividend was proposed or paid for the year ended 31 December 2024. No dividends have been paid between 31 December 2025 and the date of signing the Financial statements.

At 31 December 2025 the Company has distributable reserves of £197.4m (2024: £266.1m) as set out in Note 12 of the Company financial statements.

8. Loss per share

The calculations of loss per share are based on the following (losses)/profits and numbers of shares:

	Basic and diluted	
	2025 £m	2024 £m
Loss attributable to ordinary equity holders of the parent for basic and diluted earnings per share	(64.1)	(48.6)
Add back:		
Other items (Note 2)	41.4	28.9
Loss attributable to ordinary equity holders of the parent for basic and diluted earnings per share before Other items	(22.7)	(19.7)

	2025 Number	2024 Number
Weighted average number of shares		
For basic loss per share	1,163,811,056	1,159,276,035
Effect of dilution from share options	–	–
Adjusted for the effect of dilution	1,163,811,056	1,159,276,035

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 per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on loss per share.

The weighted average number of shares excludes those held by the EBT which are not vested and beneficially owned by employees.

	2025	2024
Loss per share		
Basic and diluted loss per share	(5.5)p	(4.2)p
Loss per share before Other items¹		
Basic and diluted loss per share before Other items	(2.0)p	(1.7)p

1. Loss per share before Other items (also referred to as underlying loss 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 2025 (2024: three). The Group recognised a total charge of £3.0m (2024: £4.1m) 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 11p (2024: 30p). 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

	2025	2024
At 1 January	34,724,746	28,532,792
Granted during the year	66,000,921	16,700,260
Exercised during the year	(8,655,641)	(8,728,665)
Lapsed	(16,208,605)	(1,779,641)
At 31 December	75,861,421	34,724,746

Of the above share options outstanding at the end of the year, nil (2024: nil) were exercisable at 31 December 2025. All options granted during the current and prior year have no exercise price. The options outstanding at 31 December 2025 therefore have a weighted average exercise price of £nil (2024: £nil) and the options outstanding have a weighted average remaining contractual life of 1.3 years (2024: 1.4 years). In the year, 8,655,641 options were exercised (2024: 8,728,665).

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

9. Share-based payments continued

The assumptions used in the Black-Scholes model in relation to the restricted share awards granted during the year are as follows:

	27 March 2025	8 September 2025	1 October 2025
Share price (on date of official grant)	13p	13p	9p
Exercise price	–	–	–
Expected volatility	50.5%	46.2%	45.4%
Actual life	3 years	2 years	2 years
Risk free rate	4.3%	4.0%	4.0%
Dividend	0.0%	0.0%	0.0%
Expected percentage options to be exercised at date of grant	93%	100%	100%
Revised expectation of percentage of options to be exercised as at 31 December 2025	73%	100%	100%

The weighted average fair value of RSP awards granted during 2025 was 11p (2024: 30p). 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

	2025	2024
At 1 January	3,989,916	3,240,264
Granted during the year ¹	953,990	695,792
Exercised during the year	(1,292,447)	(80,128)
Lapsed during the year	(604,312)	–
Adjustment relating to final number of awards issued in relation to the prior year bonus	(137,480)	133,988
At 31 December	2,909,667	3,989,916

1. Deferred shares have been accrued in relation to the Directors' 2025 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 2026 following finalisation of the 2025 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 and the assumptions used in the Black-Scholes model in relation to these awards are the same as the March 2025 RSP awards above.

Of the above awards outstanding at the end of the year, nil are exercisable at 31 December 2025. The awards have a weighted average exercise price of £nil and the options outstanding have a weighted average remaining contractual life of 1.1 years (2024: 1.3 years).

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. 1,100,786 matching shares were granted during the year (2024: 494,684). 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 2024	41.2	69.8	141.9	252.9
Additions	0.5	6.9	8.1	15.5
Transfer from right-of-use assets	–	–	0.2	0.2
Disposals	(0.3)	(1.9)	(18.1)	(20.3)
Reclassifications	0.2	–	(0.3)	(0.1)
Exchange differences	(1.7)	(1.0)	(3.2)	(5.9)
At 31 December 2024	39.9	73.8	128.6	242.3
Additions	0.2	7.2	8.3	15.7
Transfer from right-of-use assets	–	–	0.3	0.3
Disposals	(2.6)	(1.5)	(11.0)	(15.1)
Exchange differences	2.0	1.2	4.0	7.2
At 31 December 2025	39.5	80.7	130.2	250.4
Accumulated depreciation and impairment				
At 1 January 2024	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
Disposals	(0.2)	(1.9)	(17.4)	(19.5)
Reclassifications	–	(0.1)	–	(0.1)
Exchange differences	(1.0)	(0.7)	(2.5)	(4.2)
At 31 December 2024	21.7	52.3	103.4	177.4
Charge for the year	0.6	4.3	7.5	12.4
Impairment charges	–	0.5	–	0.5
Disposals	(1.8)	(1.3)	(9.7)	(12.8)
Exchange differences	1.2	0.9	3.1	5.2
At 31 December 2025	21.7	56.7	104.3	182.7
Net book value				
At 31 December 2025	17.8	24.0	25.9	67.7
At 31 December 2024	18.2	21.5	25.2	64.9

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. £0.2m (2024: £nil) has been recognised in rental income (within Other items) during the year. 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 depreciation 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 2025 is estimated to be £nil (2024: £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 £1.7m (2024: £3.2m).

The impairment charge in the current year relates to a head office property which is no longer being fully occupied by 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 related to branches closed as part of restructuring projects 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

11. Goodwill

	£m
Cost	
At 1 January 2024	450.2
Exchange differences	(9.2)
At 31 December 2024	441.0
Exchange differences	10.4
At 31 December 2025	451.4
Accumulated impairment losses	
At 1 January 2024	319.0
Exchange differences	(7.0)
At 31 December 2024	312.0
Impairment charges	15.9
Exchange differences	7.9
At 31 December 2025	335.8
Net book value	
At 31 December 2025	115.6
At 31 December 2024	129.0

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 (2024: 11). There has been one change in CGUs during the year. Following the change in reporting structure and operating segments in the UK, as disclosed in the Accounting policies, UK Specialist Markets is no longer a separate operating segment and the UK Specialist Markets CGU is no longer relevant. One of the businesses previously included with UK Specialist Markets (Performance Technology Group) is now considered a separate CGU, with the other remaining business combined into UK Interiors. UK Interiors, Performance Technology Group, Ireland and Benelux are CGUs of the Group but do not have any associated goodwill so are not shown in the table below. All CGUs have been assessed for impairment due to indicators of impairment arising from current trading performance.

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.

	2025 £m	2024 £m
UK Roofing	57.4	57.4
UK Specialist Markets	–	2.1
Miers Construction Products	–	13.8
Building Solutions	11.0	11.0
France Roofing	36.0	34.1
France Interiors	5.4	5.1
Germany	4.6	4.3
Poland	1.2	1.2
Total goodwill	115.6	129.0

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% to 2.7%) 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 cash flows across the Group and therefore no specific sensitivities relating to climate change are considered necessary over and above the sensitivities already performed below.

2025 impairment review results

An impairment review was carried out at 30 June 2025 in relation to the Miers CGU as a result of a reduction in forecast future cash flows and continued challenging market conditions, resulting in an impairment of £15.8m being recognised, allocated against goodwill (£13.8m) and intangible assets (£2.0m), as included in the interim results to 30 June 2025. The impairment review has been updated at 31 December 2025 to reflect management's latest forecasts and current economic conditions. The results of this review indicated that the carrying value of the remaining intangible assets of £4.9m was impaired, and an impairment charge of this amount is also included within Other items. The recoverable amount of the Miers CGU at 31 December 2025 is £17.7m. Following the change in UK CGUs as noted above, an impairment charge of £2.7m has also been recognised in relation to the remaining goodwill and intangible assets of the former UK Specialist Markets CGU, as these assets are no longer considered to have a recoverable value now that the business to which they relate is included within the UK Interiors CGU.

During the year, an impairment of £6.3m has also been recognised against fleet right-of-use assets in the UK Interiors CGU, as there is no determinable recoverable value of these assets, consistent with the impairment recognised at 31 December 2024. 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 the trucks acquired under these contracts during the year have been impaired to £nil. As a result, an impairment charge of £6.3m has been recognised against right-of-use assets in the UK Interiors operating segment as at 31 December 2025 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.

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11. Goodwill continued

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. The Ireland and Performance Technology Group CGUs do not have any goodwill and are therefore also not included in the analysis below. The Miers CGU has been impaired to recoverable amount based on the assumptions applied, therefore any change in the key assumptions would cause 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 arise from a reasonably possible change in assumptions.

An assumption of 2.0% to 2.7% long-term operating profit growth has been used in the value in use calculations. As this assumption would need to be negative for each CGU for carrying value to equal recoverable amount, this is not disclosed as a key assumption and sensitivity in the table below, consistent with the prior year.

		Average revenue growth (%)		Pre-tax discount rate (%)		Gross margin (%)	
		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
2025	Headroom ¹						
UK Roofing	£84.8m	8.2%	(9.3)%	13.2%	6.6%	27.3%	(2.1)%
Building Solutions	£26.0m	11.5%	(13.3)%	12.9%	11.5%	26.7%	(3.1)%
France Interiors	£42.5m	3.9%	(8.5)%	13.8%	31.2%	27.7%	(2.1)%
France Roofing	£37.4m	5.5%	(4.5)%	12.9%	3.7%	23.4%	(0.9)%
Germany	£86.8m	7.3%	(8.7)%	13.1%	11.4%	28.0%	(1.9)%
Poland	£59.0m	5.9%	(18.4)%	15.3%	17.1%	20.2%	(2.7)%

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.

The changes required represent the absolute change required to the assumption % used in the value in use calculation.

Of the above sensitivities for 2025, management considers the % change in revenue and gross margin for the France Roofing and Germany CGUs, and the % change in revenue for the Building Solutions CGU, 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. For the Miers CGU, recoverable amount was based on average revenue growth per annum over the three years of 7.1%, gross margin of 24.4%, pre-tax discount rate of 13.1% and longer-term growth rate of 2.0%. As the CGU has been impaired to recoverable amount, any change in assumption may lead to further impairment. For example, a further 2% reduction in revenue in each year would lead to further impairment of c£2m.

The forecasts used in the 2025 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 2025.

2024 impairment review results and sensitivity analysis

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 was assessed based on the fair value less costs of disposal on an asset class basis, and given that there was no right of sublet or early settlement in accordance with the contractual terms of certain lease contracts for HGV trucks there was no determinable recoverable value and these were impaired to £nil. As a result, an impairment charge of £7.3m was recognised against right-of-use assets in the UK Interiors operating segment as at 31 December 2024 and the charge was included within Other items in the Consolidated income statement.

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. 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.

		Average revenue growth (%)		Pre-tax discount rate (%)		Gross margin (%)	
		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
2024	Headroom ¹						
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.

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 considered 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 uncertainties regarding market demand and the forecast revenue growth included in the forecasts. 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.

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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	Other £m	Total £m
Cost					
At 1 January 2024	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
Additions	–	–	0.1	0.2	0.3
Disposals	–	–	(6.1)	–	(6.1)
Reclassifications	–	–	(0.2)	0.2	–
Exchange differences	0.1	–	0.5	–	0.6
At 31 December 2025	225.1	–	13.2	0.4	238.7
Amortisation					
At 1 January 2024	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
Charge for the year	2.1	–	0.7	–	2.8
Impairment charge	7.5	–	–	–	7.5
Disposals	–	–	(5.9)	–	(5.9)
Exchange differences	–	–	0.5	–	0.5
At 31 December 2025	224.0	–	12.3	–	236.3
Net book value					
At 31 December 2025	1.1	–	0.9	0.4	2.4
At 31 December 2024	10.6	–	1.9	–	12.5

Amortisation of acquired intangibles is included in the Consolidated income statement as part of operating expenses and is classified within Other items. The impairment charge in the year relates to the impairment of the Miers and former Specialist Markets CGUs (see Note 11) and is also included in the Consolidated income statement as part of operating expenses and classified within Other items.

Other intangibles comprises product testing and certification costs, which were included within software in the prior year as they were not considered material enough to show separately. 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 were therefore shown as a disposal in the prior 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 were paid during the prior year or remained payable at 31 December 2025, and a reconciliation of the movement in each of these balances during the current and prior year is shown below.

Deferred consideration

	2025 £m	2024 £m
Liability at 1 January	–	1.8
Amounts paid relating to previous acquisitions (included within cash flow from investing activities)	–	(1.8)
Liability at 31 December	–	–

Contingent consideration

	2025 £m	2024 £m
Liability at 1 January	0.5	3.1
Amounts paid relating to previous acquisitions (included within cash flow from investing activities)	–	(2.6)
Liability at 31 December	0.5	0.5
Included in current liabilities (within accruals and other payables)	0.5	0.5
Total	0.5	0.5

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:

	2025 £m	2024 £m
Liability at 1 January	–	4.0
Amounts paid (included within cash flow from operating activities)	–	(4.0)
Liability at 31 December	–	–

14. Inventories

	2025 £m	2024 £m
Raw materials and consumables	5.7	8.1
Work in progress	1.3	0.9
Finished goods and goods for resale	250.0	244.8
Total	257.0	253.8

The estimated replacement cost of inventories is not materially different from the balance sheet value stated above.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

15. Trade and other receivables

	Note	2025 £m	2024 £m
Trade receivables		265.1	271.0
VAT		3.7	3.3
Other receivables		5.1	7.0
Prepayments and accrued income		86.0	89.5
Trade and other receivables		359.9	370.8
Lease receivables	23	0.3	0.3
Current tax assets		1.5	2.3
Total current receivables		361.7	373.4

Included within prepayments and accrued income is £64.8m (2024: £71.7m) 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 £19.5m at 31 December 2025 (2024: £18.4m).

Movement in the allowance for expected credit losses

	2025 £m	2024 £m
At 1 January	(18.4)	(20.0)
Utilised	5.5	5.1
Unused amounts released to the Consolidated income statement	3.2	3.9
Charged to the Consolidated income statement	(9.1)	(7.9)
Exchange differences	(0.7)	0.5
At 31 December	(19.5)	(18.4)

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 2025, 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. 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 £6.1m (2024: £5.8m).

At 31 December 2025

	Days past due				Total £m
	< 30 days £m	30-60 days £m	61-90 days £m	> 91 days £m	
Expected credit loss rate	1.6%	7.2%	23.1%	67.4%	
Total gross carrying amount	263.7	27.6	6.5	17.5	315.3
Expected credit loss	4.2	2.0	1.5	11.8	19.5

At 31 December 2024

	Days past due				Total £m
	< 30 days £m	30-60 days £m	61-90 days £m	> 91 days £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

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Included within trade receivables is a managed pool of customer balances of £51.6m (2024: £50.0m) 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 £30.7m (2024: £32.3m) 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

16. Current liabilities

	Note	2025 £m	2024 £m
Trade payables		268.4	254.7
VAT		7.0	8.6
Social security and payroll taxes		13.3	13.4
Accruals and other payables		82.2	81.9
Trade and other payables		370.9	358.6
Lease liabilities	23	69.1	64.9
Interest-bearing loans and borrowings	17	16.5	5.2
Derivative financial instruments		0.2	1.3
Current tax liabilities		0.1	1.7
Provisions	21	5.1	7.6
Current liabilities		461.9	439.3

Trade payables is presented net of £38.2m (2024: £37.4m) 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 2025 is £3.6m (2024: £2.7m). Of this amount, suppliers have already received payment from the finance provider of £1.3m (2024: £2.2m). 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 74 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

	Note	2025 £m	2024 £m
Current interest-bearing loans and borrowings			
Lease liabilities	23	69.1	64.9
Bank loan		0.5	0.8
Accrued interest on secured notes		4.3	4.4
Secured notes		11.7	–
Total current interest-bearing loans and borrowings		85.6	70.1
Non-current interest-bearing loans and borrowings			
Lease liabilities	23	256.1	258.7
Bank loan		–	0.5
Secured notes		259.7	256.4
Total non-current interest-bearing loans and borrowings		515.8	515.6
Total interest-bearing loans and borrowings		601.4	585.7

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 £2.1m is unamortised at 31 December 2025 (2024: £2.7m). The notes are subject to incurrence based covenants only.

The contractual repayment profile of the secured notes is shown below:

	2025		2024	
	£m	Fixed interest rate %	£m	Fixed interest rate %
Gross amount repayable in 2026	–	–	11.2	5.25%
Gross amount repayable in 2029	261.8	9.75%	247.9	9.75%
Unamortised fees	(2.1)		(2.7)	
Secured notes due after more than one year	259.7		256.4	
Gross amount repayable in 2026	11.7	5.25%	–	–
Accrued interest repayable within one year	4.3		4.4	
Total secured notes	275.7		260.8	

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 2025 as follows:

	2025 £m	2024 £m
Revolving credit facility expiring April 2029	90.0	90.0
Total	90.0	90.0

The RCF facility of £90m was amended and restated as part of the refinancing in the prior year and is committed until April 2029. The RCF is undrawn at 31 December 2025. 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

18. Financial assets, liabilities, financial risk management and derivatives

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, lease liabilities 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	2025 £m	2024 £m
Financial assets at amortised cost:			
Trade receivables	15	265.1	271.0
Cash at bank and on hand		81.3	87.4
Financial asset at fair value through OCI:			
Unquoted equity investment		0.2	0.2
Derivative financial instruments designated as hedging instruments	18d	0.2	0.2
Total		346.8	358.8

The interest received on cash deposits is at variable rates of interest of up to 4.79% (2024: 5.26%). Of the cash at bank and on hand of £81.3m, £nil (2024: £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, £9.0m (2024: £8.1m) is denominated in sterling, £64.6m (2024: £70.7m) in euros, £6.3m (2024: £7.7m) in Polish zloty, and £1.4m (2024: £0.8m) 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	2025 £m	2024 £m
Financial liabilities at amortised cost:			
Trade and other payables ¹	16	350.6	336.6
Interest-bearing loans and borrowings	17	276.2	262.1
Lease liabilities	23	325.2	323.6
Derivative financial instruments designated as hedging instruments	18d	0.2	1.4
Total		952.2	923.7

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.

2025 interest rate and currency profile

The interest rate and currency profile of the Group's financial liabilities at 31 December 2025, excluding prepayment of arrangement fees of £2.1m is 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	161.6	–	161.6	1.7%-12.7%	7.8	161.6	–
Bank loan	Sterling	0.5	0.5	–	n/a	n/a	0.5	–
Secured notes	Euro	11.7	–	11.7	5.25%	0.9	11.7	–
Secured notes	Euro	266.1	–	266.1	9.75%	3.9	266.1	–
Lease contracts	Euro	146.8	–	146.8	0.7%-15.4%	5.1	146.8	–
Lease contracts	Polish zloty	16.8	5.5	11.3	3.2%-17.9%	5.7	16.8	–
Total		603.5	6.0	597.5			603.5	–

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 2025 is assessed at £258.2m (2024: £261.3m) 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 £319.7m (2024: £317.3m) and relates to lease contracts. The Directors consider the fair value of this remaining fixed rate debt to be materially approximate to the book values shown above.

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.

In both 2025 and 2024, 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

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 cash flow forecasts on a fortnightly basis, while actual cash and debt positions, together with available facilities and headroom, are prepared and reviewed daily 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 2025 held cash of £81.3m (2024: £87.4m), and had £90m (2024: £90m) additional headroom from the RCF that matures in April 2029. The RCF is subject to a leverage maintenance covenant, set at 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. 57% of the Group's 2025 continuing revenues (2024: 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		
	2025	2024	Movement (%)	2025	2024	Movement (%)
Euro	1.168	1.184	(1.4)%	1.146	1.210	(5.3)%
Polish zloty	4.944	5.096	(3.0)%	4.834	5.176	(6.6)%

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

The Group 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. SIG 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 2025 is 99.0% (2024: 98.8%). The percentage of available gross debt at fixed rates of interest at 31 December 2025 (including the undrawn RCF) is 86.2% (2024: 85.6%).

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 2025 the Group held €313.5m (2024: €313.5m) 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 2025				
Foreign currency denominated borrowing	313.5	273.5	Interest-bearing loans and borrowings	(14.5)
At 31 December 2024				
Foreign currency denominated borrowing	313.5	259.1	Interest-bearing loans and borrowings	12.3

The impact of the hedged item on the Consolidated balance sheet is as follows:

	31 December 2025			31 December 2024		
	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	(14.5)	(14.5)	–	12.3	12.3	–

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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

18. Financial assets, liabilities, financial risk management and derivatives continued

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 2025 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 £nil liability (2024: £1.2m liability) relating to forward foreign exchange contracts.

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 2025	10.3	26.8	31.2	2026 & 2027	n/a	0.82
At 31 December 2024	12.4	75.4	73.8	2025 & 2026	n/a	0.82

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 2025			
Foreign exchange forward contracts		– Derivative financial instruments	–
At 31 December 2024			
Foreign exchange forward contracts		(1.2) Derivative financial instruments	(1.1)

The impact of the hedged item on the Consolidated balance sheet is as follows:

	At 31 December 2025			At 31 December 2024		
	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)	–

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 2025					
Foreign exchange forward contracts	–	–	Finance costs	1.2	Operating expenses
At 31 December 2024					
Foreign exchange forward contracts	(1.1)	–	Finance costs	1.0	Operating expenses

Derivatives not designated as hedging instruments

The Group held no foreign exchange forward contracts at 31 December 2025 or 2024 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	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
At 1 January	(31.2)	17.6	(1.1)	(1.0)	1.8	4.8	0.1	0.1
Effective portion of changes in fair value arising from:								
Foreign exchange forward contracts	–	–	–	(1.1)	–	–	–	–
Amount reclassified to profit or loss	–	–	1.2	1.0	–	–	–	–
Foreign currency revaluation of foreign currency denominated borrowing	–	–	–	–	(14.5)	12.3	–	–
Foreign currency revaluation of net foreign operations	–	–	–	–	16.7	(15.3)	–	–
Other movements not associated with hedging	(64.1)	(48.8)	–	–	–	–	–	–
At 31 December	(95.3)	(31.2)	0.1	(1.1)	4.0	1.8	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.

	2025 £m	2024 £m
Losses on derivative financial instruments recognised directly in the Consolidated income statement	–	–
Amounts reclassified from OCI to profit and loss on cash flow hedges	(1.2)	(1.0)
Total net losses on derivative financial instruments included in the Consolidated income statement	(1.2)	(1.0)

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) is as follows:

	2025 £m	2024 £m
In one year or less	85.6	71.3
In more than one year but not more than two years	60.9	65.8
In more than two years but not more than five years	390.4	367.0
In more than five years	64.5	82.8
Total	601.4	586.9

The table excludes trade and other payables of £350.6m (2024: £336.6m).

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

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.

2025 Analysis	Balance sheet value £m	Maturity analysis				Total £m
		< 1 year £m	1-2 years £m	2-5 years £m	> 5 years £m	
Current liabilities						
Trade and other payables	350.6	350.6	–	–	–	350.6
Lease liabilities	69.1	89.7	–	–	–	89.7
Interest-bearing loans	0.5	0.5	–	–	–	0.5
Secured notes (including accrued interest)	16.0	16.6	–	–	–	16.6
Derivative financial instruments	0.2	0.2	–	–	–	0.2
Total	436.4	457.6	–	–	–	457.6
Non-current liabilities						
Lease liabilities	256.1	–	77.1	149.9	87.5	314.5
Secured notes	259.7	21.3	25.5	312.8	–	359.6
Total	515.8	21.3	102.6	462.7	87.5	674.1
Total liabilities	952.2	478.9	102.6	462.7	87.5	1,131.7
Other						
Derivative financial instrument assets	(0.2)	(0.2)	–	–	–	(0.2)
Unquoted equity investment	(0.2)	–	–	–	–	–
Cash and cash equivalents	(81.3)	(81.3)	–	–	–	(81.3)
Trade and other receivables	(359.9)	(359.9)	–	–	–	(359.9)
Total	(441.6)	(441.4)	–	–	–	(441.4)
Grand total	510.6	37.5	102.6	462.7	87.5	690.3

The table above includes derivative financial assets with a fair value at 31 December 2025 of £0.2m and derivative financial liabilities of £0.2m that will be settled gross, the final exchange on these derivatives will be total receipts of €26.8m and \$10.3m with corresponding payments totalling £31.2m.

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements:

At 31 December 2025

	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	(0.2)	–	(0.2)
Total	–	–	–

2024 Analysis	Balance sheet value £m	Maturity analysis				Total £m
		< 1 year £m	1-2 years £m	2-5 years £m	> 5 years £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)

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for the year ended 31 December 2025

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	
	+100bp £m	-100bp £m	+100bp £m	-100bp £m	+100bp £m	-100bp £m	+100bp £m	-100bp £m
2025 analysis								
Profit or loss	0.1	(0.1) (i)	–	– (ii)	(0.1)	0.1 (iii)	–	–
Total shareholders' equity	0.1	(0.1)	–	–	(0.1)	0.1	–	–

	GBP		EUR		PLN		Total	
	+100bp £m	-100bp £m	+100bp £m	-100bp £m	+100bp £m	-100bp £m	+100bp £m	-100bp £m
2024 analysis								
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)

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	
	+10% £m	-10% £m	+10% £m	-10% £m	+10% £m	-10% £m	+10% £m	-10% £m
2025 analysis								
Assets and liabilities under the scope of IFRS 7								
Profit or loss	2.4	(3.0) (i)	–	–	–	–	2.4	(3.0)
Other equity	15.1	(18.5) (ii)	(0.7)	0.9 (ii)	(2.5)	3.1 (ii)	11.9	(14.5)
Total shareholders' equity	17.5	(21.5)	(0.7)	0.9	(2.5)	3.1	14.3	(17.5)
Total assets and liabilities¹								
Profit or loss	2.2	(2.7) (iii)	–	– (v)	(0.1)	0.2 (vi)	2.1	(2.5)
Other equity	2.4	(2.9) (iv)	(0.7)	0.9 (iv)	(3.4)	4.2 (iv)	(1.7)	2.2
Total shareholders' equity	4.6	(5.6)	(0.7)	0.9	(3.5)	4.4	0.4	(0.3)
2024 analysis								
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 liabilities¹								
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

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

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for the year ended 31 December 2025

21. Provisions

	Onerous leases £m	Leasehold dilapidations £m	Other amounts £m	Total £m
At 1 January 2024	0.6	25.9	3.5	30.0
Unused amounts reversed in the period	–	(1.4)	(0.6)	(2.0)
Utilised	(0.7)	(2.6)	(1.8)	(5.1)
New provisions	0.5	2.9	2.4	5.8
Exchange differences	–	0.2	0.1	0.3
At 31 December 2025	0.4	25.0	3.6	29.0

	2025 £m	2024 £m
Included in current liabilities	5.1	7.6
Included in non-current liabilities	23.9	22.4
Total	29.0	30.0

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 2025 is payable over the relevant lease terms, the longest unexpired term being 18 years to 2043.

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:

	2025 £m	2024 £m
Deferred tax assets	5.1	4.6
Net deferred tax asset	5.1	4.6

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	Losses £m	Inventory £m	Other £m	Total £m
At 1 January 2024	(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
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
Credit/(charge) to income	2.7	(2.8)	(0.4)	–	1.1	(0.3)	–	0.3
Charge to equity	–	–	–	(0.2)	–	–	–	(0.2)
Exchange differences	–	0.1	0.1	0.1	–	0.1	–	0.4
At 31 December 2025	(0.1)	0.7	1.6	1.4	1.1	0.4	–	5.1

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.

A deferred tax asset of £3.3m has been recognised in Germany on current year trading losses and other deductible temporary differences. The recognition of a deferred tax asset is supported by management's assessment that it is probable that sufficient future taxable profits will be available against which the losses and deductible temporary differences can be utilised. The assessment is based on the business's medium-term plan, which demonstrates a return to profitability in the near term, and the historical performance of the German business, including its track record of returning to profitability following cyclical downturns.

The Group has cumulative tax losses and other deductible temporary differences of £451.0m (2024: £407.8m) in the UK and £34.0m (2024: £29.3m) 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 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 that future taxable profits will be available at 31 December 2025. If the Group were to recognise all unrecognised deferred tax assets, profit and equity would have increased by £121.5m. The deductible temporary differences are available indefinitely.

At the balance sheet date (and at 31 December 2024), 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.

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for the year ended 31 December 2025

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:

	Properties £m	Vehicles, plant and equipment £m	Total £m
At 1 January 2024	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
Additions	12.6	31.3	43.9
Disposals	(0.5)	(0.3)	(0.8)
Modifications	20.3	1.4	21.7
Transfer to tangible fixed assets	–	(0.3)	(0.3)
Impairments	(3.7)	(6.3)	(10.0)
Depreciation expense	(43.8)	(21.2)	(65.0)
Exchange differences	5.9	2.5	8.4
At 31 December 2025	185.9	62.3	248.2

The impairment of properties relates to sites closed or vacated as part of restructuring activities during the year and is included within Other items (see Note 2). The impairment of vehicles, plant and equipment relates to fleet right-of-use assets in the UK Interiors CGU, as discussed in Note 11, and is also included within Other items (Note 2).

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2025 £m	2024 £m
At 1 January	323.6	329.8
Additions	43.8	53.9
Disposals	(2.4)	(1.5)
Modifications	21.4	17.4
Accretion of interest	24.0	22.3
Payments	(94.4)	(90.9)
Foreign currency movement	9.2	(7.4)
At 31 December	325.2	323.6
Current	69.1	64.9
Non-current	256.1	258.7
	325.2	323.6

The following are the amounts recognised in profit or loss:

	2025 £m	2024 £m
Depreciation expense of right-of-use assets	65.0	66.4
Interest expense on lease liabilities	24.0	22.3
Expense relating to short-term leases (included in operating expenses)	2.2	1.8
Impairment of right-of-use assets (included in Other items)	10.0	9.8
Total amount recognised in profit or loss	101.2	100.3

The Group had total cash outflows for leases of £94.4m in 2025 (2024: £90.9m). The Group also had non-cash additions to right-of-use assets and lease liabilities of £43.8m in 2025 (2024: £53.9m). 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	7.8	3.8	11.6
Termination options expected to be exercised	10.7	18.9	29.6
	18.5	22.7	41.2

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 £1.9m at 31 December 2025 (2024: £2.2m). These leases have remaining terms of 6 years. Rental payments received by the Group during the year were £0.4m (2024: £1.2m).

Future lease payments receivable from subleases classified as finance leases are as follows:

	2025 £m	2024 £m
Within one year	0.3	0.3
After one year but not more than five years	1.6	1.6
More than five years	0.2	0.7
	2.1	2.6
Less: future finance charges	(0.2)	(0.4)
Lease receivables	1.9	2.2

Of the total lease receivables, £0.3m (2024: £0.3m) is due within one year and £1.6m (2024: £1.9m) is due after more than one year.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2025 £m	2024 £m
Within one year	0.5	0.4
After one year but not more than five years	1.3	1.7
	1.8	2.1

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24. Called up share capital

	2025 £m	2024 £m
Authorised:		
1,390,000,000 ordinary shares of 10p each (2024: 1,390,000,000)	139.0	139.0
Allotted, called up and fully paid:		
1,181,556,977 ordinary shares of 10p each (2024: 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. 15,120,568 (2024: 3,001,375) shares were purchased during the year at a weighted average cost of 10.9p per share (2024: 28.7p) and 9,948,089 shares were issued relating to the settlement of share awards (2024: 8,808,795). A total of 25,786,559 own shares are outstanding at 31 December 2025 (2024: 20,614,080).

25. Reconciliation of loss before tax to cash generated from operating activities

	Note	2025 £m	2024 £m
Loss before tax		(61.7)	(44.8)
Net finance costs	5	52.3	41.0
Depreciation of property, plant and equipment	10	12.4	12.5
Depreciation of right-of-use assets	23	65.0	66.4
Amortisation of computer software	12	0.7	1.2
Amortisation of acquired intangibles	12	2.1	2.1
Impairment of property, plant and equipment	10	0.5	1.2
Impairment of goodwill	11	15.9	–
Impairment of acquired intangibles	12	7.5	–
Impairment of right-of-use assets	23	10.0	9.8
Gain on lease transactions		(1.7)	–
Gain on disposal of property, plant and equipment		(4.3)	(1.0)
Share-based payment expense		3.0	4.1
Net foreign exchange differences		(0.5)	(0.2)
Decrease in provisions		(4.0)	(1.2)
Working capital movements:			
– Decrease/(increase) in inventories		5.0	(1.5)
– Decrease in receivables		20.3	10.1
– Increase/(decrease) in payables		1.0	(16.2)
Cash generated from operating activities		123.5	83.5

Included within the cash generated from operating activities is a defined benefit pension scheme employer's contribution of £2.5m (2024: £2.5m).

26. Reconciliation of net cash flow to movements in net debt

	2025 £m	2024 £m
Decrease in cash and cash equivalents in the year	(12.8)	(39.7)
Net cash outflow from repayment of leases and other debt ¹	121.0	95.3
Decrease in net debt resulting from cash flows	108.2	55.6
Non-cash movement in lease liabilities and lease receivables	(86.7)	(92.0)
Other non-cash items ²	(25.4)	(17.5)
Exchange differences	(17.0)	14.6
Increase in net debt in the year	(20.9)	(39.3)
Net debt at 1 January	(497.3)	(458.0)
Net debt at 31 December	(518.2)	(497.3)

1. Including interest paid on borrowings and the interest element of lease payments.

2. Other non-cash items relates to interest accrued on borrowings and 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.

Net debt is defined as follows:

	2025 £m	2024 £m
Non-current assets:		
Derivative financial instruments	–	0.1
Lease receivables	1.6	1.9
Current assets:		
Derivative financial instruments	0.2	0.1
Lease receivables	0.3	0.3
Cash at bank and on hand	81.3	87.4
Current liabilities:		
Lease liabilities	(69.1)	(64.9)
Interest-bearing loans and borrowings	(16.5)	(5.2)
Derivative financial instruments	(0.2)	(1.3)
Non-current liabilities:		
Lease liabilities	(256.1)	(258.7)
Interest-bearing loans and borrowings	(259.7)	(256.9)
Derivative financial instruments	–	(0.1)
Net debt	(518.2)	(497.3)

Of the cash at bank and on hand of £81.3m (2024: £87.4m), £nil (2024: £0.6m) is required to be held to cover bank guarantees issued to third parties and is therefore restricted for use by the Group.

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27. Analysis of net debt

	At 31 December 2024 £m	Cash flows £m	Non-cash items ¹ £m	Exchange differences £m	At 31 December 2025 £m
Cash at bank and on hand	87.4	(12.8)	–	6.7	81.3
Lease receivables	2.2	(0.4)	0.1	–	1.9
	89.6	(13.2)	0.1	6.7	83.2
Liabilities arising from financing activities					
Financial assets – derivative financial instruments	0.2	–	–	–	0.2
Debts due within one year	(6.5)	27.0	(37.2)	–	(16.7)
Debts due after one year	(257.0)	–	11.8	(14.5)	(259.7)
Lease liabilities	(323.6)	94.4	(86.8)	(9.2)	(325.2)
	(586.9)	121.4	(112.2)	(23.7)	(601.4)
Net debt	(497.3)	108.2	(112.1)	(17.0)	(518.2)

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 (2024: four) of which provide defined benefits based on final pensionable salary. Of these schemes, one (2024: one) has assets held in a separate trustee administered fund and three (2024: 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 132.5% as at 31 December 2025 (2024: 111.0%). The pension premium percentage remained the same as in the prior year at 25.4% (2024: 25.4%). 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 2026. 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 £7.5m (2024: £8.3m), of which a charge of £1.0m (2024: £1.1m) related to defined benefit pension schemes and £6.5m (2024: £7.2m) 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.

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 (2024: £0.6m) relating to the defined benefit pension schemes, was £1.0m (2024: £1.1m).

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 2025 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

28. Retirement benefit obligations continued

Consolidated balance sheet liability

The balance sheet position in respect of the four defined benefit schemes can be summarised as follows:

	2025 £m	2024 £m
Pension liability before taxation	(16.4)	(18.2)
Related deferred tax asset	1.4	1.5
Pension liability after taxation	(15.0)	(16.7)

The actuarial gain of £0.2m (2024: £0.2m loss) for the year, together with an associated deferred tax debit of £0.2m (2024: £nil), has been recognised in the Consolidated statement of comprehensive income.

Of the above pension liability before taxation, £9.3m (2024: £10.9m) relates to the funded scheme in the UK and £7.1m (2024: £7.3m) relates to the overseas unfunded schemes. The liability in relation to the UK scheme has decreased during the year due to an actuarial loss on the liabilities due to changes in assumptions and inflation experience and finance costs of £0.5m, partially offset by the employer contribution of £2.5m.

The movement in the pension liability before taxation in the year can be summarised as follows:

	2025 £m	2024 £m
Pension liability at 1 January	(18.2)	(20.3)
Current service cost	(0.4)	(0.5)
Payment of unfunded benefits	0.6	0.5
Contributions	2.5	2.5
Net finance cost	(0.6)	(0.6)
Actuarial gain/(loss)	0.2	(0.2)
Effect of changes in exchange rates	(0.5)	0.4
Pension liability at 31 December	(16.4)	(18.2)

The principal assumptions used for the IAS 19 actuarial valuation of the UK scheme (the largest scheme of the Group) were:

	2025 %	2024 %
Rate of increase in salaries ¹	n/a	n/a
Rate of fixed increase of pensions in payment	1.8%	1.9%
Rate of increase of LPI pensions in payment	2.8%	3.1%
Discount rate	5.4%	5.4%
Inflation assumption	2.9%	3.2%

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 22.1 years (2024: 21.8 years). The life expectancy on retirement at age 65 of a male employee currently aged 45 years is 22.5 years (2024: 22.2 years). The life expectancy for a female employee beyond the normal retirement age of 65 is 23.6 years (2024: 23.5 years). The life expectancy on retirement at age 65 of a female employee currently aged 45 years is 25.1 years (2024: 25.0 years).

The sensitivity analysis below has 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£1.0m. 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 2025 is 10 years (2024: 10 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 advisors, 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:

	2025 £m	2024 £m
Equities	21.4	20.2
Corporate and government bonds	54.5	51.6
Investment funds	11.8	13.2
Property	3.8	5.2
Cash	1.0	1.1
Total fair value of assets	92.5	91.3

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:

	2025 £m	2024 £m
Fair value of assets	92.5	91.3
Present value of scheme liabilities	(108.9)	(109.5)
Net liability recognised in the Consolidated balance sheet	(16.4)	(18.2)

The overall expected rate of return is based upon market conditions at the balance sheet date.

Amounts recognised in the Consolidated income statement in respect of these defined benefit schemes are as follows:

	2025 £m	2024 £m
Current service cost	0.4	0.5
Net finance cost	0.6	0.6
Amounts recognised in the Consolidated income statement	1.0	1.1

Analysis of the actuarial gain/(loss) recognised in the Consolidated statement of comprehensive income in respect of the schemes:

	2025 £m	2024 £m
Actual return less expected return on assets	0.4	(8.9)
Effect of changes in demographic assumptions	(0.9)	(0.4)
Effect of changes in financial assumptions	0.9	9.2
Impact of liability experience	(0.2)	(0.1)
Remeasurement of the defined benefit liability	0.2	(0.2)

The remeasurement of the net defined benefit liability is included within the Consolidated statement of comprehensive income.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

28. Retirement benefit obligations continued

Movements in the present value of the schemes' liabilities were as follows:

	2025 £m	2024 £m
Present value of schemes' liabilities at 1 January	(109.5)	(119.9)
Current service cost	(0.4)	(0.5)
Interest on pension schemes' liabilities	(5.5)	(5.0)
Benefits paid	6.6	6.3
Payment of unfunded benefits	0.6	0.5
Effect of changes in exchange rates	(0.5)	0.4
Remeasurement gains/(losses):		
Actuarial loss arising from changes in demographic assumptions	(0.9)	(0.4)
Actuarial gain arising from changes in financial assumptions	0.9	9.2
Actuarial loss due to liability experience	(0.2)	(0.1)
Present value of schemes' liabilities at 31 December	(108.9)	(109.5)

Movements in the fair value of the schemes' assets were as follows:

	2025 £m	2024 £m
Fair value of schemes' assets at 1 January	91.3	99.6
Finance income	4.9	4.4
Actual return less expected return on assets	0.4	(8.9)
Contributions from sponsoring companies	2.5	2.5
Benefits paid	(6.6)	(6.3)
Fair value of schemes' assets at 31 December	92.5	91.3

29. Commitments and contingencies

a) Capital commitments

	2025 £m	2024 £m
The purchase of property, plant and equipment contracted but not provided for	0.8	0.9

b) Lease commitments

The Group has various lease contracts that have not yet commenced as at 31 December 2025. The future lease payments for these non-cancellable lease contracts are £1.7m within one year (2024: £2.6m), £5.5m within five years (2024: £9.7m) and £2.3m thereafter (2024: £4.3m).

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 £10.3m (2024: £10.8m). Of this amount, £4.1m (2024: £4.3m) 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 £0.3m (2024: £0.5m) based on the remaining future rent commitment at 31 December 2025. 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 2025, SIG incurred expenses of £0.4m (2024: £0.6m) 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 pages 100 and 101), is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2025 £m	2024 £m
Short-term employee benefits	7.4	7.2
IFRS 2 share-based payment expense	1.6	2.9
	9.0	10.1

31. Subsidiaries

Details of the Group's subsidiaries, all of which have been included in the Consolidated financial statements, are shown on pages 204 to 206.

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.

	2025 £m	2024 £m
Underlying operating profit	32.1	25.1
Add back:		
Depreciation of right-of-use assets and property, plant and equipment	77.4	78.9
Amortisation of computer software	0.7	1.2
Underlying EBITDA	110.2	105.2
Reported net debt	518.2	497.3
Leverage	4.7x	4.7x

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 working per 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	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 2025	675.5	455.9	1,131.4	190.0	398.7	588.7	432.5	91.6	101.8	260.5	2,606.5
Less inter-segment revenue	(2.4)	(2.5)	(4.9)	(0.1)	(10.3)	(10.4)	–	–	(0.2)	–	(15.5)
External revenue	673.1	453.4	1,126.5	189.9	388.4	578.3	432.5	91.6	101.6	260.5	2,591.0
Statutory and underlying revenue 2024 (Restated) ¹	669.7	451.5	1,121.2	200.5	421.9	622.4	438.5	103.6	104.3	241.4	2,631.4
Less inter-segment revenue (Restated) ¹	(4.7)	(2.8)	(7.5)	(0.1)	(11.8)	(11.9)	–	–	(0.2)	–	(19.6)
External revenue (Restated) ¹	665.0	448.7	1,113.7	200.4	410.1	610.5	438.5	103.6	104.1	241.4	2,611.8
% change year on year:											
Underlying revenue	1.2%	1.0%	1.1%	(5.2)%	(5.3)%	(5.3)%	(1.4)%	(11.6)%	(2.4)%	7.9%	(0.8)%
Impact of currency	–	–	–	(1.3)%	(1.3)%	(1.3)%	(1.3)%	(1.2)%	(1.3)%	(3.2)%	(0.9)%
Impact of branch changes	0.9%	0.3%	0.7%	(0.4)%	2.0%	1.2%	(0.3)%	13.6%	–	(0.6)%	1.0%
Impact of working days	0.4%	0.4%	0.4%	0.8%	–	0.2%	0.4%	1.4%	0.4%	0.4%	0.4%
Like-for-like sales	2.5%	1.7%	2.2%	(6.1)%	(4.6)%	(5.2)%	(2.6)%	2.2%	(3.3)%	4.5%	(0.3)%

1. The 2024 segmental information has been restated in order to present on a consistent basis with the current year. See the Accounting policies for further details.

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.

	2025 £m	2024 £m
Underlying revenue	2,591.0	2,611.8
Underlying operating profit	32.1	25.1
Operating margin	1.2%	1.0%

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.

	2025 £m	2024 £m
Decrease in cash and cash equivalents in the year	(12.8)	(39.7)
Add back:		
Settlement of amounts payable for previous purchases of businesses (included within cash flow from investing activities)	–	4.4
Settlement of amounts payable for previous purchases of businesses (included within cash flow from operating activities)	–	4.0
Repayment of borrowings	0.8	239.7
Proceeds from borrowings	–	(247.0)
Free cash flow	(12.0)	(38.6)
Add back:		
Finance costs paid	52.9	37.5
Finance income received	(1.7)	(2.7)
Tax paid	3.5	8.0
Operating cash flow	42.7	4.2

e) Other non-statutory measures

In addition to the alternative performance measures noted above, the Group also uses underlying loss per share (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.

Independent Auditor's report

to the members of SIG plc

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 2025 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 2025 which comprise:

Group	Parent company
Consolidated income statement for the year ended 31 December 2025	Company balance sheet as at 31 December 2025
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 2025	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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent company and we remain independent of the Group and the parent company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and parent company's ability to continue to adopt the going concern basis of accounting included:

- 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 2027 (the "going concern period"). We also engaged with management early to ensure all key risk factors were considered in their assessment;
- Obtaining management's assessment, including the cash forecast for the going concern period and testing this for arithmetical accuracy. Management modelled a reasonable worst-case scenario in its cashflow forecasts to reflect a scenario where anticipated market growth did not arise and revenue continued to decline;

- 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;
- Verifying the nature, repayment terms, covenants, and other conditions of the Group's debt facilities, being the Secured Notes and Revolving Credit Facility ("RCF");
- Assessing the continued availability of these facilities to the Group through the going concern period and ensuring forecasted compliance of covenants in the going concern period;
- Challenging the appropriateness of the key assumptions in management's forecasts, including revenue growth and operating margin percentage, by comparing these to past and 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; 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 2025 the Group had a cash balance of £81.3m and has committed facilities of €300m Secured Notes and a £90m RCF to October 2029 and April 2029, respectively. The RCF was undrawn at 31 December 2025 and post year end through the date of this report. Covenants are only effective if 40% (£36m) is drawn at a relevant quarter end. This could restrict the amount available to drawdown on the RCF to £36m in order to prevent a covenant breach at a relevant quarter end.
- The results from both management's evaluation and our independent sensitivity analysis and reverse stress testing indicate that the possibility of a decline in performance severe enough to cause a liquidity issue and covenant breach is 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 2027 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 2027.

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 or parent company's ability to continue as a going concern.

Independent Auditor's report continued

to the members of SIG plc

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): – <i>Group financial statements: goodwill, intangible assets, property, plant and equipment and right-of-use assets</i> – <i>Parent company financial statements: Investments in and debtors owed by subsidiary undertakings</i> – Misstatement of supplier rebate income and the associated receivable
Materiality	– Overall Group materiality of £3.2m which represents 0.5% of Group gross profit.

An overview of the scope of the parent company and Group audits

Tailoring the scope

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 can be performed on the following 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

Going concern

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 the 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 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 Ireland, with the Senior Statutory auditor visiting France and Germany. 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 three 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 in 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 decarbonisation of the fleet. These are explained on pages 26 to 33 in the required Task Force on Climate Related Financial Disclosures and Non-Financial and Sustainability information statement and on pages 46 to 49 in the principal risks and uncertainties. The Group have also explained their climate commitments in the Sustainability review on pages 16 to 32. 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 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, 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.

Independent Auditor's report continued

to the members of SIG plc

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 <i>Refer to the Audit & Risk Committee Report (page 72; Accounting policies (pages 125, 136 and 197 to 198); Note 11 of the Consolidated Financial Statements and Note 5 of the Company Financial Statements</i> The Group Balance Sheet includes goodwill, intangible assets, PPE, and ROUA totalling £433.9m (2024: £456.7m). The parent company Balance Sheet includes investments totalling £402.9m (2024: £401.2m) and debtors owned by subsidiary undertakings of £341.5m (2024: £380.5m). 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 remains similar to prior year, as whilst underlying operating profits have improved, revenue has remained flat on a like for like basis in what continues to be a difficult trading environment.	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 2026 budgets and 2027-2028 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. For each CGU assessed using FVLCD For the 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, particularly 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 assess whether management's specialist had the requisite qualifications to make the assessment, and to determine if their methodology used was 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. Certain 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 the capitalisation of an intercompany loan balance with a subsidiary. We assessed whether indicators of impairment existed at the balance sheet date. We assessed the principles of management's forecast models to assess 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. Our range indicated an impairment should be recorded. We evaluated the impairment recorded by management and considered the sufficiency of the financial statement disclosures. We also considered the impact of a downside scenario on the expected credit loss ("ECL") provision held by the parent company in respect of debtors owned by subsidiary undertakings.

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, except for £20.7m recorded in relation to the Miers Construction Products CGU. The most significant judgement in the VIU assessment is the prospective financial information which includes significant growth driven by a number of initiatives, notably in 2028 (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 materially 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 France Roofing, Germany, Building Solutions, and Miers Construction Products CGUs, are appropriate.

We agree with management's conclusion to record an impairment against the fleet ROUA of £6.3m in the UK Interiors CGU and against the intangibles of £2.6m in the Construction Accessories CGU, prior to the change in operating segments. An impairment of £3.5m in respect of an office building was also appropriately recorded, based on a market determination by an external specialist. 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 an impairment of £28.3m should be recorded against the parent company investment balance to be reasonable. We agree that a £4.0m increase to the ECL provision is reasonable.

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 and involvement with component teams

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 <i>Refer to the Audit Committee Report (page 72; Accounting policies (pages 126 and 137); and Notes 15 and 16 of the Consolidated Financial Statements</i> In 2025, income from Supplier Rebates totalled £383.5m (2024: £348.0m) with a receivable balance as at 31 December 2025 of £103.0m (2024: £109.1m). 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 or where no confirmation was received, we: – Obtained the rebate agreement signed by both parties and recalculated the earnings and receivable balances based on the volumes in management's data; – Where estimation was included (e.g., non-coterminous year ends), we tested assumptions made to supporting documentation; – 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

We performed full and specific scope audit procedures over this risk in twelve locations, which covered 99% of the risk amount associated to supplier rebate income, and 98% 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.

Independent Auditor's report continued

to the members of SIG plc

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 £3.2m (2024: £3.0m), which is 0.5% (2024: 0.5%) of Group gross profit. We believe that this 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 determined materiality for the parent company to be £3.7m (2024: £3.9m), which is 1.0% (2024: 1.0%) of shareholders' equity, 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 and noted no changes.

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% (2024: 50%) of our planning materiality, namely £1.6m (2024: £1.5m). 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 £0.7m (2024: £0.3m to £0.6m).

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 £0.16m (2024: £0.15m), 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 115, 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 parent 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 41;
- Directors' explanation as to its assessment of the Group and parent company's prospects, the period this assessment covers and why the period is appropriate set out on pages 42 to 43;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on pages 42 to 43;
- Directors' statement on fair, balanced and understandable set out on page 76;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 78 to 79;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 78 to 79; and
- The section describing the work of the audit committee set out on pages 70 to 77.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 115, 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.

Independent Auditor's report continued

to the members of SIG plc

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. 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 identified or communicated to us centrally 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 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 on 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 eight years, covering the years ending 31 December 2018 to 31 December 2025.
- 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

Date: 3 March 2026

Five-year summary

Statutory basis	Total 2021 £m	Total 2022 £m	Total 2023 £m	Total 2024 £m	Total 2025 £m
Revenue	2,291.4	2,744.5	2,761.2	2,611.8	2,591.0
Operating profit/(loss)	14.0	56.2	4.0	(3.8)	(9.4)
Finance income	0.7	1.3	2.2	2.7	1.7
Finance costs	(30.6)	(30.0)	(38.1)	(43.7)	(54.0)
(Loss)/profit before tax	(15.9)	27.5	(31.9)	(44.8)	(61.7)
(Loss)/profit after tax	(28.3)	15.5	(43.4)	(48.6)	(64.1)
(Loss)/earnings per share (p)	(2.4)	1.3	(3.8)	(4.2)	(5.5)
Total dividend per share (p)	—	—	—	—	—

Underlying basis ¹	Underlying 2021 £m	Underlying 2022 £m	Underlying 2023 £m	Underlying 2024 £m	Underlying 2025 £m
Revenue	2,291.4	2,744.5	2,761.2	2,611.8	2,591.0
Operating profit	41.4	80.2	53.1	25.1	32.1
Finance income	0.7	1.3	2.2	2.7	1.7
Finance costs	(22.8)	(29.9)	(37.9)	(42.1)	(53.8)
Profit/(loss) before tax	19.3	51.6	17.4	(14.3)	(20.0)
Profit/(loss) after tax	3.7	37.2	4.4	(19.7)	(22.7)
Earnings/(loss) per share (p)	0.3	3.2	0.4	(1.7)	(2.0)

1. Underlying represents the results before Other items. See Accounting policies for further details.

Company balance sheet

as at 31 December 2025

	Note	2025 £m	2024 £m
Fixed assets			
Investments	5	402.9	401.2
Tangible fixed assets	6	0.4	0.4
		403.3	401.6
Current assets			
Debtors: due within one year	8	343.9	353.1
Debtors: due after more than one year	8	–	30.1
Cash at bank and in hand		23.2	42.8
		367.1	426.0
Current liabilities			
Creditors: amounts falling due within one year	9	167.4	181.0
Net current assets		199.7	245.0
Total assets less current liabilities		603.0	646.6
Creditors: amounts falling due after one year	10	259.7	256.5
Net assets		343.3	390.1
Capital and reserves			
Called up share capital	12	118.2	118.2
Treasury shares reserve	12	(6.1)	(8.6)
Merger reserve	12	104.0	104.0
Capital redemption reserve	12	0.3	0.3
Share option reserve	12	6.7	7.8
Exchange reserve	12	(0.2)	(0.2)
Cash flow hedging reserve	12	(0.1)	(1.3)
Cost of hedging reserve	12	0.1	0.1
Retained profits	12	120.4	169.8
Shareholders' funds		343.3	390.1

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 loss after tax for the financial year ended 31 December 2025 of £49.4m (2024: £47.7m profit).

The Financial statements were approved by the Board of Directors on 3 March 2026 and signed on its behalf by:

Pim Vervaat
Director

Ian Ashton
Director

Registered in England: 00998314

Company statement of changes in equity

for the year ended 31 December 2025

	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 £m	Total equity £m
At 1 January 2024	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
Loss after tax	–	–	–	–	–	–	–	–	(49.4)	(49.4)
Other comprehensive income	–	–	–	–	–	–	1.2	–	–	1.2
Total comprehensive income/(expense)	–	–	–	–	–	–	1.2	–	(49.4)	(48.2)
Purchase of treasury shares	–	(1.6)	–	–	–	–	–	–	–	(1.6)
Credit to share option reserve	–	–	–	–	3.0	–	–	–	–	3.0
Settlement of share options	–	4.1	–	–	(4.1)	–	–	–	–	–
At 31 December 2025	118.2	(6.1)	104.0	0.3	6.7	(0.2)	(0.1)	0.1	120.4	343.3

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 2025

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 page 130 to 132.

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") which 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 2025 and remains undrawn at the date of this report.

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 2027 ("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 122.

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 2027 and the Directors therefore consider it appropriate to adopt the going concern basis in preparing the 2025 Company financial statements.

Company accounting policies continued

for the year ended 31 December 2025

New standards, interpretations and amendments adopted

A number of amendments and interpretations apply for the first time in 2025, 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.

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; and
- 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 127.

Derivative financial instruments

The accounting policy for derivative financial instruments is consistent with that of the Group as detailed on page 132.

Financial assets and liabilities

The accounting policy for financial assets and liabilities is consistent with that of the Group as detailed on pages 130 to 132. 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 128.

Intangible assets

The accounting policy for intangible fixed assets is consistent with that of the Group as detailed on page 128.

Foreign currency

The accounting policy for foreign currency is consistent with that of the Group as detailed on page 124.

Taxation

The accounting policy for taxation is consistent with that of the Group as detailed on page 126.

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 £13.8m (2024: £11.3m) 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 2025 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 2025 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 £13.8m. 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 £402.9m (2024: £401.2m).

Of the £402.9m net book value at 31 December 2025, £211.4m (2024: £209.7m) 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 2025 the carrying value was not supported by the future operating cash flows and an impairment of £28.3m has been recognised.

Company accounting policies continued

for the year ended 31 December 2025

Critical accounting judgements and key sources of estimation uncertainty continued

£187.5m (2024: £187.5m) of the investment net book value 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 cash flows 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 investments 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 and sensitivities to changes in these assumptions are provided in Note 5.

Impairment of amounts owed by subsidiary undertakings

At 31 December 2025 the Company has recognised amounts owed by subsidiary undertakings of £341.6m (2024: £380.5m). 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 £29.8m has been recognised at 31 December 2025 (2024: £25.9m) 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 2025 and level of ECL provision required in the future. We have estimated that the impact of such potential changes could increase or reduce the ECL provision by up to c.10%.

Notes to the Company financial statements

for the year ended 31 December 2025

1. Profit/(loss) for the year

The Auditor's remuneration for audit and audit-related services to the Company was £0.9m (2024: £1.3m).

2. Share-based payments

The Company had three share-based payment schemes in existence during the year ended 31 December 2025 (2024: three). The Company recognised a total charge of £0.7m (2024: £1.6m) in the year relating to share-based payment transactions, with a total credit to equity of £3.0m (2024: £4.1m) including amounts relating to the employees of subsidiaries which are recharged to the subsidiaries. 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 2025 (2024: £nil) and the Directors are not proposing a final dividend for the year ended 31 December 2025 (2024: £nil). Total dividends paid during the year was £nil (2024: £nil). No dividends have been paid between 31 December 2025 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:

	2025 £m	2024 £m
Employee costs during the year amounted to:		
Wages and salaries	6.6	6.2
Social security costs	0.9	0.8
IFRS 2 share-based payment expense	0.6	1.6
Pension costs	0.3	0.3
Total	8.4	8.9

The average monthly number of persons that these costs relate to is as follows:

	2025 Number	2024 Number
Management and administration	47	49

In addition to the above, redundancy and staff related costs of £0.5m (2024: £0.1m) have been included within Other items, including £0.1m (2024: £nil) share-based payment expense.

5. Fixed asset investments

Fixed asset investments comprise investments in subsidiary undertakings, as follows:

	2025 £m	2024 £m
Cost		
At 1 January	888.4	650.9
Additions	30.0	237.5
At 31 December	918.4	888.4
Accumulated impairment charges		
At 1 January	487.2	487.2
Impairment charge	28.3	–
At 31 December	515.5	487.2
Net book value		
At 31 December	402.9	401.2
At 1 January	401.2	163.7

Details of the Company's subsidiaries are shown on pages 204 to 206.

Notes to the Company financial statements continued

for the year ended 31 December 2025

5. Fixed asset investments continued

The additions in the year relate to the conversion into equity of intercompany loan balances with SIG Trading Limited. The Company subscribed for shares in SIG Trading Limited for £30.0m in December 2025, with the consideration offset against existing amounts owed by them, resulting in an increase in investments of £30.0m and a corresponding decrease in the balance owed by them (see Note 8).

The additions in the prior year related to the conversion into equity of intercompany loan balances with certain subsidiaries. The Company subscribed for shares in SIG European Holdings Limited for £187.5m in July 2024 and in SIG Trading Limited for £50.0m in December 2024, with the consideration offset against 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 £402.9m (2024: £401.2m) investment net book value, £211.4m (2024: £209.7m) relates to 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 2025 the carrying value was not supported by the future operating cash flows and an impairment of £28.3m has been recognised.

£187.5m (2024: £187.5m) of the investment net book value relates to SIG European Holdings Limited, an intermediate holding company which indirectly holds investments in the European trading subsidiaries. At 31 December the carrying value is supported by the future operating cash flows 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 investments 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, Performance Technology Group, 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 in each of the relevant operating companies included within SIG European Holdings Limited, if incurred simultaneously in all companies and before considering any mitigations, would not indicate any impairment in the investment in 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 Building Solutions, France Roofing and Germany, which are noted as being reasonably possible scenarios, were incurred simultaneously, without considering any mitigations, this would lead to further impairment in the investment in SIG Trading Limited of c£23m, but would not indicate any impairment in the investment in SIG European Holdings Limited.

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 2024, 31 December 2024 and 2025	0.1	0.6	0.7	1.4
Depreciation				
At 1 January 2024	0.1	0.2	0.6	0.9
Charge for the year	–	0.1	–	0.1
At 31 December 2024 and 2025	0.1	0.3	0.6	1.0
Net book value				
At 31 December 2024 and 2025	–	0.3	0.1	0.4

7. Intangible fixed assets

The movement in the year was as follows:

	Computer software £m	Total £m
Cost		
At 1 January 2024	1.0	1.0
Disposals	(0.1)	(0.1)
At 31 December 2024 and 2025	0.9	0.9
Depreciation		
At 1 January 2024	0.8	0.8
Charge for the year	0.1	0.1
At 31 December 2024 and 2025	0.9	0.9
Net book value		
At 31 December 2024 and 2025	–	–

8. Debtors

	2025 £m	2024 £m
Amounts owed by subsidiary undertakings	341.6	350.5
Derivative financial instruments	0.2	0.1
Prepayments	2.1	2.5
Debtors: due within one year	343.9	353.1
Amounts owed by subsidiary undertakings	–	30.0
Derivative financial instruments	–	0.1
Debtors: due after more than one year	–	30.1
Total	343.9	383.2

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 £29.8m (2024: £25.9m) has been recognised at 31 December 2025 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%.

Notes to the Company financial statements continued

for the year ended 31 December 2025

9. Creditors: amounts falling due within one year

	Note	2025 £m	2024 £m
Amounts owed to subsidiary undertakings		144.5	168.0
Secured notes		11.7	–
Accrued interest on secured notes	10	4.3	4.4
Derivative financial instruments		0.2	1.3
Accruals and other payables		6.7	7.3
Total		167.4	181.0

Amounts owed to subsidiary undertakings are measured at amortised cost, are unsecured and bear interest at rates between 0% and 7.25%.

Secured notes

As part of the debt refinancing in October 2024, the Group completed a refinancing of its debt arrangements, which resulted in €13.5m of the previous secured notes remaining outstanding. These notes have a fixed coupon of 5.25% and are due for repayment in November 2026.

10. Creditors: amounts falling due after one year

	2025 £m	2024 £m
Secured notes	259.7	256.4
Derivative financial instruments	–	0.1
Total	259.7	256.5

Secured notes

As part of the debt refinancing in October 2024, €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 £2.1m is unamortised at 31 December 2025 (2024: £2.7m).

The contractual repayment profile of the secured notes is shown below:

	2025		2024	
	£m	Fixed interest rate %	£m	Fixed interest rate %
Total gross amount repayable in 2026	–	–	11.2	5.25%
Total gross amount repayable in 2029	261.8	9.75%	247.9	9.75%
Unamortised fees	(2.1)		(2.7)	
Secured notes due after more than one year	259.7		256.4	
Total gross amount repayable in 2026	11.7	5.25%	–	–
Accrued interest repayable within one year	4.3		4.4	
Total secured notes	275.7		260.8	

11. Deferred tax

Deferred tax has not been recognised on trading losses and other deductible temporary differences of £55.3m (2024: £45.2m) on the basis that the realisation of their future economic benefit is uncertain. The unrecognised potential deferred tax asset in relation to this is £13.8m (2024: £11.3m). 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

	2025 £m	2024 £m
Authorised:		
1,390,000,000 ordinary shares of 10p each (2024: 1,390,000,000)	139.0	139.0
Allotted, called up and fully paid:		
1,181,556,977 ordinary shares of 10p each (2024: 1,181,556,977)	118.2	118.2

During 2025 the Company allotted no shares (2024: 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. 15,120,568 (2024: 3,001,375) shares were purchased during the year at a weighted average cost of 10.9p (2024: 28.7p) per share, and 9,948,089 (2024: 8,808,795) shares were issued relating to the settlement of share awards. A total of 25,786,559 own shares are outstanding at 31 December 2025 (2024: 20,614,080).

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 2025 the Company had distributable reserves of £197.4m (2024: £266.1m), principally comprising the retained profits, excluding unrealised intercompany interest, together with the element of the merger reserve created through the cash box structure noted above.

13. Guarantees and contingent liabilities

a) Guarantees

At 31 December 2025 the Company had provided a guarantee to the landlord of a leasehold property of one of the UK subsidiary companies. The maximum liability that could arise from this is £6.2m. 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.

b) Contingent liabilities

As at the balance sheet date, the Company had outstanding obligations under a standby letter of credit of up to £4.1m (2024: £4.3m). 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 £0.7m (2024: £1.6m).

Other information

Group companies 2025

This Note provides a full list of the related undertakings of SIG plc in line with the Companies Act 2006 ("CA 2006") requirements.

In accordance with Section 409 of the CA 2006 a full list of related undertakings, the country of incorporation, registered office address and the effective percentage of equity owned, as at 31 December 2025 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)

Bowler Group Limited (England) (ii) (xxii)

Building Solutions (National) Limited (England) (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) (xxii)
 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 Limited (England) (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) (xxii)
 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%)

Registered Office Address: Adsetts House, 16 Europa View, Sheffield Business Park, Sheffield, S9 1XH, United Kingdom

Fully owned subsidiaries (overseas) (including registered office addresses)

Gate Pizzaras SL (Spain) – Ctra.N-VI. 399-24550, Villamartin de la Abadia, Carracedlo, Leon, Spain

Isolatec b.v.b.a. (Belgium) – Scheepvaartkaai 5, 3500 Hasselt, Belgium

J S McCarthy Limited (Ireland) – 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 LOG 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

Fully owned subsidiaries (overseas) (including registered office addresses) continued

SIG Belgium Holdings N.V. (Belgium) – Bosstraat 60, 3560 Lummen, Belgium

SIG Building Products Limited (Ireland) – 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) – Ballymount Retail Centre, Ballymount Road Lower, Dublin 24, Ireland

SIG Sp. z.o.o. (Poland) – ul. Kamińskiego 51, 30-644 Krakow, Poland

Sitaco Sp. z.o.o. (Poland) – ul. Kamińskiego 51, 30-644 Krakow, Poland

Sitaco Spolka z ograniczoną odpowiedzialnością sp.k. (Poland) – ul. Kamińskiego 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

Company information

Financial calendar

Annual General Meeting

Thursday 30 April 2026

Interim results 2026

Tuesday 4 August 2026

Full-year results 2026

March 2027

Annual Report and Accounts 2026 posted to shareholders

March 2027

Shareholder analysis at 31 December 2025

Size of shareholding	Number of shareholders	%	Number of ordinary shares	%
0 – 999	516	35.96%	196,437	0.02%
1,000 – 4,999	498	34.70%	1,115,078	0.09%
5,000 – 9,999	128	8.92%	853,587	0.07%
10,000 – 99,999	148	10.31%	4,981,730	0.42%
100,000 – 249,999	36	2.51%	6,099,913	0.52%
250,000 – 499,999	18	1.25%	6,662,360	0.56%
500,000 – 999,999	25	1.74%	17,828,241	1.51%
1,000,000 +	66	4.60%	1,143,819,631	96.81%
Total	1,435	100.00%	1,181,556,977	100.00%

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
Bristol BS99 6ZY

Auditor

Ernst & Young LLP
No. 1 Colmore Square
Birmingham B4 6HQ

Solicitors

Ashurst LLP
Fruit & Wool Exchange
1 Duval Square
London E1 6PW

Principal bankers

National Westminster Bank plc
250 Bishopsgate
London EC2M 4AA

Barclays Bank plc
Level 25
1 Churchill Place
London E14 5HP

BNP Paribas
London Branch
10 Harewood Avenue
London NW1 6AA

Lloyds Bank plc
1 Lovell Park Road
Leeds LS1 2HL

HSBC UK Bank plc
4th Floor City Point
Leeds LS2 8DA

Joint stockbrokers

Peel Hunt LLP
100 Liverpool Street
London EC2M 2AT

Investec Bank plc
30 Gresham Street
London EC2V 7QP

Financial public relations

FTI Consulting LLP
200 Aldersgate
Aldersgate Street
London EC1A 4HD

Shareholder enquiries

Our share register is managed by
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by telephone on:

Overseas callers* +44 370 707 1293
24-hour helpline* 0370 707 1293
Text phone 0370 702 0005

* Operator assistance available between 08:30
and 17:30 UK time each business day.

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.

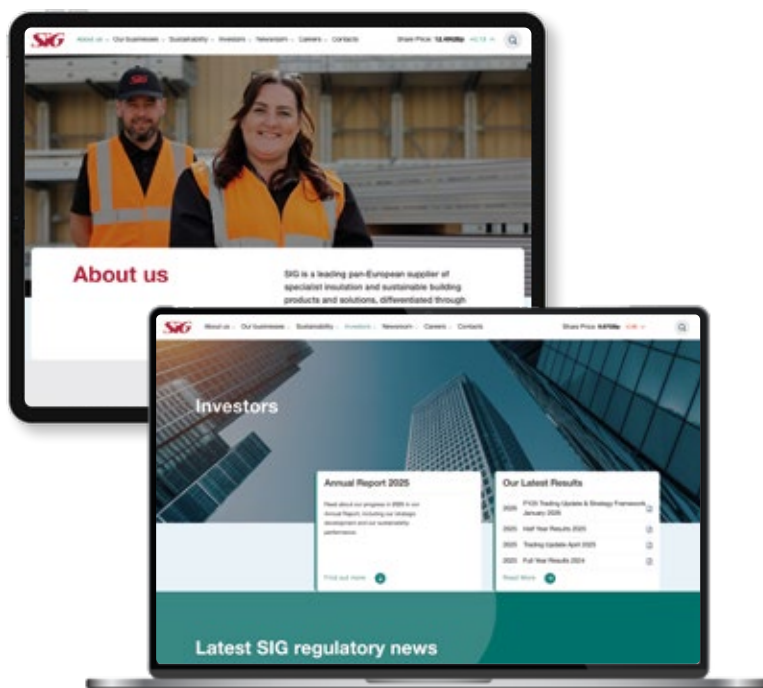
Website and electronic communications

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