

Governance

- 75 Governance at a glance
- 76 Chair's Letter
- 78 Directors and Officers
- 80 Corporate Governance Statement
- 82 Leading by example
- 86 Employee engagement in action
- 87 Driving Genuit forward
- 92 Nomination Committee Report
- 99 Risk Committee Report
- 106 Audit Committee Report
- 113 Directors' Report
- 116 Directors' Responsibilities Statement



Governance at a glance

Our Board

The Board has seven Directors comprising the Chair, two Executive Directors and four independent Non-Executive Directors.

Biographies of the Directors are available on pages 78 to 79 and on our website, www.genuitgroup.com.

The Board

The Board provides the leadership of the Group and is elected to represent shareholders to oversee and enable the Company's prosperity and long-term success. Part of its responsibilities include setting strategy, culture, control and management.

The Executive Management Team

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

CEO E
Joe Vorih

CFO E
Tim Pullen

Chief Strategy and Sustainability Officer E
Martin Gisbourne

Chief People Officer E
Clare Taylor

Group Legal Counsel and Company Secretary E
Emma Versluys

Business Unit Managing Director, SBS
Steve Currier

Business Unit Managing Director, WMS
Steve Durdant-Hollamby

Key: E Executive Committee

Independent Non-Executive Chair
Kevin Boyd

Executive Directors
Joe Vorih (CEO)
Tim Pullen (CFO)

Independent Non-Executive Directors (NEDs)
Shatish Dasani
Lisa Scenna
Louise Brooke-Smith
Bronagh Kennedy

Company Secretary
Emma Versluys

Board governance framework

Good governance provides the structure to enable the Board, acting collectively, to fulfil its responsibility to promote the success of Genuit Group plc and create long-term value for shareholders.

Genuit Group plc Board

Nomination Committee
Pages 92 to 98

Risk Committee
Pages 99 to 105

Audit Committee
Pages 106 to 112

Remuneration Committee
Pages 118 to 147

Board appointments

Further information on changes to the Board can be found in the Nomination Committee Report.

March 2023

- Lisa Scenna was appointed Senior Independent Director
- Shatish Dasani was appointed as Non-Executive Director and Audit Committee Chair

July 2023

- Bronagh Kennedy was appointed as Non-Executive Director

November 2023

- Tim Pullen was appointed Chief Financial Officer

Board team building session

An externally facilitated Board team building session took place in October 2023 following the changes in leadership and as a recommendation from the 2022 external Board evaluation. Further detail on this process is detailed on [page 89](#).

External audit tender

Selecting the right external auditor is crucial for effective corporate governance, as a competent external auditor provides assurance of financial accuracy, promotes investor confidence in the Company, oversees high levels of risk management and provides independent perspective. The Board conducted an external audit tender during the year, facilitated by the Audit Committee Chair. Further detail on this process is included in our Audit Committee Report on [page 110](#).

Shareholder engagement

The Board prioritised increasing the level of direct shareholder engagement during the year through its Strategy Progress Update and obtaining feedback on its proposed Remuneration Policy. Further detail on the engagement with shareholders on our Remuneration Policy can be found in our Stakeholder Engagement section on [page 51](#).

Highlights

(as at 31 December 2023)

Board meeting attendance

100%

2023 employee engagement sessions

6

Board independence

71%

Ethnicity

1 of 7 members

Average age

56.5

Culture

The Group culture refresh programme was launched during the year. A team of senior leaders from across the Group volunteered to participate to develop and implement strategies to establish, improve and embed the Group's culture and Trademark Behaviours. Various steps were involved in the process during the year, as well as a commitment to deeply embed and sustain the new culture and Trademark Behaviours across the organisation during 2024. You can read more about this on [page 45](#) in the Strategic Report and [pages 84 and 85](#) of the Governance Report.

Chair's Letter



Kevin Boyd
Independent Non-Executive Chair

“Good governance is not simply an area of compliance, but is integral to an efficient, effective and prospering Company.”

On behalf of the Board, I am pleased to present the Governance Report for the year ended 31 December 2023, my first full year as Chair of the Board.

Good governance is not simply an area of compliance, but is integral to an efficient, effective and prospering Company. Structured and transparent governance systems hold executives to account for their decisions on behalf of the Company, enable effective leadership and lead to sustainable business practices promoting long-term sustainable success for shareholders. The Board has adequate oversight of governance structures within the Group and continually monitors and reviews these to provide reassurance to shareholders.

This Governance Report, as well as the reports of the Audit, Nomination, Risk and Remuneration Committees give further insight into the Board's activities during the year, which will allow all stakeholders to determine the Company's compliance with the UK Corporate Governance Code (the Code). This Report, as well as the Directors' Remuneration Report, set out in greater detail how the principles and provisions of the Code have been applied during the year and how the Board and its Committees have fulfilled their responsibilities to ensure high levels of governance are in place across the Group. Engaging with our stakeholders remains a priority, and further detail on how we have done this during 2023 can be found on pages 49 to 53.

Board changes

This year has seen further changes to the Board. In accordance with the Code, Mark Hammond, Non-Executive Director since 2014, stepped down from the Board on 31 October 2023 and in anticipation of Mark's retirement, Lisa Scenna was appointed as Senior Independent Director in March 2023. As outlined in the 2022 Governance Report on page 70, the Company was non-compliant with Provision 24 of the Corporate Governance Code with effect from 1 November 2022 to 7 March 2023 as a result of the Chair also serving as Audit Committee Chair. A clear explanation of the reasons for this was provided in the 2022 Annual Report and Accounts, and I am pleased to confirm that following Shatish Dasani's appointment to the Board as a Non-Executive Director, and Audit Committee Chair with effect from 7 March 2023, the Company maintained compliance with all provisions of the Code. Matt Pullen stepped down from the Board in April 2023 and the Board decided not to appoint a successor. After more than five years serving as Chief Financial Officer (CFO), Paul James stepped down from the Board

in September 2023 and Tim Pullen joined the Company as Interim CFO on 4 September to enable an effective handover of responsibilities, and was appointed permanent CFO and joined the Board on 1 November 2023. These changes are in line with our succession planning and recruitment policies to ensure a diverse Board with a combination of skills and experience, and show the Board's resilience to adapting to change and the effectiveness of its succession planning strategies. I believe that we have a strong and multi-skilled Board in place with an appropriate balance of experience.

Board composition, skills and diversity

The composition, skills and diversity of the Board continue to be monitored. Given the leadership changes during the year, the Board participated in an externally facilitated team building session in October 2023 to further develop the relationships between Board members and its effectiveness as a Board. The Board continues to support diversity in the widest sense and acknowledges the advantages that come from having diverse viewpoints across the Group's businesses and in the decision-making processes at Board and senior management level. We believe that our Board is well balanced and diverse, with the right mix of skills, experience, independence and knowledge to allow it to discharge its duties and responsibilities effectively and to lead the Group during the next phase of its strategic development.

I am pleased to report that as at 31 December 2023, the Company has 42.8% female representation on its Board, 40% female representation on its Executive Committee, and 50% female representation at senior level, being the Executive Committee and its direct reports. We are proud of the changes we continue to make to create a more diverse and inclusive environment and are committed to maintaining this diverse approach at all levels of recruitment. Following Shatish's appointment as a Non-Executive Director, and Lisa's appointment as Senior Independent Director, as at the reporting date of 31 December 2023, we are compliant with the Listing Rule requirements on diversity.

Our Nomination Committee is continuing to further develop its succession plans for the Board and senior management with support from the Executive Committee and the Chief People Officer. You can read more about the work of our Nomination Committee on pages 92 to 98.

Chair's Letter continued

Section 172 Statement

In accordance with the 2018 UK Corporate Governance Code and the Companies Act 2006, the Board, in its decision-making process, considers what is most likely to promote the success of the Company for its shareholders in the long term, as well as considering the interests of the Group's employees and other stakeholders and understanding the importance of taking into account their views. The Board also considers, and takes seriously, the Group's impact on the local communities within which it operates, as well as reviewing actions being taken to mitigate any negative impacts our operations have on the environment. Considering this, the Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole. The Board's activities and considerations in meeting this requirement are covered in detail in our s172 Statement.

—> [Read more on pages 54 to 57.](#)

Culture and purpose

Our new purpose of 'Together, we create sustainable living' showcases and brings collaborative and problem-solving mindsets to the challenges faced by our customers in improving the built environment.

Sustainability is at the heart of how we run our businesses, and we want to ensure we have the most talented, empowered and diverse teams focusing on our key objectives around growth, innovation and addressing the challenges facing our industries.

The Board continues to prioritise setting the culture from the top, aligning our purpose, behaviours and strategy to the culture of the Group. The Board recognises its responsibility for shaping, monitoring and overseeing culture, and is proud of the developments made to further integrate and implement recognisable and consistent Trademark Behaviours, further detail of which is included in the Strategic Report on page 45 and outlined further in this Report on pages 84 and 85. The Board recognises that effective management of this is necessary to enable the delivery of long-term success for all stakeholders.

The deployment of our refreshed strategy during 2023, as well as the changes to our organisational structure, continue to support our culture and our desire to embed the right behaviours across the Group. We remain of the view that decision-making by those people who are closest to their respective customers and who are experts in their fields is key to continuing to respond to our customers' needs. As a result, the Board understands the importance of promoting a culture whereby employees understand the common Group purpose and strategy, but also feel empowered to act. We therefore need to ensure that our governance structures create sufficient challenge and debate so we can be confident we continue to make the right decisions for the long-term success of the Group.

Stakeholder engagement

During December 2023, I reached out to our top ten shareholders to offer them the opportunity to meet with me to discuss any issues or concerns they might have. I met with five during January and February 2024 and overall the feedback on the Group's strategy, performance and management team was positive.

Looking at 2024 and beyond

During 2024, we will continue to address the challenges caused by climate change and urbanisation by developing and producing sustainable solutions, focusing on our sustainability framework and its growth drivers, trends and opportunities in accordance with our defined purpose. We will continue to foster a culture across our businesses that results in the right decisions and actions to promote the success of the Group for the long term, and for the benefit of our members as a whole; whilst holding ourselves accountable against our sustainability targets and raising the bar for sustainability to promote the generation of smarter and more sustainable policies and practices across our industry. Working together, we will make the built environment more sustainable for generations to come, whilst maintaining a robust governance structure which continues to address and understand the needs of all our stakeholders.

As always, we welcome questions or comments from shareholders either via our website or in person at the Annual General Meeting (AGM) scheduled to be held at Genuit Group's offices in Leeds at 4 Victoria Place, Holbeck, LS11 5AE on 28 May 2024.

Kevin Boyd
Independent Non-Executive Chair
12 March 2024

Directors and Officers

Board of Directors



Kevin Boyd
Independent Non-Executive Chair

Committees: N R

Appointed: 22 September 2020

Experience: Kevin has extensive listed plc experience in the engineering and manufacturing sectors, bringing a strong combination of financial, strategic and multi-organisational expertise to the Board. He was previously the Chief Financial Officer of global engineering group Spirax-Sarco Engineering plc and prior to that Chief Financial Officer of Oxford Instruments plc and Radstone Technology plc and until October 2023 was Senior Independent Director and Chair of the Audit Committee of Emis Group plc. Kevin has a BEng from Queen's University Belfast, is a Chartered Engineer, and a Fellow Chartered Accountant of the ICAEW and the Institution of Engineering and Technology. Kevin was appointed Chair of the Board on 1 November 2022.

External Appointments:

Non-Executive Director and Chair of the Audit Committee of Bodycote plc, and Non-Executive Director of Galliford Try Holdings plc.

Committees:

- Audit Committee
- Remuneration Committee
- Chair of Committee



Joe Vorih
Chief Executive Officer

Committees: RI

Appointed: 28 February 2022

Experience: Joe joined Genuit from Spectris plc, a FTSE 250 company, where he was president of HBK, a standalone division and key platform business within the Group from January 2019, having joined Spectris in 2016. Prior to that, he worked for Clarcor Corporation, a NYSE listed business delivering filtration solutions and Danaher Corporation, also a US listed global business in industrial, test and medical equipment. He has a Bachelor of Science and a Master of Science in Mechanical Engineering from the Massachusetts Institute of Technology.

External Appointments:

Non-Executive Director of Senior plc, Director of Rocky Neck Partners, LLC.

- Nomination Committee
- Risk Committee



Tim Pullen
Chief Financial Officer

Committees: RI

Appointed: 1 November 2023

Experience: Tim joined Genuit as Interim Chief Financial Officer on 4 September 2023, and was appointed Chief Financial Officer on 1 November 2023. Tim previously served as CFO of IQE plc, an AIM listed manufacturer of advanced semiconductor materials from 2019 to 2023, as CFO of Arm Limited from 2017 to 2019 and held senior finance positions in 02/Telefonica UK, Serco plc and Logica plc prior to that. He is a Chartered Accountant (ICAEW) and is Chair of the Risk Committee.

External Appointments:

None.



Lisa Scenna
Senior Independent Director

Committees: R N A

Appointed: 24 September 2019

Experience: Lisa Scenna has over 20 years' business experience working at executive director level in large private and publicly listed multinational corporations with a background in strategic and financial business change, with her most recent executive role being with the Morgan Sindall Group as Managing Director of MS Investments. Prior to this, she held executive roles with Laing O'Rourke, Stockland Group and Westfield Group in Australia. Lisa has a Bachelor of Commerce from the University of NSW, and is a member of the Australian Institute of Company Directors and the Institute of Chartered Accountants in Australia. Lisa is Chair of the Remuneration Committee and was appointed as Senior Independent Director on 7 March 2023.

External Appointments:

Non-Executive Director of Cromwell Property Group, an Australian listed company, and Non-Executive Director of Harworth Group plc, Gore Street Energy Storage Fund plc and Non-Executive Director and Chair of the Audit, Risk & Compliance Committee for Dexus Capital Funds Management Limited.



Shatish Dasani
Non-Executive Director

Committees: A N R

Appointed: 1 March 2023

Experience: Shatish Dasani is an experienced former FTSE Chief Financial Officer and current Audit Committee Chair of UK publicly listed companies, with a career in financial roles spanning over 30 years. He was previously Chief Financial Officer of TT Electronics plc, a global manufacturer of electronic components and Forterra plc, a manufacturer of building products for the UK construction industry. Shatish was previously Non-Executive Director of Camelot Group plc and Network Rail, and his historic and current experience within the construction industry, manufacturing, and engineering sectors as well as experience in the financial sector provides invaluable knowledge, experience and skills to the Board.

External Appointments:

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



Louise Brooke-Smith
Non-Executive Director

Committees: N A R

Appointed: 24 September 2019

Experience: Louise Brooke-Smith has extensive expertise in the property, construction and infrastructure industries, being an experienced property and planning adviser, past Global President of the Royal Institution of Chartered Surveyors and member of the Royal Town Planning Institute. She was formerly a partner at Arcadis LLP. Louise holds a Bachelor of Science from Sheffield Hallam University and honorary doctorates from Wolverhampton, Sheffield Hallam and Birmingham City Universities. She is a Freeman of the City of London and was awarded an OBE in 2019 for services to the built environment and diversity. Louise is our nominated workforce engagement NED.

External Appointments:

Strategic Planning and Development Adviser and Director for Consilio Strategic Consultancy Limited, a Board Trustee of The Land Trust, a Trustee of Birmingham Museum & Art Gallery, and a Board Member of L&Q Group.

Directors and Officers continued



Bronagh Kennedy
Non-Executive Director

Committees: N A R

Appointed: 3 July 2023

Experience: Bronagh was the Group General Counsel and Company Secretary of Severn Trent plc from 2011 to 2022, and as part of her role she was also responsible for compliance and regulatory assurance and the group's corporate sustainability programme. During her career she has worked across several sectors including finance, leisure and hospitality, and she has a very broad range of corporate experience, including as HR Director of Mitchells & Butlers plc. Bronagh was also previously a Non-Executive Director of Walseley (Ferguson plc carve-out prior to its disposal).

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



Emma Versluys
Group Legal Counsel
and Company Secretary

Committees: RI

Appointed: 28 June 2017

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

Executive Management Team Members



Clare Taylor
Chief People Officer

Committees: RI

Experience: Clare is our Chief People Officer and a member of the Executive Management Team and the Risk Committee. She has over 30 years' experience in global HR leadership roles across various manufacturing and distribution industries. Before joining the Group, Clare was Chief People Officer at SIG plc, and other key career highlights include Group HR Director at Scapa Group plc, Commercial HR Director at Ideal Standard International and Senior Global HR roles with Smith & Nephew plc and SSL International plc. Clare is a Fellow of the Chartered Institute of Personnel and Development, has a BSc in Psychology and a Master's degree in Occupational Psychology.

Committees:

- A Audit Committee
- R Remuneration Committee
- Chair of Committee



Martin Gisbourne
Chief Strategy and
Sustainability Officer

Committees: RI

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

- N Nomination Committee
- RI Risk Committee



Steve Currier
Business Unit Managing
Director, SBS

Committees: RI

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



Steve Durdant-Hollamby
Business Unit Managing
Director, WMS

Committees: RI

Experience: Steve is Managing Director of the Water Management Solutions Business Unit and is a member of the Executive Management Team and the Risk Committee. Steve joined the Group in January 2019 as MD of Polypipe Civils. Having previously been divisional MD at Alumasc for their Water Management division, Steve has over 30 years' experience in the civils and drainage sector in the UK and international markets through various senior leadership roles. Steve was appointed as MD of Water Management Solutions in April 2023. He is a full member of the Institute of Export & International Trade for his services to export.

Corporate Governance Statement



Kevin Boyd
Independent Non-Executive Chair

This statement outlines the processes the Company has followed throughout the year to comply with the 2018 UK Corporate Governance Code (the Code) and demonstrates compliance with each provision. Maintaining the highest standards of governance is integral to achieving our long-term strategic goals and sustaining legal and ethical integrity across the Group, and the Board is committed to ensuring that these standards are continually met.

This Corporate Governance Report (Report), which is also available on the Company's website, explains key features of the Company's governance structure and aims to provide a greater understanding of how the principles of the Code, published in July 2018 by the Financial Reporting Council (FRC), have been applied and the areas of focus during the year. The Code can be found on the FRC's website at www.frc.org.uk. The Board is kept informed of changing regulations and recommendations and welcomes the FRC's recently announced updates to the UK Corporate Governance Code issued in January 2024, which continue to uphold the flexibility of 'comply or explain' reporting and seek to deliver improvements that promote trust, transparency and accountability. The new Corporate Governance Code will apply from 1 January 2025 and 1 January 2026 (Provision 29), and the Board will continue to review its current governance structures and implement any required changes in advance of the required reporting dates to ensure it maintains full compliance with its principles and provisions.

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

As outlined in the 2022 Annual Report and Accounts on page 70, during the year, the Company was compliant with the Principles and Provisions set out in the Code, with the exception of Provision 24 from 1 November 2022 until 7 March 2023. Kevin Boyd (previously Audit Committee Chair) was appointed as Chair of the Board on 1 November 2022 in anticipation of Ron Marsh's retirement from the Board given his seven-year tenure, but it was deemed appropriate and necessary to prioritise a smooth handover between the incumbent and incoming Board Chairs. It was therefore agreed that Kevin would also remain in his post as Audit Committee Chair in the interim whilst a suitable candidate was identified, a process which was expedited by the Nomination Committee during Q3 2022.

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

Compliance statement

The 2018 UK Corporate Governance Code (the Code) applied to the financial year ended 31 December 2023.

The Company confirms that, following the appointment of Shatish Dasani as Audit Committee Chair on 7 March 2023, it complied with all provisions of the Code.

The Report also includes items required by the FCA's Disclosure Guidance and Transparency Rules. The Board has ultimate responsibility for the approval of the Annual Report and Accounts. It has considered the content of the Annual Report and Accounts and confirms that, taken as a whole, it is fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's position and performance, business model and strategy. Further detail on the process followed to make this assessment can be found on page 109. The following table sets out where stakeholders are able to obtain further details within the Annual Report to evaluate how the Company has applied the principles of the Code.

Corporate Governance Statement continued

Compliance with the 2018 UK Corporate Governance Code (the Code)

Section 1: Board leadership and company purpose	Pages	Section 3: Composition, succession and evaluation	Pages	Section 5: Remuneration	Pages
A Effective and entrepreneurial board to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society	75 to 91	J Board appointments and succession plans for board and senior management and promotion of diversity	87 to 98	P Remuneration policies and practices to support strategy and promote long-term sustainable success with executive remuneration aligned to company purpose and values	118 to 147
B Purpose, values and strategy with alignment to culture		K Skills, experience and knowledge of board and length of service of board as a whole		Q Procedure for executive remuneration, director and senior management remuneration	
C Resources for the company to meet its objectives and measure performance. Controls framework for management and assessment of risks		L Annual evaluation of board and directors and demonstration of whether each director continues to contribute effectively		R Authorisation of remuneration outcomes	
D Effective engagement with shareholders and stakeholders		Board evaluation	90	Remuneration Policy	123 to 133
E Consistency of workforce policies and practices to support long-term sustainable success		Diversity	96 to 98	Annual Report on Remuneration	134 to 147
Culture	84 to 85	Succession planning	95		
Risk framework	66	Section 4: Audit, risk and internal controls	Pages		
Stakeholder engagement	49 to 53	M Independence and effectiveness of internal and external audit functions and integrity of financial and narrative statements	99 to 112		
Section 2: Division of responsibilities	Pages	N Fair, balanced and understandable assessment of the company's position and prospects			
F Leadership of board by chair	82 to 83	O Risk management and internal control framework and principal risks company is willing to take to achieve its long-term objectives			
G Board composition and responsibilities		External audit tender	110 to 111		
H Role of non-executive directors		Effectiveness of external auditor	111		
I Company secretary, policies, processes, information, time and resources		Fair, balanced, understandable	109		
Directors' biographies	78 to 79	Risk management	101 to 105		
Roles and responsibilities	83	Internal control framework	110		



Leading by example



The Board

The primary role of the Board is to lead and steer the Group in such a way that ensures long-term sustainable success in accordance with its strategic goals and purpose, setting its culture and expected behaviours from the top. It provides governance and oversight and has collective responsibility for this. It is accountable to the Company's shareholders, balancing their interests with those of all material stakeholders. It takes the lead in establishing the Company's purpose, strategy, financial policy and ensuring that a sound system of internal control and adequate risk management is maintained.

The 2018 FRC Guidance on Board Effectiveness provides that the Board should ensure there is a formal Schedule of Matters reserved for the Board, to assist with planning and provide clarity over where responsibility for decision-making lies. This was reviewed and updated during 2023. The Board may appoint Committees as it deems appropriate, to exercise certain of its powers. Specific areas of delegation are set out in the Terms of Reference for the Committees as outlined further in this Report, as recommended by the Code. While the Board may make use of Committees to assist with its consideration of appointments, succession, audit, risk and remuneration, in accordance with the Code and FRC Guidance, it retains responsibility for,

and endorses, final decisions in all of these areas for the Group. The Schedule of Matters sets out those powers reserved for the Board, in accordance with the Code. These are available to all leaders as part of the Delegation of Authorities Matrix (read more about this on page 110), which forms part of the internal controls implemented across the Group. As part of its responsibilities for monitoring deployment of strategy and ensuring strategic goals are realised, it monitors resources and risks to the successful execution of strategy through the support of its Committees, as outlined below.

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

The Board may take independent professional advice in the furtherance of its duties, if necessary, at the Company's expense.

Board and Committees

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

Each Committee has reported on its contribution to the Board's decision-making during the year, details of which can be found later in this Report. Biographies of the Chairs of each of the Board Committees, as well as all other Directors, are set out on pages 78 and 79.

Board meetings and division of responsibilities

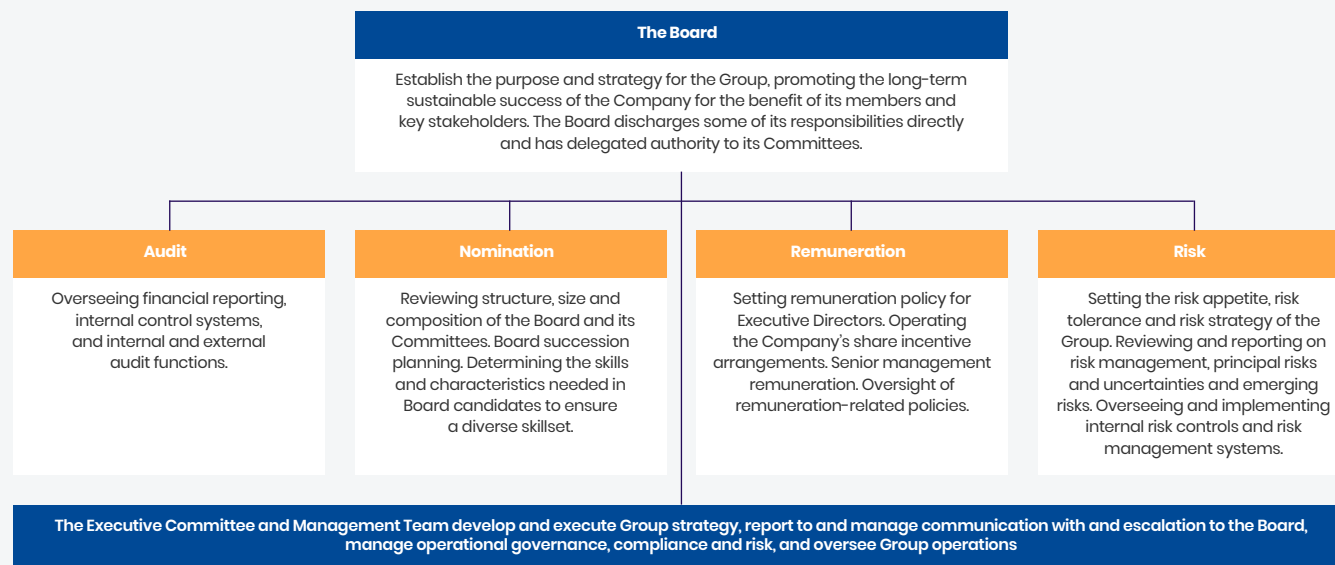
There is a clear division of responsibilities between the leadership of the Board and the executive leadership of the Group. The responsibilities of the Chair, CEO, CFO, Senior Independent Director (SID), Board and Committees are clearly defined and agreed by the Board (see pages 87 and 88 for more detail about the separation of the role of Chair and CEO, and the role of the SID). The division of responsibilities between the leadership of the Board and executive leadership of the Group are showcased in the diagram below.

In total, there were seven Board meetings held during the year to discuss and review progress on issues affecting the Group. A number of Committee meetings were also held during the year. Details of attendance at Board and Committee meetings are also shown in the diagram below.

Every effort is made to ensure that all Directors, where possible, attend scheduled Board meetings. However, in the event that a Director is unable to attend a meeting, they are provided with the meeting papers and information relating to the meeting and are able to discuss the matters arising with the Chair and other Directors. Agendas are drafted in line with the Schedule of Matters reserved for the Board in addition to key items that need to be addressed during the year, to ensure it remains compliant with its obligations. Designated senior leaders from across the Group as well as external advisers attend some of the meetings on request, for discussion of specific items in greater depth and to provide training and updates.

Board meetings and division of responsibilities

Our governance framework



Meeting attendance

Name	Position	Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Committee
Kevin Boyd ¹	Chair	7/7	1/1	4/4	7/7	–
Joe Vorih ²	Chief Executive Officer	7/7	–	2/2	–	2/3
Tim Pullen ³	Chief Financial Officer	1/1	–	–	–	1/1
Lisa Scenna	Senior Independent Director	7/7	4/4	4/4	7/7	–
Shatish Dasani ⁴	Non-Executive Director	6/6	4/4	4/4	6/6	–
Louise Brooke-Smith	Non-Executive Director	7/7	4/4	4/4	7/7	–
Bronagh Kennedy ⁵	Non-Executive Director	3/3	3/3	1/1	3/3	–
Outgoing Directors:						
Matt Pullen ⁶	Chief Operating Officer	2/2	–	–	–	1/1
Paul James ⁷	Chief Financial Officer	5/5	–	–	–	2/2
Mark Hammond ⁸	Non-Executive Director	6/6	3/3	3/3	6/6	–

1. Kevin Boyd stepped down as Audit Committee Chair on 7 March 2023

2. Joe Vorih was a member of the Nomination Committee until 6 March 2023

3. Tim Pullen was appointed to the Board on 1 November 2023

4. Shatish Dasani was appointed on 1 March 2023

5. Bronagh Kennedy was appointed on 3 July 2023

6. Matt Pullen stepped down from the Board on 28 April 2023

7. Paul James stepped down from the Board on 30 September 2023

8. Mark Hammond stepped down from the Board on 31 October 2023

Division of responsibilities

Chair	Chief Executive Officer (CEO)
<p>Kevin Boyd</p> <ul style="list-style-type: none"> – Provides overall leadership and governance – Sets the Board agenda – Promotes a culture of openness, challenge and constructive debate – Ensures Directors understand the views of major shareholders and stakeholders 	<p>Joe Vorih</p> <ul style="list-style-type: none"> – Executive management of the Group's business – Develops and implements Group strategy and commercial objectives – Leads senior management team in effecting decisions of the Board – Communicates with the Board, shareholders, employees and other stakeholders
Chief Financial Officer (CFO)	Senior Independent Director (SID)
<p>Tim Pullen</p> <ul style="list-style-type: none"> – Implements, manages and controls the Group's financial-related activities – Develops appropriate financial strategies and manages investor relations – Ensures appropriate risk management systems are in place – Works with the CEO to deliver strategy deployment and manage day-to-day operations 	<p>Lisa Scenna</p> <ul style="list-style-type: none"> – Acts as a sounding board for the Chair, appraises their performance, leads the other NEDs, and is a direct contact for shareholders if necessary
Non-Executive Directors (NEDs)	Employee Engagement NED
<p>Shatish Dasani, Bronagh Kennedy</p> <ul style="list-style-type: none"> – Scrutinise and constructively challenge the performance of Executive Directors and contribute to setting strategy, succession plans and remuneration strategy 	<p>Louise Brooke-Smith</p> <ul style="list-style-type: none"> – Engages directly with employees, ensuring their views are considered by the Board
Company Secretary	Company Secretary
	<p>Emma Versluys</p> <ul style="list-style-type: none"> – Supports the Board and Committees, provides advice to the Board on all governance and legal-related matters, as well as advising Directors on their duties. Assists with all Board and shareholder meetings and related paperwork and facilitates induction and training programmes for Directors

Leading by example continued

It is standard practice as part of the governance arrangements for the Board to visit the Group's numerous businesses on a rolling basis each year. This allows individual Board members to have greater knowledge and visibility of the Group's operations, and enables the Board to engage directly with employees to complement the structured employee engagement forums that take place with the dedicated Non-Executive Director (further detail on our formal employee engagement programme can be found later in this Report on page 86).



Board dinners are held ahead of the scheduled meetings where possible, to provide a more relaxed forum for the Board members to have additional discussions amongst themselves, as well as with the senior management team from that location. This enables the Board to partake in informal discussions outside of the Board meeting itself, and this additional engagement and visibility enables the Board to have a greater understanding of the culture across the Group. The Board visited five different sites during 2023, these being Manthorpe Building Products site in Ripley, Polypipe Ulster site in Northern Ireland, Polypipe Civils site in Loughborough, Polypipe Building Products site in Doncaster and the Group office in Leeds.

Every year the Board holds an annual Strategy Day, where it spends a full day with senior management to discuss current performance of the Group and the strategic plan. The Strategy Day during 2023 was held in October and was structured as an interactive strategy session prior to the Board meeting as a presentation and Q&A forum, enabling engagement and opportunity for sufficient challenge from the Board on different elements of the strategy, and suitable focus to be given to specific details. It was further discussed in the Board meeting held the following day as a standalone agenda item. This enabled the Board to take time to reflect prior to approving the strategy in the Board meeting, complementing the direct feedback and questions within the strategy session itself. An informal dinner was also held thereafter to discuss and reflect on the discussions during the day in a more informal environment. During the year, the Chair held regular meetings with the Non-Executive Directors without the Executive Directors present. The Chair's performance was assessed as part of the internal Board evaluation. Further detail on the results of the internal Board evaluation can be found in this Report on page 90.

Together, we create sustainable living






Investing in our people and culture

The Board recognises that an inclusive and positive environment improves job satisfaction, increases employee retention, boosts productivity and enhances performance. Our greatest asset for enabling the Group's achievement of its strategic goals is its people, and this is a core element of our strategy as outlined within the Strategic Report on pages 43 to 46. Developing a culture which is consistent with and supports our purpose is key to enabling the Group to deliver its strategy, and monitoring and maintaining that culture as a consistent tool for driving performance is a priority for the Board. As outlined in our 2022 Annual Report and Accounts, during 2022, foundations were laid to develop an established and consistent culture during 2023, with the intention of supporting our Sustainable Solutions for Growth strategy.

A dedicated culture team was established early in the year which comprised senior leaders who had volunteered from across the Group to come together to define a new purpose and establish the Group's Trademark Behaviours (TMBs). Creating a strong and consistent Group culture which promoted positivity, wellbeing and engagement and establishing a cultural framework which encompassed the overall purpose of the Group and linked directly to its strategy was a priority for this dedicated working group. The outcome of these sessions was a set of TMBs which effectively complement and support our purpose and strategy, and we have plans to further embed these across all people processes, including recruitment, performance management and leadership development during 2024.

What we did in 2023

-  **We work together**
-  **We take ownership**
-  **We find a better way**



May
A follow-up session to refine the outputs from the April meeting and propose a first draft of the TMBs.

July – August
Engagement sessions held across all businesses reaching a total of 15% of employees from across the Group at all levels to understand the meaning of the identified TMBs to employees and whether they could be applied within their businesses and varying roles.



October
First launch of TMBs with the Genuit Leadership Team (GLT) at the annual conference, with an interactive engagement and training session to onboard the GLT in advance of formal roll out across the Group.



December
Virtual sessions held for all GLT members across December to reinforce commitments and plans for 2024.

2023

January
Communication of the refreshed strategy at the Genuit Leadership event, and the foundations of the commitment culture project were set.



April
The culture team was established, and a launch meeting held bringing together volunteers from across the Group businesses to agree our updated purpose.



June
Collaboration sessions with the culture team to finalise the proposed draft TMBs prior to sharing with the wider Group for feedback.



September
Culture team follow-up meeting to share feedback from the engagement sessions during July and August and TMBs refined to reflect this feedback. TMBs agreed and submitted to the Executive Management Team for review and approval in advance of approval by the Board.



November
Culture team follow-up session and sharing of feedback following GLT conference and identifying next steps.

2024

The Board will continue to be updated on the roll out of the updated TMBs across the Group. Regular monitoring is essential to ensure effective deployment of the Group's defined purpose and TMBs. Currently the Board receives an update at each meeting in respect of its people, which includes both qualitative and quantitative methods, as follows:

- Employee turnover and current headcount
- Diversity & Inclusion (D&I) data
- Grievances, governance and legal matters
- Policy training updates
- Recent internal communications and engagement activity and surveys
- Talent and development, including talent acquisition and retention

- Absence statistics
- Progress of maintaining The 5% Club
- Reasons for leaving
- Leadership development
- Reward, remuneration and incentives
- Strategic projects

The Board also obtains feedback directly via its dedicated Non-Executive Director (as outlined later in this Report), through site visits and through the completion of employee surveys. An employee engagement survey is due to be launched in early 2024 which incorporates key indicators as well as general employee satisfaction questions.

Establishing openness and transparency across the Group as well as fostering and maintaining a culture which is responsive to stakeholder expectations and the external environment will continue to be a priority for the Board. As we grow, collaborate, create solutions and innovate, we recognise that continuing to drive this common purpose and aligned TMBs will help realise the achievement of our strategic goals.

Employee engagement in action



The views of employees within each category were summarised collectively, as well as being shared on a site-by-site basis with the Board, so that gaps which existed across the Group could be separated from those which required further intervention at site level. The feedback from employees during 2023 focused on improving communication across all levels, being more transparent around changes and future decisions of the business and being more proactive to better communicate Group direction and strategy. The Board plans to focus on strategy throughout 2024, and a framework, timeline and proposed methods for communicating with employees on these topical issues has been shared by the Executive Management Team with the GLT for dissemination within their businesses. Whilst it remains clear that employees feel they have a sense of belonging and of being part of a wider Group, all employees agreed that understanding the wider organisation and continuing to improve interaction with their peers across the businesses would continue to provide opportunities to share knowledge, identify synergies and

continue to build a Genuit Group identity over and above their individual business. The proposed communication strategy will assist with developing this.

The Board recognises that direct employee engagement platforms are not effective unless outcomes are adequately fed back to management and action is taken to address these issues. It remains of the view that employees are our greatest asset, and obtaining this feedback will only help to develop and build open communication channels which in turn will positively develop the defined Group culture, strategy and enable long-term sustainable success.

Areas for improvement were identified within each category in 2021, and these were outlined in our 2022 Annual Report and Accounts, with the corresponding actions taken to mitigate and improve these during 2023 and identified future plans for 2024 summarised in the table below.

Employee engagement

Direct employee engagement is one of the key methods to ensuring a unified culture exists across the Group. The appointment of a dedicated employee engagement Non-Executive Director means there is a consistent mechanism in place for employee views to be shared, discussed and considered by the Board in its strategic decision-making. It has been a priority to build on the feedback obtained during 2022, and a further six sites were included during 2023 in the employee feedback sessions held across different sites as part of the Genuit Group Employee Engagement Programme, with Louise Brooke-Smith, as the dedicated Non-Executive Director for employee engagement, hosting each session. This is a total of 10 sessions across the past 24 months. Each session was structured in the same way as the 2022 sessions to cover five key topics, being: strategy and vision, communication, diversity and inclusion, health and safety and governance. Each provided an overview of the objective of the programme and invited employees to share their views confidentially.

We engaged with our employees on

- Strategy and Vision
- Communication
- Diversity and Inclusion
- Health and Safety
- Governance

We listened and actioned

Following our strategy refresh in early 2023, throughout the year we held regular GLT conference calls to ensure timely and relevant communications directly to our leaders. We also increased the communication of our strategy via Workplace posts, vlogs and using other communication methods' platforms. Our Workday HRIS system was effectively rolled out across the Group, and we held diversity and inclusion events throughout the year. We continue to drive improvements within our health and safety practices, and have articulated this within our TMBs to highlight the importance of health and safety.

We will continue in 2024

We will continue to engage regularly with employees across all sites, and a formal employee engagement plan approved by the Board is in place for 2024.

We will update employees on the progress of our strategy deployment, ensuring we use various methods, and will endeavour to continuously improve and enhance communication methods. We will finalise the second phase of our Workday roll out which will assist with learning and governance tools. TMBs will be formally embedded across the Group for all employees during 2024 and support provided to management where necessary to ensure effective deployment.

Driving Genuit forward

Board composition, qualification and experience

A successful Board is one which has a combination of skills, experience and knowledge, allowing all Directors to actively contribute to discussions and provide challenge where appropriate. At the year end, the Board comprised the independent Non-Executive Chair, two Executive Directors and four Non-Executive Directors. The Non-Executive Directors were appointed for the diversity of their backgrounds as well as their personal attributes and experience.

During the year, the annual review was conducted of the current skills of the Board and an updated matrix of those skills was presented to the Nomination Committee for review and approval as part of its succession planning considerations during the year. It was noted that following the appointments made during the year of Executive and Non-Executive Directors, skill gaps that had been previously identified were no longer pressing and the Board remained satisfied with the recruitment strategy of the Nomination Committee. All expected skills of Board members will continue to be reviewed on a regular basis and will be considered by the Board and Nomination Committee in all recruitment and succession planning decisions. The skills matrix also places focus on the diversity of the Board and is a useful tool to identify where further training or education is required for individual Directors as well as the Board, collectively. The Nomination Committee and the Board have considered the independence of each of the Non-Executive Directors.

As part of the appointment process, Directors are assessed on their skills, experience and independence, which is reviewed on an annual basis in line with the skills matrix, their roles on the Board and Provision 10 of the Code. The Board considered the Chair and all the Non-Executive Directors to be independent throughout the period (or where applicable, from appointment). In accordance with Code Provision 18, all of the Directors are subject to annual re-election. Bronagh Kennedy was appointed on 3 July 2023 and Tim Pullen was appointed on 1 November 2023 and both Directors will offer themselves for election at the 2024 AGM and for re-election annually thereafter.

Separation of the roles of Chair and Chief Executive Officer

The Company recognises Principle F of the Code which outlines the responsibility of the Chair and their accountability for directing the Company. Objective judgement is paramount, and thus the roles and responsibilities of the Chair and the Chief Executive Officer (CEO) are separate and clearly defined, with a distinct division of responsibilities. This distinguishes management authority from Board authority, which in turn empowers the Chair and CEO to pursue their respective duties without concern that interests in one position might negatively influence the other.

It is the Chair's duty to provide overall leadership and governance of the Board and to ensure that the Company is run in the best interests of its shareholders. Part of this role includes setting the Board agendas, ensuring that adequate time is available for discussion of all agenda items and promoting a culture of openness, challenge and debate at Board meetings. Along with other members of the Board, the Chair also has a role in setting the Company's strategic direction, making key decisions about mergers and acquisitions, capital raises and other important matters.

Supported by the Company Secretary, the Chair keeps under review: the adequacy of the training received by all Directors, particularly on stakeholder-related matters; the induction received by new Directors, especially those without previous Board experience; and ensures the Board is provided with accurate and timely information – as well as determining how best to ensure that the Board's decision-making processes give sufficient consideration to material stakeholders.

The CEO is responsible for executive management of the Group's business, consistent with the strategy and commercial objectives agreed by the Board and its overall performance. The CEO leads the senior management team in effecting decisions of the Board and its Committees and is accountable to the Board, and ultimately the shareholders. The CEO is also responsible for the maintenance and protection of the reputation of the Group, ensuring that the affairs of the Group are conducted with the highest standards of integrity, probity and corporate governance. They are also responsible for communicating the Company's vision and performance to shareholders and other stakeholders, and for building and managing a strong Executive Management Team.

Whilst the roles of the Chair and CEO are separate, the partnership between both is based on mutual trust and facilitated by regular contact between them. This strong partnership and regular communication ensures that the Company's strategic direction is aligned with the expectations of the Board and shareholders. It also helps to ensure that there is clear communication and coordination between the Board and executive management, which in turn avoids any potential conflicts or misunderstandings that could negatively impact the performance of the Group. It fosters a positive and productive culture within the Company, which contributes to retaining top talent and maintaining good morale amongst employees. This separation of authority enhances the independent oversight of executive management by the Board and helps to ensure that no one individual on the Board has unfettered authority.

Board skills and experience

The Board uses a skills matrix to identify the balance of skills, knowledge and experience of the Board, for its composition review and succession planning. The matrix highlights where the skills and experience of Directors are particularly strong, and where there are opportunities to further enhance the Board's collective knowledge. A high-level summary of the Board skills matrix as at 31 December 2023 is included below.

Board skills matrix	Number of members
Recent and relevant financial experience	4
Competence relevant to the sector in which the Company operates	7
Listed Executive Director/Non-Executive Director experience	7
International experience	7
Legal and governance	7
Financial governance	7
Environmental, Social & Governance (ESG)	7
Managing investor relations	7
Developing technological capability	6
People and culture	7
M&A	7

Driving Genuit forward continued

Role of the Senior Independent Director

Lisa Scenna was appointed Senior Independent Director (SID) of the Company on 7 March 2023. She is available to shareholders and other stakeholders if they have concerns that cannot be addressed through normal channels. The role of the SID is to provide an independent perspective on the Board's decisions, act as a sounding board for the Chair, and as an intermediary for the other Directors when necessary. The SID is also available to chair the Board in the absence of the Chair and has authority to add items to the agenda of any regular or special meeting of the Board. The role of the SID is considered an important part of the composition of the Board, acting as a check and balance in the Group's governance structure.

Appointment and tenure

The Non-Executive Directors serve on the basis of letters of appointment, which are available for inspection at the Company's registered office. The letters of appointment set out the expected time commitment of the Non-Executive Directors who, on appointment, undertake that they have sufficient time to carry out their duties. There is no fixed expiry date. The Executive Directors' service contracts are also available for inspection at the Company's registered office. The notice period for Executive Directors is 12 months.

External appointments

In accordance with Principle H, the Board takes seriously the requirement that all Non-Executive Directors should have sufficient time to meet their Board responsibilities. Whilst it recognises the benefits that greater Boardroom exposure provides for Directors, it closely monitors the nature and number of external directorships held to ensure continued compliance with Principle H. All Executive and Non-Executive Directors' external appointments are reviewed at each Board meeting as standard, including detail of all those appointments over the previous five years. The Board reviews the nature of each appointment and the expected time commitment for each Director as part of this process, and concluded that, as at the end of 2023 and the date of this Report, none of these appointments compromise the effectiveness of any individual Director to provide constructive challenge, strategic guidance, offer specialist advice and hold management to account. Further details of our Non-Executive Directors' external appointments can be found in their biographies on pages 78 and 79.



Q&A

Lisa Scenna,
Senior Independent Director (SID)

Q Reflecting on your first year as SID, what achievements or milestones have been accomplished?

Since my appointment as SID in March 2023 I have seen good progress across the Group on its journey towards creating a more diverse and inclusive workplace. I hosted an engagement session with employees for International Women's Day which provided invaluable insight into both areas of strength and opportunities for improvements across the Group, which I was able to share with the Board and ensure action was taken as required. I was also responsible for carrying out the evaluation of the Chair's performance during the year, and carried out a robust process in this regard.

Q Were there any challenges you had to overcome in your first year as SID?

I took on the role of SID during a period of ongoing Board changes which included the appointment of a new Chair, a recent change in CEO, a change in operational structure, the removal of the COO role and the appointment of an interim and permanent successor to the outgoing CFO. Providing support and stability to the Chair and the Board through these changes was a key challenge in this role in 2023.

Q In what ways do you see your role contributing to the Board's overall effectiveness, particularly in relation to balancing the interests of stakeholders?

During the year, the Remuneration Committee carried out a review of the current Remuneration Policy, following which feedback from our top investors was sought on the proposed changes. Given my dual role, the investor consultation process and in particular the face-to-face meetings gave investors an opportunity to ask questions on both remuneration and non-remuneration related matters. I also ensure that, where required, I act as a sounding board for the Chair, encourage open and effective debate between Board members and engage with senior management where appropriate. I will continue to capitalise on opportunities to engage directly with employees and other stakeholders where relevant to ensure that the interests of material stakeholders are considered during the Board's decision-making process.

Q With your position on several other Boards, how do you leverage cross-industry insights to bring unique perspectives to the Genuit Board?

Working across different industries adds to diversity of thought, and I try to use the experiences and learnings from the other Boards on which I sit to enhance my contribution as a Genuit Group Board member, in particular where there are common issues across those Boards. I believe that experiences at different stages of business maturity are beneficial in understanding different perspectives, and help me to ensure that I can draw on the most suitable experiences from my career to provide context during the debate and challenge at Board meetings as appropriate.

Driving Genuit forward continued

**Board team building session**

As a result of the external Board evaluation completed in 2022, the Board considered options to increase their interaction outside of Board meetings and to further develop the relationships between Board members, given the numerous changes over the preceding 18 months. It was therefore agreed to hold an externally facilitated team building session for Board members and the Company Secretary with the Company's chosen leadership development programme providers. This was held in October at the Group's site in Doncaster and involved individual personality profiling, profiling as a group and the strengths and weaknesses of the Board as a collective. Opportunities for improvement were identified, discussed and an action plan to implement these improvements agreed.

**Directors' induction and training/
professional development**

The Chair, with the support of the Company Secretary, is responsible for the induction of new Directors and the ongoing development of all Directors. Shatish Dasani, Bronagh Kennedy and Tim Pullen joined the Board during the year and each completed their induction as outlined in the Nomination Committee Report on page 97. The Company provided a comprehensive and tailored induction process, which included meeting with Executive and Non-Executive Directors and the Chair and having introductory meetings with senior management and external advisers where appropriate. Where necessary, new Directors are provided with training to address their role and duties as a Director of a quoted public company. The Chair and Company Secretary continue to review the induction process and endeavour to make improvements wherever possible to ensure any newly onboarded Directors are successfully integrated into the Group and their role as quickly as possible.

As the internal and external business environment changes, it is important to ensure that Directors' skills and knowledge are refreshed and updated regularly to allow them to adapt to these changes and make informed and effective decisions. The Board was given presentations during the year by the Company's financial advisers, brokers and lawyers, as well as several presentations by senior management, and participated in leadership programmes and sessions in addition to the annual Strategy Day referred to earlier in this Report. The Company Secretary maintains responsibility for updating the Board on new legislation and regulation as well as changes to the current legislative and regulatory regimes to which the Company is subject. This is included in a report to the Board at every Board meeting.

Directors' conflicts of interest

Each Director has a duty under the Companies Act 2006 to avoid a situation where he or she may have a direct or indirect interest that conflicts with the interests of the Company. The Company has robust procedures in place to identify, authorise and manage such conflicts of interest, and confirms that these procedures have operated effectively during the year.

All potential conflicts approved by the Board are recorded in a conflicts of interest register which is maintained by the Company Secretary and reviewed by the Board on a regular basis.

Directors have a continuing duty to update the Board with any changes to their conflicts of interest.

Board and Director recruitment process

The recruitment process is designed to ensure the search for new Directors is thorough and inclusive, and ensures recruits possess the necessary experience and skills to support the Company's strategic direction, as well as showcasing an understanding of the Group's culture and purpose. The Chair leads the Nomination Committee to develop a candidate specification and brief, using the Board skills matrix as a basis for identifying gaps that should be addressed as part of the selection process. This brief is then placed with an executive search agency who must be a signatory to the Voluntary Code of Conduct for Executive Search Firms, in line with our Board Diversity Policy. Any agencies that are used as part of the recruitment process must confirm their independence on appointment and that they have no other connection with the Company or any individual Directors. The executive search agency then provides a long list of potential candidates from various backgrounds and industries based on this candidate brief, which is then shortlisted following discussions between the Chair, Senior Independent Director and other members of the Committee (or appointed sub-Committee, as appropriate). The candidates are interviewed and assessed against pre-determined criteria and in line with the specific candidate brief, which often involves meeting various Board members on a more informal basis to determine interpersonal dynamics. The successful candidate is then recommended for appointment to the Board, by the Nomination Committee, with the Company Secretary tasked with the formalities.

Driving Genuit forward continued

Board evaluation and effectiveness

In accordance with Code Provision 21, following the external evaluation conducted in 2022, the Board conducted an internal evaluation during the financial year. This process involved completion of anonymous online questionnaires for the Board and each Committee. Responses were then collated into an overall feedback report for the Board. Specific questions were included to identify progress that had been made since the previous evaluation. The progress made during the year since the 2022 external Board evaluation is documented below:

Key outcomes	Actions agreed
Detailed review of structure, remit and composition of Board Committees, in particular the merits of a separate sustainability committee.	Joe Vorih appointed as the Director responsible for sustainability and therefore no separate sustainability committee required at this stage. Shatish Dasani to attend periodic Risk Committee meetings to provide oversight to the Board on risk management.
Review of the process for agenda setting: to be more dynamic and inclusive, and enable deep dives into key/topical issues, whilst allowing sufficient time for governance-related matters.	Discussions between Chair and Board members regarding additional proposed agenda items for 2024. Meeting timetable and agendas reviewed and updated to include periodic deep dives into key/topical issues.
Review of board paper content to further streamline and standardise content and invite presentations from senior management to further enhance employee engagement.	Meeting agendas and papers reviewed and updated to include regular presentations by members of senior management, and to streamline and standardise content.
Separate Board session to be held to review performance and behaviours in detail, as well as investing time in getting to know each other better and learning how to work more efficiently and effectively as a team.	Externally facilitated Board team building session held in October, and an action plan agreed.
Consider further opportunities for engagement with stakeholders.	Strategy Progress Update and an analyst dinner held in November 2023. Potential opportunities for other stakeholders to present to the Board during 2024 being considered.

The Board was asked as part of the 2023 internal evaluation to detail key strengths of the Committees and specific areas for improvement. This enabled detailed responses which when collated provided an honest and transparent insight into the views of the Board, allowing specific focus on areas for improvement during 2024.

Strengths	Areas for improvement
Inclusive in discussions and debates	Continued focus on scheduling of Board and Committee meetings to utilise time most efficiently
Diversity of skill and perspective	Further development of industry focus/skills
Open and challenging	Continued increase in focus on sustainability issues

Overall, the results of the evaluation were positive, with the Board and its Committees viewed as operating effectively and in line with their respective remits.

Directors' indemnity and insurance

The Company maintains Directors' and Officers' liability insurance to cover legal proceedings against Directors and Officers acting in that capacity.

Details of the Directors' indemnity arrangements can be found on page 114 of the Directors' Report.

Internal controls and risk management

The Board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. It is also responsible for maintaining sound risk and internal control systems in accordance with the Code. The Board delegates the specific management and monitoring of this to the Risk Committee (as outlined in the Risk Committee Report on pages 101 to 105), who report to the Board on all matters, including the effectiveness of these systems, and submit documents to the Board for approval, as appropriate. The Board is ultimately responsible for ensuring that:

- there is an ongoing process for identifying, evaluating and managing the principal risks faced by the Group;
- the systems have been in place for the year under review and up to the date of approval of the Annual Report and Accounts;
- the systems are regularly reviewed; and
- the systems accord with the FRC guidance on risk management, internal control and related financial and business reporting.

The principal risks and uncertainties, together with the emerging risks for the Group that the Risk Committee and Board have focused on this year, including their potential impact and mitigating actions, are set out on pages 66 to 73.

The Company has a risk management framework which adopts a top-down and a bottom-up view of the key risks, and involves both the downward cascade and upward escalation of risks between the Group and the businesses. It comprises a risk register template, a risk profile template and assessment guidelines to be used by both the Group and Business Units when considering risk. It also includes a detailed approach to formally recording and independently assessing Group-level risks.

The Board has conducted a review of the effectiveness of the system of internal controls and risk management following a detailed review undertaken by the Risk Committee, and is satisfied that it complies with Provision 29 of the Code.

Driving Genuit forward continued

Financial and business reporting process

The Board recognises its duty to ensure that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the position and performance, strategy and business model of the Company. In addition to the Annual Report and Accounts, the Company also ensures that other price-sensitive reports and other information are published externally.

The Group has a thorough assurance process in place in respect of the preparation, verification and approval of periodic financial reports, which is set out in the Audit Committee Report on pages 108 to 112.

This process includes:

- the involvement of qualified, professional employees with an appropriate level of experience (both in Group Finance and throughout the Group's businesses);
- formal sign-off from appropriate business senior executives;
- comprehensive review and, where appropriate, challenge from appropriate Group senior management and Executive Directors;
- a transparent process to ensure full disclosure of information to the external auditor; and
- oversight by the Audit Committee, involving (amongst other duties):
 - a detailed review of key financial reporting judgements which have been discussed by management; and
 - review and, where appropriate, challenge on matters including:
 - the consistency of, and any changes to, significant accounting policies and practices during the year;
 - significant adjustments resulting from the external audit;
 - the Viability Statement assumptions; and
 - the going concern assumption.

In accordance with Principle N of the Code, the Board is required to ensure our financial and business reporting is fair, balanced and understandable. To ascertain whether this is the case, it firstly establishes whether or not the information presented within the Annual Report and Accounts is fair: reviewing whether the whole story is presented and done so accurately, and if the key messages in the narrative reflect the way in which it is presented in the financial reporting. It secondly assesses whether the information presented is balanced: ensuring there is a good level of consistency between the narrative reporting in the front and the financial reporting in the back, as well as satisfying itself that the statutory and adjusted measures are explained clearly, with appropriate prominence. The final element to the assessment is to determine whether the Annual Report and Accounts are understandable. The Board assesses whether the Annual Report and Accounts uses language which is accessible to a reasonably well-informed reader, or provides clear definitions for technical vocabulary and acronyms where this is not possible; it should not be disjointed or repetitive and should tell a complete and straightforward story. The Board also ensures that important messages are highlighted or cross-referenced appropriately throughout the document. Completion of this process provides comfort to the Board that the Annual Report and Accounts taken as a whole, is fair, balanced and understandable, and following its review, the Board was of the opinion that the 2023 Annual Report and Accounts is representative of the year and presents a fair, balanced and understandable overview.

Annual General Meeting

The Company's Annual General Meeting (AGM) is scheduled to be held on 28 May 2024. All shareholders have the opportunity to attend and vote, in person or by proxy, at the AGM. A copy of the notice of AGM can be found on the Company's website.

The AGM is the Company's principal forum for communication with private shareholders. The Chair of the Board and the Chair of each of the Committees will be available to answer shareholders' questions at the AGM.

The notice of AGM will be sent out to shareholders at least 20 working days before the meeting. Results will be announced to the London Stock Exchange via a Regulatory Information Service announcement and published on the Company's website.

Re-election of Directors

At the AGM, all Directors will retire and submit themselves for election or re-election. Bronagh Kennedy and Tim Pullen will offer themselves for election at the 2024 AGM and for re-election annually thereafter. As a result of the Board evaluation exercise, as Chair, I am satisfied that each Director continues to show the necessary level of commitment to their role and has sufficient time available to fulfil his or her duties, to justify their re-election.

Approved by the Board and signed on its behalf.

Kevin Boyd
Chair of the Board
12 March 2024

Nomination Committee Report – Introduction

Chair



Kevin Boyd
Chair of the Nomination Committee

Members



Louise Brooke-Smith
Non-Executive Director



Lisa Scenna
Senior Independent Director



Shatish Dasani
Non-Executive Director



Bronagh Kennedy
Non-Executive Director

Dear Shareholder

I am delighted to present the Report of the Nomination Committee (the Committee) for 2023, reporting on the work of the Committee during the year.

The Committee plays a crucial role in the governance structures of the Company in establishing and maintaining the process for appointing new Board members, ensuring a diverse and skilled leadership team. It operates independently of Executive management and effectively assesses the skills needed for leadership roles, engaging in thorough and transparent candidate selection processes. There have been numerous changes to the composition of the Board during 2023, and the Committee has effectively managed these changes and successfully recruited and onboarded new Board members.

Matt Pullen stepped down from the Board as Chief Operating Officer in April, remaining an employee until 30 June in an advisory capacity, and the Board agreed not to appoint a successor. This decision was supported by the strategic change to the structure of the leadership team in the newly expanded role of Chief Strategy and Sustainability Officer, assumed by Martin Gisbourne, demonstrating the Company's commitment and dedication to the future of its sustainability journey and the change to the reporting structure for the Business Unit Managing Directors into the Chief Executive Officer, Joe Vorih. Paul James stepped down from the Board in September after five years with the Company as Chief Financial Officer, and on behalf of the Board and Company, I would like to thank Paul for

“The Committee plays a crucial role in the governance structures of the Company in establishing and maintaining the process for appointing new Board members, ensuring a diverse and skilled leadership team.”

his dedication and significant contribution to Genuit Group over the last five years. Following a rigorous internal and external search and selection process, Tim Pullen was appointed as interim Chief Financial Officer in September 2023 and permanent Chief Financial Officer in November 2023, and we look forward to working with Tim in his new role. Further detail on the recruitment and selection process is included in this Report.

Shatish Dasani was appointed as a Non-Executive Director and Audit Committee Chair in March, as reported in the 2022 Annual Report and Accounts. Mark Hammond retired in October following the expiration of his nine-year tenure in April, having agreed to remain in post until October whilst the onboarding of the new Non-Executive Directors took place. During his nine years as a Non-Executive Director, Mark played a pivotal role in building the Group into the successful business it is today, and on behalf of the Board and Company, I would like to thank him for his invaluable contribution to the Group and wish him the very best for the future. Given Mark's impending retirement from the Board, the role of Senior Independent Director transferred to Lisa Scenna in March 2023, and further information about Lisa's impact in this role can be found in the Governance Report on page 88.

Bronagh Kennedy was appointed as a Non-Executive Director in July, and has a background in Legal, HR, compliance and regulatory assurance and corporate sustainability. The Committee agreed that Bronagh's diverse skillset and experience complemented the skills, diversity and composition of the Board following a rigorous selection process.

Nomination Committee Report – Introduction continued

The Committee has demonstrated its effectiveness in successfully recruiting and onboarding new members of the Board, as well as operating a successful succession plan; identifying the diverse skills and experience required to support the Company's strategic direction in keeping with its culture and purpose, as well as operating an effective induction programme for new Directors. Further detail about the induction process is set out in this Report.

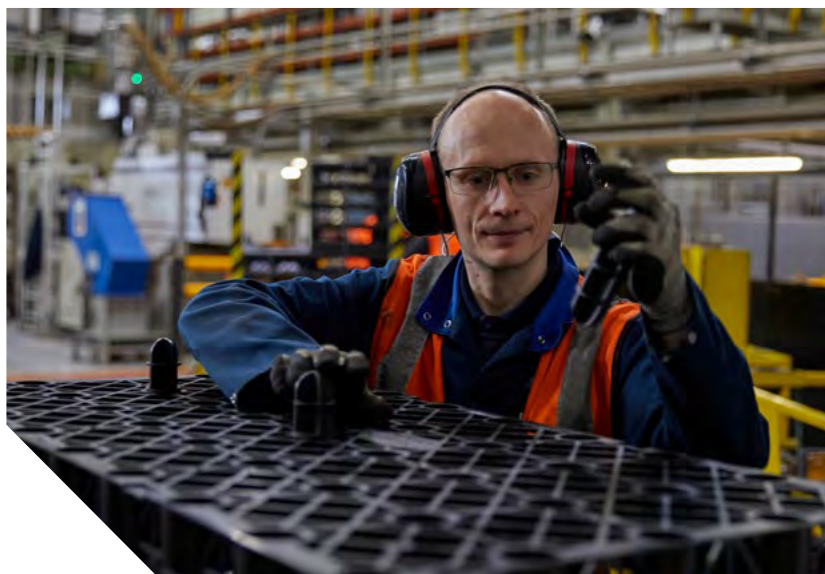
Equality, diversity and inclusion continues to be a priority for the Committee, and the Committee welcomes the new diversity targets and 'comply or explain' approach set by the FCA within Listing Rules LR 9.8.6R(9) and LR 14.3.33R(1), having previously stated its commitment to the recommendations of the Parker Review. The Board's membership currently comprises 42.8% women, one Director from an ethnic minority background, and one senior Board position is held by a female. We can therefore confirm that the Company complies with the diversity-related recommendations in the Listing Rules, further detail of which is included within this Report.

In keeping with Corporate Governance Code requirements, the senior management succession plan was reviewed and updated at the Committee meeting in February 2024, following a robust review process involving senior leaders, the Chief People Officer and the Group Talent Director. The Chief People Officer continues to provide invaluable support to the Committee, having been involved in all Board recruitment processes and attended all meetings of the Committee.

The Committee will continue to focus on ensuring that individual Directors and the Board as a whole have the necessary experience and skills to support the Company's strategic direction, as well as the Board's ability to successfully oversee the delivery of such strategy. The Board skills matrix supports the Committee in its succession planning by identifying skills gaps, and the Committee's considerations on these matters when making changes to the Board during the year are set out in more detail in this Report.

I will be available at the AGM to answer any questions about the work of the Committee.

Kevin Boyd
Chair of the Nomination Committee
12 March 2024



2023 Key Achievements

- Recruitment and appointment of Tim Pullen as Chief Financial Officer
- Recruitment and appointment of Shatish Dasani as Non-Executive Director and Audit Committee Chair
- Recruitment and appointment of Bronagh Kennedy as Non-Executive Director
- Review of enhanced succession planning programme for senior management
- Facilitated effective and informative induction processes for newly onboarded Executive and Non-Executive Directors

Areas of focus for 2024

- Board succession planning for both Executive and Non-Executive Directors
- Monitoring the Board skills matrix to maintain adequate balance of skills and experience on the Board
- Continuing to embed the Diversity and Inclusion Policy throughout the Group

Nomination Committee Report – 2023 in review

Members and meetings

The Committee comprises Kevin Boyd (the Chair) and all the Non-Executive Directors, being, Shatish Dasani, Bronagh Kennedy, Lisa Scenna and Louise Brooke-Smith. In accordance with best practice, Joe Vorih (Chief Executive Officer) and Clare Taylor (Chief People Officer) attend the Committee meetings by invitation only.

The Committee is chaired by the Chair of the Board, except when considering their own re-election.

All the Committee members are independent, in accordance with Code Provision 17. Further detail on the members of the Committee and their attendance at Committee meetings are set out on page 83. The Company Secretary acts as Secretary to the Committee.

Under the Committee's Terms of Reference, the Committee will normally meet not less than twice a year and at such other times as the Chair shall require. The Committee held two scheduled formal meetings during the year under review and an additional two meetings to discuss and progress the appointment of the new Chief Financial Officer and two new Non-Executive Directors.

After each Committee meeting, the Chair reports to the Board on the main items discussed, as well as reporting on the nature and content of its discussions, recommendations and actions to be taken.

Governance

The Committee's main responsibilities are to:

- evaluate the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board and the Committees;
- give full consideration to succession planning of Directors and other senior executives; and
- assist with the selection process for new Executive and Non-Executive Directors including the Chair of the Board.

The Committee's Terms of Reference explain the Committee's role and responsibilities and were reviewed in February 2024 to ensure they remain appropriate and reflect any updates in Corporate Governance guidance. The Terms of Reference can be found on the Company's website, and this Report explains how the Committee has complied with these in more detail, and the activities it has undertaken during the 2023 financial year.

In accordance with Code Principle L, the Board and its Committees are required to be evaluated on an annual basis. Following the external evaluation of the performance of the Board and its Committees during 2022, an internal evaluation was conducted during 2023. This evaluation focused on the remit of the Committee and how effectively members work together to achieve the Committee's objectives. At its meeting in February 2024, the Committee considered the results of the review. It was noted by Committee members that promotion of diversity continued to be a key part of the recruitment processes, succession planning remained a priority, and that the Committee was effective and well managed. The Committee therefore concluded that the evaluation had found the Committee to be operating effectively and efficiently and communicating as required with the Board in relation to matters within its remit, thereby assisting in the Board's decision-making. Further details on the internal Board evaluation can be found on page 90 of the Corporate Governance Report.

The Chair confirms that the Committee has considered the performance evaluation and the contribution and commitment of all Directors. The Chair has confirmed to the Board that their performance and commitment is such that the Company should support their election or re-election, as appropriate. In addition, the Board evaluated each Director's time commitments, and was satisfied that, in line with the Code, they each continued to allocate sufficient time in order to discharge their responsibilities effectively, including attendance at Board and applicable Committee meetings, as well as time needed to prepare for meetings, and other additional commitments that may arise during the usual course of business.

As stated in the Corporate Governance Report, all of the Company's Directors will retire and each will offer themselves for election or re-election at the forthcoming AGM, in accordance with Code Provision 18. No Director is able to vote in respect of their own election/re-election when consideration is given to Director election/re-election at the AGM.

Recruitment and appointment of the Chief Financial Officer

Our outgoing Chief Financial Officer (CFO), Paul James, confirmed he would step down from the Board to assume a new role in a privately owned company having served on the Board for five years. As a result, a robust recruitment process took place during the year to appoint an interim CFO, as well as a permanent successor.

The Committee appointed Odgers Berndtson to assist in identifying potential interim candidates, and specific recruitment criteria were provided to support the process. Three candidates were shortlisted following an interview process by the Chief Executive Officer and Chief People Officer, two of whom were also interviewed by Shatish Dasani. Following the completion of this process and an additional meeting between the Chair and Mr Pullen, it was agreed by the Committee that Tim Pullen be appointed as interim CFO, and a recommendation to this effect was made to and approved by the Board. It was agreed that given the nature of the role and the ongoing recruitment process for a permanent candidate, the interim CFO position would not be a Board appointment.

Egon Zehnder were appointed to assist in identifying potential permanent CFO candidates. Specific recruitment criteria were provided, which included diversity considerations as well as specific skills, experience and industry expertise requirements. A longlist of five candidates were identified by the Committee of which three, including Mr Pullen, were shortlisted by the appointed sub-Committee. All members of the Committee met the shortlisted candidates, and the Committee then met to discuss these final candidates. It considered a variety of factors, including each candidate's knowledge, skills, expertise and experience, and agreed that Tim Pullen had the necessary attributes and skills that were being sought for the role, and recommended his appointment to the Board as permanent CFO with effect from 1 November 2023.

Nomination Committee Report – 2023 in review continued

Role of the Committee and its activities during the year

Succession planning and tenure

The Committee acts in accordance with the Code and its Terms of Reference and in considering succession planning, takes into account the challenges and opportunities facing the Group and the future skills and expertise needed on the Board using objective criteria, whilst always continuing to promote diversity and inclusion. In accordance with Code Principle J and the FRC Guidance on Board Effectiveness recommendations, a key activity of the Committee is to keep under review and maintain an effective succession plan for members of the Board and senior executives across the Group. The Committee's succession planning includes:

contingency planning

for sudden, unplanned and unforeseen departures, whereby interim cover on a short-term basis is implemented;

medium-term planning

the orderly replacement of current Board members and senior executives (e.g. retirement); and

long-term planning

the relationship between the delivery of the Company strategy and objectives to the skills needed on the Board now and in the future.

This approach ensures that the composition of the Board and senior management team remains appropriately balanced between new and innovative thinking and longer-term stability. Management training and development plans are provided to senior and middle management where appropriate in order to continue to develop a diverse pipeline of internal talent for the future. Investing in our leaders is a core element of our strategy and succession planning, and the Group Talent Director is responsible for developing talent within the Group and updating the Board on progress. During 2023, we committed to launching the Genuit Leadership Programme; a 6-month programme which will be completed in cohorts through 2024-2026. This programme consists of assessments, coaching and in-person learning delivered by an experienced third party. The programme is designed to support senior leaders across the Group to further develop their leadership capabilities in core areas, in addition to enabling individual focus as required. More detail about other steps taken across the businesses to develop and grow talent can be found in the People and Culture section on page 43.

As reported in the 2022 Annual Report and Accounts, during 2022 a Group Leadership Team (GLT) talent review was conducted and the ongoing monitoring of this continued into 2023. This GLT talent review identified 33 employees (51%) falling into 'talent invest' categories of Growth, High Impact and Future Talent. These are employees where investment in development will support succession planning and manage retention risk. The review also provides an opportunity to review diversity of this strategically important group. The overall GLT population at 29% female is steadily increasing and continues to track higher than the total organisation, which is 26% female as at 31 December 2023. It is encouraging to note that 42% of the GLT that fall within an 'invest category' are female which will continue to support the increase in gender diversity within this group. Further details on the progress made during the year on diversity and inclusion is provided later in this Report and in the People and Culture section as outlined above.

In addition, the Committee considers emergency succession planning and is comfortable that a framework is in place should key senior management roles need to be covered on an interim basis. Board appointment criteria are considered automatically as part of the Committee's review of succession planning, and matters of Director tenure are viewed on a case-by-case basis.

Tenure of Non-Executive Directors

Appointments to the Board are typically made for an initial term of three years and are ordinarily limited to three consecutive terms in office, subject to annual re-election by shareholders at the AGM.

The Committee recognises the recommendations in Principle K and Provision 19 of the Code in respect of Board tenure of independent directors, and in accordance with this, a nine-year tenure is the maximum for any Non-Executive Director appointed to the Board (with exceptions permitted only with sufficient explanation and where agreed by the Committee as a whole). Mark Hammond completed his nine-year tenure during the year and retired from the Board in October 2023, having agreed to remain on the Board whilst the onboarding of the new Non-Executive Directors took place.

Recruitment of Executive and Non-Executive Directors

The Committee's role in recruiting Executive and Non-Executive Directors includes:

- identifying any skills or experience gaps in the composition of the Board and its current diversity;
- having regard to any such gaps, identifying and nominating candidates to fill Board vacancies as and when they arise and recommending them for the approval of the Board; and
- reviewing the time commitment required from Non-Executive Directors.

The Committee recognises the importance of the time commitment of each Director to shareholders, and this will therefore continue to be kept under review for all Directors during 2024.

Nomination Committee Report – 2023 in review continued

During the year, the Committee appointed Odgers Berndtson and Egon Zehnder to assist in identifying potential candidates to succeed Paul James as CFO, and Korn Ferry to assist in identifying potential candidates to appoint Bronagh Kennedy as Non-Executive Director. Odgers Berndtson, Egon Zehnder and Korn Ferry confirmed their independence on appointment and that, other than in the case of Korn Ferry, they had no other connection with the Company or any individual Directors. Korn Ferry are the appointed advisers to the Remuneration Committee, but the work carried out in relation to the appointment of the Non-Executive Directors was carried out by a team separate to the remuneration advisory team.

Information on the Directors' service agreements, shareholdings and share options is set out in the Directors' Remuneration Report on pages 134 to 147.

Recruitment and appointment of Non-Executive Director, Bronagh Kennedy

The Committee appointed Korn Ferry to assist in identifying a new Non-Executive Director, in light of Mark Hammond's retirement from the Board during 2023. Five candidates were shortlisted, all of whom were female, and these candidates were interviewed by the appointed sub-Committee. Following this process, the remaining members of the Committee, as well as the Executive Directors, met the two preferred candidates proposed by the sub-Committee. As a result of this process, it was agreed by the Committee that Ms Kennedy had the necessary skills and attributes being sought for the Non-Executive Director role, and the proposal from the Committee to appoint Ms Kennedy was approved by the Board.



Board evaluation and composition

As part of its role in monitoring the composition and structure of the Board, the Nomination Committee will:

- review the structure, size and composition of the Board and make recommendations to the Board, as appropriate;
- identify the balance of skills, knowledge, diversity and experience on the Board;
- review and approve the Group's diversity policy and evaluate its effectiveness on a regular basis;
- review the leadership needs of the organisation, both Executive and Non-Executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace and deliver the Company's strategy and objectives; and
- review the results of the Board performance evaluation process that relate to the composition of the Board and the Committee's own performance.

Board skills and experience

The Committee uses a skills matrix when identifying the balance of skills, knowledge, experience and diversity of the Board for its evaluation and composition review and succession planning.

The matrix highlights where the capabilities of Directors are particularly strong, and where there are opportunities to further grow the Board's collective knowledge and level of diversity. The skills of the Board are considered to be appropriate to provide constructive challenge as well as guidance and support in order to continue to deliver the Company's strategy. The skills matrix of the Board as at 31 December 2023 is included in the Governance Report on page 87.

Diversity and inclusion

The Committee supports and endeavours to drive increased diversity in line with Principle J of the Code. It acknowledges the advantages that come from having diverse viewpoints: increasing innovation, creativity and strategic thinking, enhanced problem-solving and a broader understanding of diverse stakeholder needs. The Company's recruitment and appointment strategy is based on the merits of the individual candidates, without bias towards age, gender, marital or family status, race, sexual orientation, religion or belief or any disability, and encourages leaders, employees and our external partners and stakeholders to make a positive difference through proactively supporting our diversity and inclusion principles.

Diversity remains a key consideration for the Committee. As outlined in the 2022 Annual Report and Accounts, the Diversity and Inclusion Policy was approved in March 2023 and further efforts to integrate and improve diversity have been implemented throughout 2023. This policy was launched to all employees during National Inclusion Week, along with all-employee training. Lisa Scenna, the Senior Independent Director, participated in the Company's International Woman's Day activities, hosting an engagement session with a group of 10 employees to obtain their feedback on areas of strength, areas of concern and proposed improvements. This session, along with various others conducted across the Group, resulted in the Group's Maternity and Paternity Policies being reviewed and updated, effective from January 2024. We are proud of this

Nomination Committee Report – 2023 in review continued

development, and the direct engagement with employees continues to assist us in identifying and making improvements to our diversity-related policies and procedures. Further information about the diversity and inclusion initiatives during the year are included in the People and Culture section of the Strategic Report on page 44. Diversity requirements form part of the succession planning framework as outlined earlier in this Report, as well as forming part of non-negotiable criteria for any recruitment partners we may engage with. The diagram overleaf showcases our Board's composition in line with the Listing Rule requirements, including gender, ethnicity and women in senior Board positions, as at 31 December 2023. It also shows gender diversity at senior management level, being the Executive Committee and its direct reports. The Committee supports the FTSE Women Leaders Review target which seeks to improve Board and senior leadership diversity across FTSE 350 companies, as well as the FRC Board Diversity and Effectiveness in FTSE 350 Companies. We are proud to confirm that Genuit Group features as one of the FTSE Women Leaders Review top 10 performers in 2023 for Women in Leadership, as well as ranking at the top of our sector. The Committee and the Board also fully support the Parker Review's 'One by 2024' recommendations and is pleased to confirm compliance with this recommendation as at 31 December 2023.

By order of the Board.

Kevin Boyd
Chair of the Nomination Committee
12 March 2024

Induction process

Following appointment, the Company provides Directors with a comprehensive and tailored induction programme, which is personalised to the specific role of each Director drafted by the Company Secretary and approved by the Chair.

A successful Director's induction is crucial, as it familiarises them with the Company's policies, strategic goals, and culture, ensuring effective leadership and alignment with the Group's purpose. Inductions are based on the following basic principles:

- Welcome and overview
- Introduction to key members of the team, fostering early connections, open communication channels and providing an insight into the Group's culture
- Brief outline on policies and procedures
- Outline of strategic goals and Company purpose
- Providing necessary training and resources, details of external advisors and stakeholders and ensuring Directors understand the legal and ethical responsibilities associated with their role
- Company facilities and systems



Both Shatish and Bronagh's first few weeks at Genuit Group prioritised the scheduling of one-to-one briefings with individual members of the Executive Management Team and visiting site facilities to gain an insight into the operational activities and key strategic priorities within each Business Unit, led by each Business Unit Managing Director. These briefings, which provided an early opportunity to meet senior leadership members, were supported by operational site visits to provide on-the-ground understanding of the different businesses across the Group. In addition, each met with all Non-Executives individually, Group Function heads, and key external advisors, including the Company's brokers, internal and external auditors, and PR advisors.

The induction schedule ensures key topics are covered, specific to the sustainable long-term success of the Company. These include:

- Strategic overview
- Finance and Procurement organisation and priorities
- HR and HR transformation programme and priorities
- Overview of Sustainable Solutions for Growth strategy, sustainability, and M&A
- Board governance, directors' duties, legal and company secretarial responsibilities and priorities
- IS organisation and IS transformation programmes and key priorities
- HSE (including occupational health) organisation, HSE strategy and priorities
- Overview of R&D, technical, innovation, digital and sustainable materials strategy

Nomination Committee Report – 2023 in review continued

FCA Diversity Disclosure Table

Data under LR 9.8.6(10)

In line with LR 9.8.6(10), as at the reference date of 31 December 2023, the composition of the Board and Senior Leadership is as follows:

Gender	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, and Chair)	Number in Senior Leadership positions¹	Percentage of Senior Leadership
Women	3	42.8%	1	11	50%
Men	4	57.3%	3	11	50%

Ethnic Background	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, and Chair)	Number in Senior Leadership positions²	Percentage of Senior Leadership
White British or other White	6	85.7%	4	22	100%
Mixed/multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	14.3%	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other Ethnic Group including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

1. Per the definition above on page 97.

2. Per the definition above on page 97.

Gender is captured as sex for all employees at the onboarding stage and held on the Company's secure people data system, Workday. Genuit has 100% completion of sex data for the members of the Board and Senior Leadership and that is what is used when reporting the above gender diversity data. Recognising that for some, gender identity can differ from that assigned at birth, all employees are offered the opportunity to volunteer their gender identity directly within the HRIS system, Workday. Ethnicity data is also provided voluntarily and can be offered in the same way as gender identity. Genuit has voluntary completion of ethnicity data for the members of the Board and executive management and that is what is used when reporting the above ethnicity data. All information is strictly confidential in accordance with Genuit Group's Privacy Notice in line with the UK General Data Protection Regulations (UK GDPR and GDPR 2018 and DPA 2018).

Risk Committee Report – Introduction

Chair



Tim Pullen
Chair of the Risk Committee

Members



Joe Vorih
Chief Executive Officer



Martin Gisbourne
Chief Strategy and
Sustainability Officer



Clare Taylor
Chief People Officer



Emma Versluys
Group Legal Counsel and
Company Secretary



Steve Durdant-Hollamby
Business Unit Managing
Director (BU MD), WMS
(member with effect
from 1 August 2023)



Steve Currier
Business Unit Managing
Director (BU MD), SBS
(member with effect
from 1 August 2023)

Dear Shareholder

I am pleased to present my first Report of the Risk Committee (the Committee) for the year ended 31 December 2023, having been appointed as Committee Chair in November 2023. The Report describes in more detail how the Committee has fulfilled its role in supporting the Board in overseeing and advising on future and current risk exposures, and monitoring the effectiveness of the Group risk management framework.

During 2023, the Committee remained committed to overseeing and regularly reviewing the Group's principal and emerging risks in the context of the macroeconomic environment which continued to affect the Group and wider economy. Geopolitical tensions continued to impact Europe and the Middle East, and we remain vigilant as to the indirect impact this could have on our wider stakeholders.

Whilst the supply chain challenges seen in 2022 eased during the year, the cost-of-living challenges continued, and the increase in inflation as well as the higher interest rates were matters discussed by the Committee in the context of its risk management. The risks associated with the impact of these increased costs on Group operations continued to be mitigated through the focus on Group purchasing and the simplification of the business, including the site rationalisation initiatives.

“The Committee’s work in 2023 has strengthened the Group’s risk management structure, maintaining its status as a dedicated forum to give consideration to risk management and ensuring continuous improvement.”



Risk Committee Report – Introduction continued

In the context of recruitment and retention of key personnel, the Committee kept this under review and remained satisfied that it was being managed effectively, given the continued focus on talent succession, employee wellbeing, employee remuneration and diverse recruitment practices. More information on our People strategy can be found in the People and Culture section of the Strategic Report on pages 43 to 46.

Climate remained a key item on the agenda, and the Committee conducted further quantitative scenario analysis on key risks and opportunities as part of its obligations under the Financial Conduct Authority (FCA) Listing Rules and recommended Task Force on Climate-Related Financial Disclosures (TCFD). Given our strategic focus on climate-related growth drivers, we paid close attention to the UK Government's review of its regulatory programme. Within the context of the assessments under TCFD, overall, our assessment was that these changes would have a minimal impact on our short-term future revenues or growth. Further details on this are provided later in this Report and in the TCFD Report on pages 31 to 40.

The Committee continued to receive presentations from the Business Units (BUs) as well as the Group functions, on a rotational basis. Each presented the current and emerging risks specific to their BU or Group function and detailed the effectiveness of the processes that support the mitigation of these risks. This oversight will be further enhanced in 2024 with new requirements to report outside of the rotational cycle on any significant movement in risk registers, as outlined later in this Report.

As part of its annual cycle, at its meeting in early 2024, the Committee reviewed, discussed and agreed the final changes to the Group's principal risks and uncertainties and emerging risks prior to submitting to the Board for approval, to ensure that the reporting of these risks remained current, proportionate and appropriate. As part of the internal Board evaluation carried out during the year, the performance and effectiveness of the Committee was reviewed, and detail on this is set out later in this Report.

The Committee's work in 2023 has strengthened the Group's risk management structure, maintaining its status as a dedicated forum to give consideration to risk management and ensuring continuous improvement. I remain confident that we are well positioned to meet the challenges and uncertainties that the macroeconomic challenges and identified operational risks pose. Details of our principal risks and uncertainties as well as our emerging risks, which were reviewed at each Committee meeting, can be found on pages 66 to 73.

I am looking forward to my first full year as Chief Financial Officer and Chair of the Risk Committee and will be available at the AGM to answer any questions about the work of the Committee.

Tim Pullen
Chair of the Risk Committee
12 March 2024



2023 Key Achievements

- Reviewed the Group risk appetite statement and recommendation to the Board to approve
- Ongoing monitoring of principal risks and uncertainties, emerging risks, and current mitigation
- Reviewed Business Unit and Group function risk registers
- Reviewed risk internal controls and management systems
- Quantitative scenario analysis conducted on identified significant climate-related risks and opportunities
- Enhanced reporting processes to increase transparency and awareness of the impact of risks
- Updated Committee Terms of Reference, which included increased meeting frequency and a requirement for the Audit Committee Chair to attend at least once a year
- Reviewed and updated the rolling agenda to ensure it remains in line with Corporate Governance Code requirements and recommendations
- Reviewed Committee performance

Areas of focus for 2024

- Continuing to evolve and strengthen our safety culture, focusing on behavioural safety
- Monitoring progress of communication with our supply chain to increase assurance over compliance, security of supply, quality and sustainability
- Review the process of reporting significant movements by Business Units and Group functions in current or emerging risks
- Continuing to invest in our people by enhancing our approach to performance and talent management and leadership development to mitigate principal risk

Risk Committee Report – 2023 in review

Members and meetings

Following the departure of the Chief Operating Officer, Matt Pullen, and the Chief Financial Officer and Committee Chair, Paul James, the membership of the Committee was reviewed by the Nomination Committee and Board during the year to ensure it remained fit for purpose and continued to have the skills and experience required to perform the roles and responsibilities within its remit. In particular, the Board wished to ensure that the operational risk updates continued to be presented and discussed appropriately following the decision not to replace the outgoing Chief Operating Officer, and it was proposed to the Board and agreed that the Business Unit Managing Directors (BU MDs) be appointed as members of the Committee to ensure that there was continued and consistent visibility of operational and other risks at Committee and Board level. It was also agreed that, given the wholly executive membership of the Committee, it would be beneficial for the Audit Committee Chair to attend at least one Committee meeting a year to ensure the Committee was managing risk appropriately and effectively, complementing the work of the Audit Committee, and to provide an independent report to the Board on the activities of the Committee. The current Committee membership therefore comprises Tim Pullen, Joe Vorih, Martin Gisbourne, Clare Taylor, Emma Versluys, Steve Durdant-Hollamby and Steve Currier. The Group Financial Controller and the Group Internal Audit Director are invited to attend all meetings, and Group function heads are invited to attend and provide an update to the Committee on a rotational basis. The Assistant Company Secretary acts as Secretary to the Committee. Accordingly, there are seven members. Shatish Dasani, Audit Chair, will be invited to attend at least one meeting during 2024 in accordance with the updated Committee Terms of Reference.

Board

- Overall responsibility for risk management and internal control
- Reviews and approves the risk appetite statement prepared by the Risk Committee
- Sets strategic objectives

Risk Committee

- Works alongside the Board to set the risk tolerance levels for the Group in preparing and maintaining the risk appetite statement
- Monitors and reviews the Group's risk register
- Identifies and evaluates Principal Risks and Uncertainties and emerging risks, and presents these to the Board for approval and inclusion in the Annual Report and Accounts, as well as ensuring they are appropriately monitored, reviewed and managed
- Monitors climate-related risks and opportunities and conducts further stress testing and scenario analysis as appropriate

In addition to the Risk Committee, the Board's other Committees manage risks relevant to their areas of responsibility

Audit Committee

- Monitors assurance and internal financial control arrangements
- Manages the external audit process and reviews the auditor's reports

Remuneration Committee

- Ensures that remuneration and reward arrangements promote long-term sustainable performance and retention of key talent
- Monitors the incentive framework to ensure it does not encourage Executive Directors to operate outside the Board's risk tolerance

Nomination Committee

- Ensures the Board (and its Committees) have the appropriate balance of skills, knowledge, and experience
- Ensures that adequate succession plans are in place for the Board, Executive Directors and the wider talent pipeline

Senior Management

- Maintain the Group's risk registers and implement the bottom-up approach review of risks
- Manage the Group's risk management procedures
- Monitor the operation and effectiveness of key controls, and report to the Risk Committee on a rotational basis
- Provide guidance and advice to employees in identifying risk and implementing mitigation plans

Risk Committee Report – 2023 in review continued

The UK Corporate Governance Code (the Code) Provision 25 requires risk management systems be either reviewed by the Audit Committee, a risk committee composed of independent Non-Executive Directors, or the Board. Although the Committee is comprised solely of Executive Directors and senior management, it reports regularly on all its activities to the Board, and the Board is required to approve any changes to the Group's risk appetite, principal and emerging risks, the Group's risk management structure and climate-related risks and opportunities. The composition of the Committee enables meetings to be constructive and effective at reviewing and discussing the granular detail of risk across Business Units and the Group as a whole. As noted above, from 2024 the Audit Committee Chair will attend at least one Committee meeting a year to ensure adequate independent oversight and to provide assurance that the Board continues to have appropriate oversight of the activities of the Committee and the Group's risk management processes.

Under the 2023 Terms of Reference, the Committee was required to meet not less than twice a year and it held three meetings during the year under review. As part of the annual review and update of the Committee Terms of Reference, the minimum number of meetings a year has been increased from two to four, and this will be implemented during 2024.

Governance

In accordance with Code Principle L and Provision 21, the Board and its Committees are required to be evaluated on an annual basis. An external evaluation was conducted in 2022, and therefore an internal evaluation was conducted during the year in accordance with the Code requirements. The Committee evaluation held in December 2023 highlighted that the executive composition of the Committee remained appropriate, and that the membership comprised the necessary knowledge and skills, and as a result was well equipped to manage the Group's risk framework on behalf of the Board. Areas for improvement were noted on the length and frequency of meetings, and the format of meeting papers. Following the updates to the Terms of Reference, meetings have been increased to quarterly for 2024 which will address this area for improvement, and updated templates have been implemented to enhance the presentation of principal and emerging risks for use at each meeting. The effectiveness of these changes will be monitored in 2024 and reported on in the 2024 Annual Report and Accounts.

The Committee is responsible for monitoring and reviewing risk management systems and therefore has oversight of the Group risk profile and risk appetite as a whole and, unless required otherwise by regulation, carries out the duties below, reporting to the Board as appropriate:

- reviews, manages and agrees the risk appetite, tolerance and strategy of the Group for approval by the Board;
- assists the Board in fulfilling its reporting responsibilities in the Annual Report and Accounts for risk reporting, including:
 - the internal risk management and control systems in place;
 - principal risks and uncertainties;
 - emerging risks;
 - climate-related risks and opportunities and associated scenario analysis;
 - risk appetite and any respective stress testing;
- overseeing and implementing the Group's and risk management systems and internal controls;
- reviews the alignment of any identified risks to Group strategy; and
- supports the Remuneration Committee in ensuring remuneration policy is aligned to the Group's risk appetite.

All proceedings of the Committee are reported formally to the Board by the Chair of the Committee, who reports on the main items discussed, as well as reporting on the nature and content of its discussion, making recommendations and proposing action to be taken or approvals requested. The Assistant Company Secretary acts as Secretary to the Committee, and minutes of all Committee meetings are shared with the Board as part of the Committee Chair's report to the Board.

The Committee's Terms of Reference explain the Committee's role and responsibilities and were reviewed in November 2023 to ensure they remained appropriate. The Board approved the proposed updates to the Terms of Reference at its meeting in December 2023 and a copy can be found on the Company's website.

Role of the Committee and its activities during the year

Ensures adequate and effective risk management systems and controls, and assesses the effectiveness of the internal control environment

In accordance with Principle O of the Code, one of the Committee's responsibilities is to ensure, on behalf of the Board, that adequate and effective risk management systems and controls are in place across the Group. Management of risk is treated as a critical and core aspect of Group activities, and whilst the Board has ultimate responsibility for the Group's robust risk identification and management procedures, risk management activities are delegated to the Risk Committee which is more able to oversee and manage everyday business, strategic and operational risk. Updates from the Group Internal Audit Director outlining principal and emerging risks and reporting timelines are presented at each Committee meeting. In the event weaknesses in the risk management systems are identified, plans for strengthening these are discussed and agreed by the Committee and implemented as appropriate. Monitoring and progress updates are then provided by the Group Internal Audit Director, as required.

The Committee also provides recommendations to the Board on the effectiveness of the internal control environment in relation to risk management. The Committee's responsibilities include:

- monitoring and reviewing the effectiveness of the Company's risk management and internal control systems;
- reviewing the Company's procedures in place that manage or mitigate principal risks and identify emerging risks; and
- reviewing and approving the statements to be included in the Annual Report and Accounts concerning internal risk controls and risk management.

Risk Committee Report – 2023 in review continued

Risk management process

As outlined above, the Board, with the support of the Committee, is responsible for ensuring that an effective risk management system is in place. Through ongoing review during the year, it ensures that it is fit for purpose and that it operates effectively. It is therefore imperative that the Committee ensures the Board has a clear view of the level of risk across the Group in accordance with the risk management system outlined on page 66 of the Strategic Report.

Each business and Group function is responsible for monitoring and maintaining individual risk registers, whereby each risk is recorded and scored for both impact and probability, allowing the most significant risks to be identified and prioritised. The risk management process is prescribed and organised by the Group Internal Audit Director, who ensures that each business complies with Group prescribed mandatory standards. Businesses are required to formally review their risk register and risk profile at least twice a year. This requirement extends to climate-related risk, and the process for reporting and reviewing climate-related risk is in line with the process above and managed by the Chief Strategy and Sustainability Officer. The rolling agenda for Committee meetings was reviewed and updated during the year to include a requirement for any movement in reported current or emerging risks to be escalated and notified to the Committee. This change will be implemented during 2024 and further updates on the effectiveness of this will be reported in the 2024 Annual Report and Accounts.

“Principal risks and uncertainties and emerging risks are adequately reviewed and challenged by the Board.”

To ensure compliance with the Code and to operate the highest governance standards, the Board remains responsible for reviewing and approving risk management and internal control and approves the Group risk appetite on an annual basis. The Board reviews and approves any material output of the Committee, which ensures principal risks and uncertainties and emerging risks are adequately reviewed and challenged by the Board and support the setting of overall Group strategic objectives. The Committee works alongside the Board to set the risk tolerance levels for the Group by drafting the risk appetite of the Group and monitoring its implementation to ensure it sets a culture in line with this. It monitors and reviews the Group’s risk register, identifies and evaluates principal and emerging risks, approves climate-related risks and opportunities and presents these to the Board for approval and inclusion in the Annual Report and Accounts. It ensures these are appropriately managed throughout the financial year by reviewing principal and emerging risks at each Committee meeting, climate-risk being reviewed a minimum of three times a year, and the Group risk register reviewed on an annual basis.

**Internal risk controls and management systems**

The Committee relies on the effectiveness of senior leaders across the Group to implement its controls and risk management systems. Despite their recent membership, BU MDs are still required to present their specific Business Unit risk register on a rotational basis. This is beneficial in ensuring all BU MDs are aware of other identified current and emerging risks across all BUs, which enables the Committee to synergise mitigations where appropriate and take a consolidated and high-level approach to managing emerging risks. Group function heads are also required to present to the Committee on a rotational basis, and with effect from 2024, all risk register owners will be required to provide updates at each Committee meeting on any material changes to their respective risk registers. Senior leaders are responsible for maintaining the Group’s risk registers and implementing the bottom-up approach review of risks. They are ultimately responsible to the Committee for managing and adequately implementing the Group’s risk management procedures and monitoring the operation and effectiveness of key internal risk controls. They also provide support, guidance and advice to employees in identifying risk, assessing the likely impact, and proposing and implementing mitigation plans, which is critical to the effective operation of the Group’s risk controls and management systems.

Risk registers must be submitted to Group Internal Audit at least twice a year so that the Group risk register can be updated every six months. The Group risk register is the consolidation of all risks considered to be significant at Group level. It is maintained by the Group Internal Audit Director and is reviewed and updated by the Committee.

Risk Committee Report – 2023 in review continued

Principal risks and uncertainties	contains the risks which are classified as the Group's main risks that could have a material impact on the Group's performance and prospects, net of mitigating activities. The principal risks include a comprehensive overview of the key controls in place to mitigate the risk and the potential impact on our strategic objectives, KPIs and business model.
Emerging risks	contains the risks which are classified as those which could potentially significantly impact our industry and/or our Group which are evolving and have a higher degree of uncertainty.
Group risk register	documents the Group risks, which is maintained and updated in accordance with the Group risk management process and reporting cycle.
Key risk indicators	are identified and monitored to ensure the Group adequately monitors and takes any timely corrective actions.
Business Unit and Group function risk registers	contain the granular and specific risks associated with each specific Business Unit and Group function, which contribute to the Group risk register and any identified principal or emerging risks. Maintenance of these is the responsibility of each Business Unit and function head and each of them are reviewed by the Committee on a rotational basis.

Risk rating

As part of the risk assessment process, we estimate the probability of the risk occurring and the potential quantitative and qualitative impacts. Risks are rated in accordance with the Group risk appetite statement.

A simplified version of our risk rating criteria is provided below. Risks which are then graded on a net basis (after mitigation) and included in the Group's principal risks and uncertainties are contained in the Strategic Report on pages 66 to 72.

Following the Committee's reviews during the year, the Committee confirms that it is satisfied that the Group's internal risk control and management procedures:

- operated effectively throughout the period; and
- are in accordance with the guidance contained within the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

	Probability				
	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost certain
5 Catastrophic	Yellow	Orange	Orange	Red	Red
4 Major	Green	Yellow	Orange	Orange	Red
3 Moderate	Green	Green	Yellow	Orange	Orange
2 Minor	Green	Green	Green	Yellow	Orange
1 Insignificant	Green	Green	Green	Green	Yellow

Evaluate and assess principal and emerging risks of the Group on behalf of the Board

One of the key responsibilities of the Committee is to assess principal and emerging risks and monitor these on an ongoing basis. The Committee reviews these at every meeting as a standing agenda item and ensures that any principal or emerging risks which are prevalent are added as individual agenda items.

The Committee's role includes:

- assisting in the Board's assessment of principal and emerging risks;
- evaluating the Group's principal risks, to be considered by the Board when assessing the Company's prospects; and
- advising the Board on the likelihood and the impact of principal risks materialising, and the management and mitigation of principal risks to reduce the likelihood of their incidence or their impact.

A robust assessment of the principal and emerging risks facing the Group is performed by the Group Internal Audit Director following the collation of the Group risk registers. This process identifies those risks that could threaten future performance and solvency or liquidity, as well as the Group's strategic objectives, over the coming twelve months. Emerging risks identified across the Group are consolidated in the same way and identify areas that could indicate an increase to the Group's risk exposure. These are discussed by the Committee and decisions are taken as to their prominence, likely impact, timescale to impact and whether they should be incorporated into the consolidated Group risk registers. Any significant increase in risk or proposed emerging risks or current principal risks is subject to challenge by the Committee and requires a robust justification and clear supporting data. Relevant details are included in the Chair's report to the Board, and on an annual basis, principal and emerging risks are submitted in full to the Board for final approval and inclusion in the Annual Report and Accounts.

Risk Committee Report – 2023 in review continued

Principal risks are documented to include a comprehensive overview of the key controls in place to mitigate the relevant risk and the potential impact on strategic objectives, KPIs and business model. Changes to those principal risks which are disclosed annually can only be made with approval from the Committee and the Board. Principal risks are presented to the Committee at every meeting to ensure they are monitored on an ongoing basis, and the Committee places focus on the effectiveness of mitigations in reducing the risk. More detail on the Group's principal risks and uncertainties and emerging risks can be found on pages 66 to 73 of the Strategic Report.

Climate

In line with the recommendations in the Task Force on Climate-Related Financial Disclosures (TCFD) and the FCAs Listing Rules, the Committee is responsible for monitoring, assessing and mitigating the impact of climate change on the Group and the possible effects on its strategy. It is responsible for ensuring the Board has adequate oversight of these risks and opportunities and ensures that the impact is adequately assessed and appropriate mitigations identified, ensuring the Company is resilient enough to manage these over the short, medium and long term.

Qualitative analysis was conducted by the Committee to assist with the completion of its 2022 TCFD disclosure, which provided further clarity and insight into the impact of those which had been identified as significant. At its meeting in June, the Committee approved 2 risks and 2 opportunities to undergo quantitative scenario analysis, to enable it to understand the potential financial impact of these on the Group as a whole and allocate adequate metrics to monitor their movement.

Climate is categorised as a principal risk, as outlined in the principal risks and uncertainties on page 68, and the qualitative and quantitative scenario analysis and subsequent monitoring of the climate risk register has positively contributed to the accuracy of the controls surrounding climate as a principal risk. Further detail about the findings of our quantitative assessments and the monitoring of the qualitative assessments can be found in our TCFD Report on pages 31 to 40.

Regulatory

As reported in the 2022 Annual Report and Accounts, during the year the Committee reviewed the impact of regulatory risk and industry body changes and current mitigating actions. It also committed to develop, enhance and implement internal systems to demonstrate regulatory compliance to mitigate the impact of regulatory risk. The Committee was updated on the progress of this, which included an update on internal processes, confirmation of additional training requirements and the ongoing efforts to raise awareness across the Group of matters such as the Code for Construction Product Information and the Building Safety Act, and was satisfied with the progress of the current mitigations. Further detail about regulatory risk can be found in the Strategic Report on page 69.

“The qualitative and quantitative scenario analysis and subsequent monitoring of the climate risk register has positively contributed to the accuracy of the controls surrounding climate as a principal risk.”

Advises the Board on its risk appetite, tolerance and strategy as well as ensuring that the Group is acting in accordance with its approved risk appetite

The Committee is responsible for:

- advising the Board on the Company's overall risk appetite, tolerance and strategy, and the principal and emerging risks the Company is willing to take to achieve its long-term strategic objectives; and
- reviewing and assessing the Company's risk appetite and associated stress testing.

During the year, the Committee reviewed the risk appetite statement and submitted it to the Board for review and approval in accordance with its annual reporting requirements. The review of the risk appetite statement and risks it is willing to take to achieve strategic objectives includes:

- reviewing the defined accepted tolerance levels for individual risks in accordance with the risk appetite statement;
- reviewing risks in the context of the overall strategic direction of the Group; and
- reviewing and monitoring updates from senior management about their principal and emerging risks, their approach to risk management, monitoring and mitigation to ensure each is aligned with the Group risk reporting structure and current appetite.

The Committee will continue to ensure it reviews and mitigates Group risk on an ongoing basis, with transparent and frequent reporting to the Board to ensure adequate governance structures remain in place throughout the upcoming financial year.

By order of the Board.

Tim Pullen
Chair of the Risk Committee
12 March 2024

Audit Committee Report – Introduction

Chair



Shatish Dasani
Chair of the Audit Committee

Members



Louise Brooke-Smith
Non-Executive Director



Lisa Scenna
Senior Independent Director



Bronagh Kennedy
Non-Executive Director

Dear Shareholder

On behalf of the Board, I am pleased to present the Report of the Audit Committee (the Committee) for 2023, having taken over the position of Committee Chair from Kevin Boyd, in March 2023. As noted in the 2022 Annual Report and Accounts, Kevin Boyd continued to Chair the Audit Committee whilst a process to appoint a successor continued during early 2023, and as a result the Company was therefore non-compliant with Provision 24 of the Code with effect from his appointment as Chair of the Board in November 2022, until my appointment as Committee Chair on 7 March 2023.

The Committee's main role is to monitor and review the integrity of the Company's financial information. Consequently, it is responsible for overseeing the financial reporting processes of the Group and ensuring they are accurate and transparent. Its key responsibilities include reviewing financial statements, overseeing the external audit processes and ensuring the auditor remains independent, monitoring internal controls, and fostering effective communication between executive management, the Group's external auditor and the Board. The Committee supports the Board in fulfilling its governance responsibilities, ensuring that the interests of our stakeholders are properly protected (particularly our shareholders and customers), specifically in relation to financial reporting. Members of the Committee are appointed by the Board from its Non-Executive Directors on the recommendation of the Nomination Committee, in accordance with the UK Corporate Governance Code (the Code) requirements and other FRC-related guidance.

“The reviews conducted during the year provided the Committee with confidence in the robustness of the financial reporting, audit processes and control environment.”

During 2023, the Audit Committee placed its focus on the integrity of the Group's financial reporting practices, internal controls, and the quality and performance of the internal and external auditors, providing challenge to the decisions and judgements made by management. In addition, a key priority for the Committee was the completion of the external auditor tender process. As part of the internal Board evaluations, the performance of the Risk and Audit Committees was evaluated (more detail can be found in the Governance Report on page 90, Risk Committee Report on page 102 and Audit Committee Report on page 108). The results of this evaluation showed that this separation of responsibilities continued to be effective, however it was acknowledged that further steps could be taken to ensure both Committees had effective synergies in their operations and the deployment of the Group's strategy, and therefore it was agreed that I will attend at least one Risk Committee meeting a year to ensure independent oversight and effective communication between the two Committees. We will continue to keep our activities under review and endeavour to continuously improve our governance structures, to ensure we comply with all applicable regulations and that we remain confident that the Company continues to operate in a controlled and managed way. The main responsibilities and activities of the Committee are detailed further in this Report.

Audit Committee Report – Introduction continued

Areas of focus in 2023

2023 proved to be a year of ongoing uncertainty on both a micro and macroeconomic front, and as a result, the Committee was required to consider the challenges this presented and their financial and operational implications. This Report outlines some of these considerations in more detail. Areas of focus included the market challenges and uncertainty, in particular in relation to housebuilding and RMI, higher interest rates and pent-up boiler and heating system demand. The Committee considered the resulting implications of these and other challenges for the interim and full year financial statements, as well as focusing on self-help measures, deployment of the Genuit Business System and continued business simplification to mitigate the impact of the market conditions. Throughout the year, the Group remained committed to identifying these challenges quickly, and proactively mitigating them to the greatest possible extent. The Audit Committee continued to focus on the implications of these from a financial and operational perspective, whilst the Risk Committee focused on managing and mitigating the risks themselves, enabling both Committees to deal with the challenges over the last twelve months efficiently and effectively. Further information in respect of the Risk Committee's work and its approach to monitoring principal and emerging risks is set out in the Risk Committee Report.

The Committee carried out a thorough external audit tender process during the year in light of the upcoming completion of the ten-year tenure of its current external auditor, Ernst & Young LLP, led by myself as the Committee Chair, and involving members of the senior management team with both finance and non-finance backgrounds. Further detail on this process is set out in this Report.

The Committee also closely monitored communications and Group reporting processes, ensuring that progress of the external and internal audits remained on track throughout the year, that internal controls remained effective, and that resulting actions were addressed in a timely manner. The quality of the output of these reviews relies on transparency of management and effective reporting and agenda planning to ensure adequate time is allocated during Committee meetings to discuss these items in sufficient detail. The reviews conducted during the year provided the Committee with confidence in the robustness of the financial reporting, audit processes and control environment. The internal audit plan continued to operate effectively, and continues to evolve to reflect the changing needs of the Group.

As part of its responsibilities under its Terms of Reference, the Committee is required, on behalf of the Board, to oversee the process for determining whether the Annual Report and Accounts, when taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's financial position and performance, business model and strategy. The judgements and factors the Committee considered when reviewing the 2023 Annual Report and Accounts are outlined on page 109, as well as its conclusions in this regard.

As a result of its work undertaken during the year and taking into account the feedback from the Board and Committee evaluation (further details are set out on page 108), the Committee considers that it has acted in accordance with its Terms of Reference and has ensured the independence, objectivity and effectiveness of the external and internal auditors. This Report outlines some of the main activities of the Committee during the financial year.

I would like to thank my Committee and Board colleagues for their work and support during the year to enable a seamless transition of Chairship from Kevin to myself, and look forward to working to make continuous improvements during 2024.

I will be available at the AGM to answer any questions about the work of the Committee.

Shatish Dasani
Chair of the Audit Committee
12 March 2024

2023 Key Achievements

- Reviewed the year-end financial statements including key judgements, estimates and assumptions
- Transitioned a new Audit Committee Chair
- Oversaw the external audit tender process and successfully recommended an auditor for appointment
- Oversaw transition of internal audit arrangements to newly appointed Director of Internal Audit supported by external co-source provider

Areas of focus for 2024

- Obtain assurances that key business controls remain effective following the internal Group restructuring as part of strategy deployment
- Continue enhancing effectiveness of risk and assurance function, including a review of structure

Audit Committee Report – 2023 in review

Members and meetings

The Committee comprises four Non-Executive Directors, being Shatish Dasani, Lisa Scenna, Bronagh Kennedy and Louise Brooke-Smith. During the year, Kevin Boyd stepped down as Chair of the Committee and Shatish Dasani was appointed as Chair from 7 March 2023. All Committee members are considered to be independent in accordance with the UK Corporate Governance Code.

In accordance with the requirements of Provision 24 of the Code and the FRC's guidance on Audit Committees, Shatish Dasani is designated as the Committee member with recent and relevant financial experience. He has extensive experience of the financial reporting requirements of FTSE companies, required compliance for public companies and of dealing with internal and external auditors having had a career in financial roles over 30 years as a FTSE Chief Financial Officer and as a current Audit and Risk Committee Non-Executive Directorships. All other members of the Committee are deemed to have the necessary ability and experience to understand financial issues given their mix of skills and backgrounds, and the Audit Committee as a whole has competence relevant to the sector in which the Group operates. The Committee is confident that its composition, balance and expertise provides shareholders with the confidence that the financial reporting and control processes of the Group are subjected to the appropriate level of independent, robust and challenging oversight.

The Committee discharges its responsibilities through a series of scheduled meetings during the year. Each meeting has a formal agenda which is linked to the events in the financial calendar of the Group. Attendees at each of the meetings include the Committee members as well as, by invitation, the Chair of the Company, the Chief Executive Officer, the Chief Financial Officer, the Group Internal Audit Director, the Group Financial Controller, the external auditor, Ernst & Young LLP, and Grant Thornton UK LLP who provide specific internal audit services to the Group. The Company Secretary is also Secretary to the Committee.

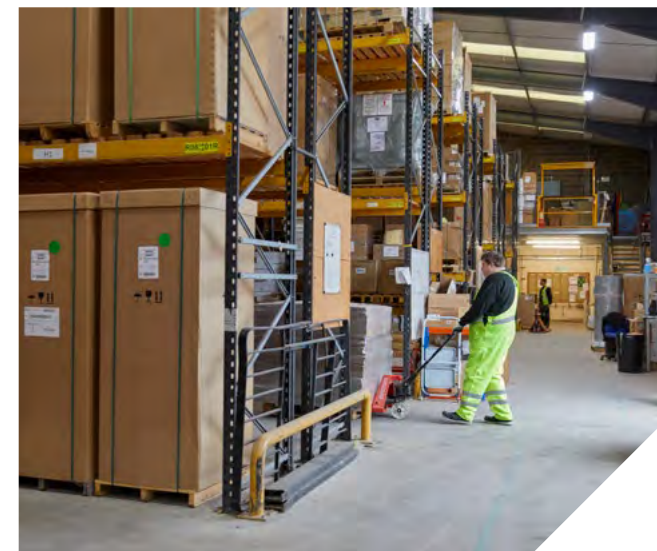
The Committee held four formal meetings during the year. In accordance with best practice, the Committee met regularly with the Ernst & Young LLP lead audit partner without executive management being present. The Committee also met with the Group Internal Audit Director and Grant Thornton UK LLP without executive management being present.

Governance

The responsibilities of the Committee are set out in its Terms of Reference. The Terms of Reference are reviewed on an annual basis to ensure they remain appropriate and reflect any changing governance requirements and recommendations, with any relevant updates made accordingly. The Committee Terms of Reference were reviewed and approved in October 2023 and are available on the Company's website. One of the Committee's responsibilities is to ensure it adequately reports to the Board on how it has discharged its responsibilities under these Terms of Reference.

In accordance with best practice, the effectiveness of the Committee was evaluated this year as part of the internal Board and Committee evaluation. This evaluation involved an anonymous questionnaire to encourage open feedback, ensuring the evaluation provided a valuable feedback mechanism for identifying concerns, improving effectiveness and highlighting areas for further improvement. There was also the opportunity at the end of the questionnaire to detail strengths and areas for improvement, to allow the Committee to have a broader understanding of its effectiveness outside of the structured questions. At its meeting in December 2023, the Committee considered the results of the internal evaluation and concluded that it had found the Committee to be continuing to operate efficiently and effectively. Responses to the questionnaire showed that the Committee was unanimous in its view of the effectiveness of all functions of the Committee. Part of the feedback included a recommendation for more convergence with the Risk Committee, and this has been implemented following the update to the Risk Committee Terms of Reference to include the requirement for the Audit Committee Chair to be invited to attend at least one of the scheduled meetings. The results of the evaluation provided the Board with a high level of assurance that key issues are being dealt with appropriately.

As part of the process of working with the Board to carry out its responsibilities and to maximise its effectiveness, meetings of the Committee normally take place prior to the Board meetings, and the Chair of the Committee will then provide an update to the Board on the Committee's discussions and decisions. Details of the role of the Committee and its activities in the year are set out in the remainder of this Report.



“Its composition, balance and expertise provides shareholders with the confidence that the financial reporting and control processes of the Group are subjected to the appropriate level of independent, robust and challenging oversight.”

Audit Committee Report – 2023 in review continued

Role of the Committee and its activities during the year

Independent oversight of reporting procedures and financial statements

The Committee's role in overseeing reporting procedures and financial statements includes:

- monitoring the integrity of the financial statements of the Group including its annual and half-yearly reports, trading updates, results announcements and any other formal announcements relating to its financial performance;
- reviewing significant financial reporting matters and judgements; and
- reviewing the content of the Annual Report and Accounts and advising the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's financial position and performance, business model and strategy.

When approving the Group's interim and final results announcements, Committee meetings are scheduled prior to the Board meetings to allow the Committee to fully consider the financial reporting judgements made by management, prior to submitting to the Board for approval. The Committee considers the principal accounting policies that are used when preparing results as well as reviewing the significant accounting issues and areas of judgements made as noted below and other key areas of focus. The Committee receives regular reports from the Chief Financial Officer and Group Financial Controller to support this work. The Committee's considerations are made through a review of the accounting papers and financial reports prepared and presented by management as referred to above, and reports prepared and presented by the Group's external auditor.

Fair, balanced and understandable

A key requirement of the financial statements is that they are fair, balanced and understandable (FBU). These principles aim to ensure that the financial statements accurately and fairly reflect the financial position and performance of the Group, and that they are presented in a clear and concise manner. To enable the Committee to reach a conclusion as to whether the Annual Report and Accounts meet with these principles, it is reviewed and assessed by the Committee in detail, together with a report from management on the application of these principles in the preparation of the Annual Report.

As part of this assessment, the Committee considers and reviews the disclosures and the processes and controls underlying its production. Its responsibility is to ensure that it correctly reflects the Company's performance in the reporting year in a clear and concise manner in line with the FBU principles, as well as ensuring there is consistent formatting and terminology throughout. The Committee undertakes this review with both management and the Group's external auditor and concentrates on ensuring compliance with the relevant financial and governance reporting requirements. Further details on the FBU process can be found in the Corporate Governance Report on page 91.

Following the Committee's assessment of the Annual Report and Accounts, it concluded and was able to recommend to the Board that the Annual Report and Accounts is fair, balanced and understandable.

Viability Statement

The Viability Statement is a longer-term view of the sustainability of the Company's proposed strategy and business model, considering wider economic and market developments as well as giving a clearer and broader view of solvency, liquidity and risk management. Its purpose is to provide assurance to shareholders that the Group is financially stable and capable of meeting its financial obligations over a longer period of time. The Committee considered and challenged the current Viability Statement during the year, as well as the current three-year period and relevant stress testing, and remained of the opinion that this continued to be appropriate. Part of its assessment of the Viability Statement involved considering the risk scenarios presented, the sensitivities for the impact of the combined risks, the reverse stress testing, and the available headroom after applying the sensitivities. The full statement can be found in the Directors' Report on page 113, which contains further detail on the process, assumptions and testing which underpin it.

Going concern

In determining whether the Group can continue to adopt the going concern basis, the Committee considers and reviews the Group's overall resources for the foreseeable future covering a period of at least 21 months. Following this review, the Committee agreed that the forecasts presented were reasonable, and therefore the Annual Report and Accounts have been prepared on a going concern basis. The going concern statement for the Group can be found in the Directors' Report on page 113.

Financial reporting

The significant financial reporting risks reviewed by the Committee in respect of the year under review were as follows:

- Revenue recognition and customer rebates – the Committee considered the operating effectiveness of controls surrounding revenue recognition and management's assessment and recognition of customer rebate liabilities at the half year and year end.
- Impairment of non-financial assets – the Committee considered a detailed report prepared by management setting out the assumptions used in determining whether goodwill, other intangible assets or property, plant and equipment required impairment. This included a review of the discount rate and growth factors used to calculate the discounted projected future cash flows, the sensitivity analysis applied, and the discounted projected future cash flows used to support the carrying amount of the goodwill.
- Classification of non-underlying items – the Committee considered a report prepared by management setting out the basis and assumptions used in determining income and expenses as underlying or non-underlying at the half year and the year end.

The Committee is also responsible for considering the impact of new financial reporting standards and legislative requirements on the Group, reviewing the Group's tax strategy and recommending the Report of the Audit Committee for approval by the Board. All these activities were completed during the year and implemented as appropriate.

Audit Committee Report – 2023 in review continued

Selection and supervision of independent auditor

The Committee's responsibility for selecting and supervising internal and external independent auditors includes:

- assisting the Board with the discharge of its responsibilities in relation to internal and external audits;
- overseeing the relationship with the external auditor including their appointment, reappointment and/or removal; approval of the scope of the annual audit, their remuneration and the terms of engagement; monitoring and reviewing their independence and objectivity, considering the effectiveness of the audit process and reviewing the extent of non-audit services performed; and
- monitoring and reviewing the effectiveness of the Group's internal audit function in the overall context of the Company's risk management system and the work of the compliance and finance functions and the external auditor.

Delegation of Authorities matrix

As part of its mechanisms for internal control, the Group has a Delegation of Authorities (DOA) matrix which acts as a resource to clarify and document the responsibilities and authorities of individuals across the Group. It helps avoid confusion, enhance communication and establish a clear structure for decision-making and task execution. It serves as an effective internal control by defining and assigning responsibilities, establishing accountability, preventing unauthorised actions and ensuring proper checks and balances. It reduces the risk of fraud, errors and misuse of resources. The Company undertook a detailed review during the year following the reorganisation of the Group into its three Business Units, to identify any adjustments necessary to maintain effective internal control. The review process included contributions by the Executive Management Team and was driven by the Group Financial Controller, and following various levels of input, was reviewed and approved by the Board and formally issued across the Group for implementation during the year.

Internal control and internal audit

As reported in the 2022 Annual Report and Accounts, following a review of the three-year internal audit programme, during 2023 the Group continued to progress the internal audit transition plan from Grant Thornton UK LLP (who historically carried out the internal audit work), to the Group Internal Audit Director. An Internal Audit Charter was created to govern the function and provide guidance, purpose and clarity to the Group Internal Audit Director as to the scope and objectives of the function.

Internal audit as a function spans the whole Group including (as and when relevant) acquired businesses, and provides independent and objective assurance over the Group's systems of internal controls through a risk-based approach. The Committee reviews and approves the scope and resourcing of the internal audit plan annually, and during the year reviewed its 2023 Internal Audit plan which included key topics such as cyber security, sales rebates and third-party risk. Part of the function's role is to conduct independent site visits to review key accounting controls and measures, and to incorporate other compliance checks as appropriate. This began during 2023 and will be fully implemented during 2024. A fraud risk assessment was conducted as part of the ethics and compliance audit checks, and the three-year rolling plan was refreshed and reviewed by the Committee to ensure it adequately covered principal risks and key accounting controls.

The Committee acts as independent oversight, regularly considering the internal audit plan, internal audit reports and action tracker, and reviewing and challenging the internal audit results and reports as well as the adequacy of management's responses and proposed resolutions.

The Risk Committee has responsibility for risk management on behalf of the Board, and therefore details of how risk is assessed, managed and controlled as well as an outline of its purpose in the governance structure of the Group can be found in the Risk Committee Report on page 103. Details of the Group's principal risks and uncertainties and emerging risks can be found in the Strategic Report on pages 66 to 73.

External audit appointment

As reported in our 2022 Annual Report and Accounts, in accordance with the Code, the Competition and Markets Authority (CMA) and the EU Audit Directive, the Company disclosed the decision to commence a tender process for the appointment of the external auditor during 2023. Following a rigorous and detailed process as outlined below, the external audit tender results in the proposal, subject to shareholder approval at the 2024 Annual General Meeting on 28 May 2024, to reappoint Ernst & Young (EY) LLP as the Company's external auditor.

In accordance with current professional standards, the external auditor is required to change the lead audit partner every five years in order to protect auditor independence and objectivity. Ernst & Young LLP were awarded the external audit in 2012 following a competitive tender process.

The lead audit partner was last rotated in 2022, and the senior audit manager was rotated in 2019 following completion of the 2018 full-year audit. The next scheduled year for lead audit partner rotation is 2027.

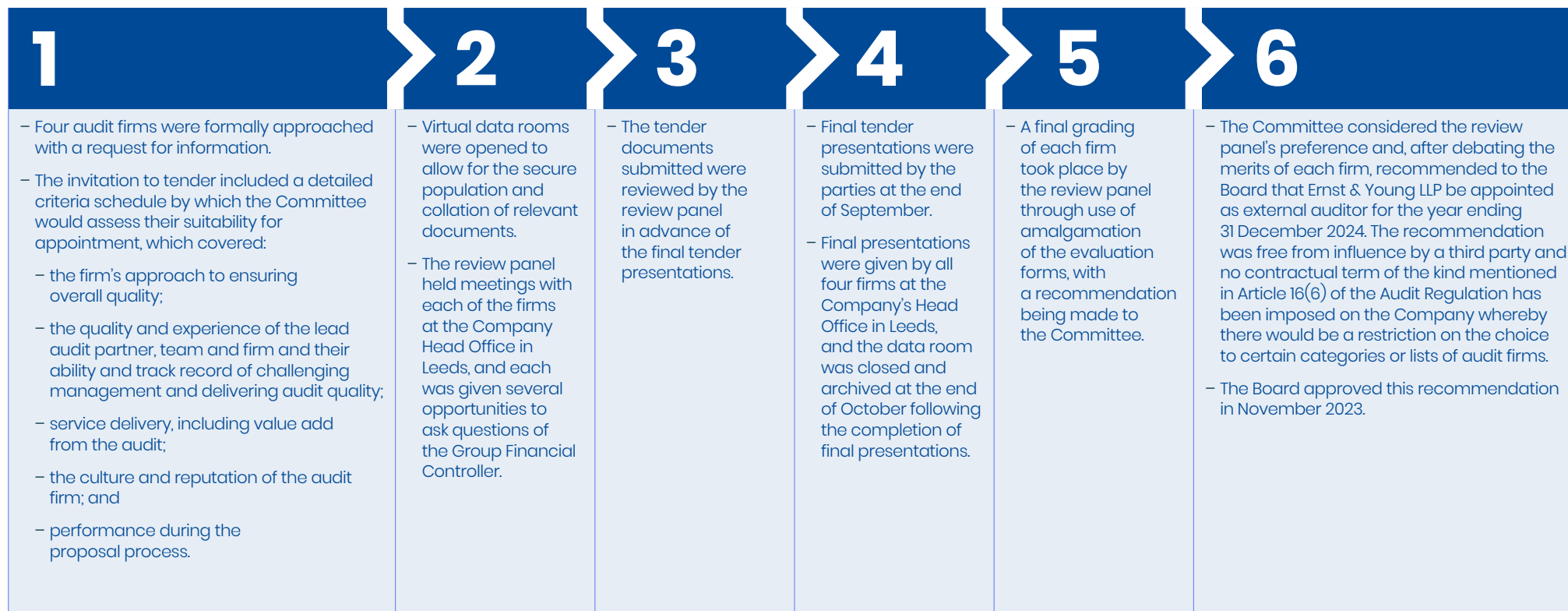
External audit tender Governance

As part of the invitation to tender, the Committee outlined the criteria that the external audit firms would be assessed against, further detail of which is outlined below. During the tender process, individuals from the Company initially met with the tender parties, and the Committee approved the establishment of a review panel comprising the Committee Chair, Chief Financial Officer, Group Financial Controller, two Business Unit Finance Directors and the Group Legal Counsel and Company Secretary. To ensure full transparency and independence of thought, the panel independently scored and reviewed the proposals from the tender parties against an evaluation form, and an internal feedback session with the panel took place where these evaluation forms were shared and amalgamated.

Audit Committee Report – 2023 in review continued

Process

The process took place during 2023, which ultimately resulted in EY being chosen as the Group's external auditor for the year ending 31 December 2024, subject to shareholder approval at the 2024 AGM.



Effectiveness and independence

A review of the external Auditor's performance and effectiveness is undertaken by the Committee each year. In respect of the 2023 full-year audit, EY LLP confirmed its independence in October 2023 and March 2024 as it presented to the Committee on its determination of independence, to enable the Committee to fully, and appropriately, assess its independence. This review includes considering qualification, expertise, resources and reappointment of the external auditors, as well as ensuring that no issues have arisen which may adversely affect their independence and objectivity. The review also considers how robust the external audit has been, as well as the quality of delivery. It also assesses how well the external auditors has

exercised professional scepticism and whether they have provided an appropriate degree of constructive challenge to management. Following this review, the Committee concluded that the external auditor remained independent.

Non-audit services

The Group's non-audit services policy restricts the external auditor from performing certain non-audit services in accordance with the Revised Ethical Standard 2019 issued by the FRC. All non-audit services proposed to be performed by the external auditor must be pre-approved and sponsored by a senior executive with a detailed written recommendation including: the nature and scope of the proposed service,

the supplier selection process and criteria, the chosen supplier and selection rationale, the relationship of the individual within the external auditor to perform the proposed service with those undertaking the audit work, a fee estimate and the category of non-audit service, if relevant. In addition, the external auditor must provide a written statement of independence approved by the lead audit partner. All non-audit services proposed to be performed by the external auditor with a fee estimate in excess of £10,000 must also be pre-approved by the Committee. This policy and approach further enhances auditor objectivity and independence, and was reviewed by the Committee at its meeting in October 2023. There were no exceptions to this policy during 2023.

Audit Committee Report – 2023 in review continued

2022 Financial Statements

During 2023, EY's audit of the Group's 2022 financial statements was selected for review by the FRC's Audit Quality Review (AQR) team. The Committee considered the scope of the AQR review, the findings from the final report from the AQR, together with EY's responses and their proposed future actions. In addition, the Audit Committee Chair and Audit Partner discussed the final report, and the Audit Committee Chair also met with the AQR directly to understand their key findings and recommendations.

Based on its overall review and consideration of the AQR report, the Committee is satisfied that the comments raised by the AQR have been incorporated into the work carried out by the external auditor and the audit continues to be effective.

In November 2023, the Company received a letter from the FRC to inform the Company that they had carried out a review of the Group's Annual Report and Accounts for the year ended 31 December 2022 in accordance with Part 2 of the FRC's Corporate Reporting Review Operating Procedures. In its letter, the FRC raised questions to help them understand aspects of the Group's goodwill impairment testing and related sensitivity analysis. It also set out, in an appendix to the letter, further observations on certain disclosures in the financial statements which we were encouraged to take into account when considering improvements in future reporting. The FRC was satisfied with the Company's response to the questions raised and the matter was closed in December 2023. Enhanced disclosures in relation to impairment testing and associated sensitivities have been included in the consolidated financial statements for the year ended 31 December 2023. In addition, the further observations made by the FRC have been considered and, where relevant, addressed through enhanced disclosures in the consolidated financial statements.

The letter explained that the FRC's review was based solely on the Annual Report and Accounts and did not benefit from detailed knowledge of our business or an understanding of the underlying transactions entered into. It also explained that the review did not provide assurance that the Annual Report and Accounts were correct in all material respects; the FRC confirmed that its role was not to verify the information provided but to consider compliance with reporting requirements. The FRC accepts no liability for reliance on them by the Company or any third party, including but not limited to investors and shareholders.

Fraud, compliance, whistleblowing, and UK Bribery Act

As part of its roles and responsibilities, the Committee monitors and reviews internal controls in the context of ethics and compliance, with the aim of strengthening governance systems across the Group.

Whistleblowing

In accordance with Principle E of the Code, a company's workforce should be able to raise any matters of concern and should be able to do so with confidence. The Committee recognises the importance of effective whistleblowing policies as being a key tool to strengthen governance and mechanism for ensuring internal control. The Committee ensures a reliable system is in place to identify and correct any unlawful or unethical conduct, and is responsible for ensuring adequate reporting tools and policies are in place. It regularly reviews the arrangements whereby all of the Group's employees may, in confidence, raise concerns about illegal, unethical or improper behaviour or other matters and ensures that these concerns are investigated and escalated as appropriate. As part of this, it monitors any reported incidents under its whistleblowing policy, and via the third party reporting provider.

The Whistleblowing Policy is accessible across the Group as a standalone policy and sets out the procedure employees should follow to raise legitimate concerns about any wrongdoing in financial reporting or other matters such as:

- something that could be unlawful;
- a miscarriage of justice;
- a danger to the health and safety of any individual;
- damage to the environment; and
- improper conduct.

The anonymous hotline and online reporting tool support the internal processes and enable employees to feel confident to freely report any concerns they may have. During the year, the Company Secretary provided regular updates to the Committee on any reports received via the third party reporting line, and the action taken, where required, to address the concerns raised. The Group will continue to monitor any national laws that implement additional, relevant requirements and make any required changes to policies and procedures where appropriate.

Fraud and the UK Bribery Act

As part of its commitment to drive a workplace which promotes honesty, integrity and good ethical practices, the Committee is also responsible for reviewing the Group's compliance procedures for detecting fraud and the systems and controls in place to prevent a breach of anti-bribery legislation. The Committee receives an annual update on the effectiveness of the ethics and compliance policies in place across the Group, as well as reviewing and approving any updated versions of these policies. These must be adhered to by all employees and are aimed at reducing the risk of fraud occurring. The Group is committed to a zero-tolerance position with regard to bribery, and during the year the Anti-Bribery and Corruption Policy was updated and distributed to all employees, regardless of their possible risk of exposure. A new online training module was launched for all PC-users, and short classroom training sessions for non-PC users were completed across the Group. The drive to increase awareness will ensure that the Company fosters an environment whereby every employee takes responsibility and feels empowered to ensure the zero-tolerance position is upheld and there are no breaches of anti-bribery legislation. The Group will continue to request biannual confirmations from relevant individuals stating that they have complied with the Group's policy. Refresh training will be reissued on a biennial basis, with all new starters being required to complete on commencement of employment.

Cyber and information security

The Committee is responsible for ensuring adequate cyber and information security protections are in place across the Group. The Committee received regular cyber security updates from the Group IS Director throughout the year, in addition to those received by the Board as a whole. The Committee remains satisfied with the ongoing investment and commitment to robust cyber defences. To complement the updates and investments within cyber security, data protection and information security was also of particular focus for the relevant management teams across the Group. Updates were made to the structure of the Group data processing registers and simplified through the use of an online system which allows designated employees to maintain, update, change or add any new personal data processing activities on a regular basis.

By order of the Board.

Shatish Dasani
Chair of the Audit Committee
12 March 2024

Directors' Report

Statutory and other information

Introduction

The Directors present their Annual Report and Accounts for the year ended 31 December 2023. In accordance with the Companies Act 2006 as amended, and the Listing Rules and the Disclosure Guidance and Transparency Rules, the Reports within the Governance section of the Annual Report and Accounts should be read in conjunction with one another, and with the Strategic Report. As permitted by legislation, some of the matters normally included in the Directors' Report have instead been included in the Strategic Report (pages 2 to 72) as the Board considers them to be of strategic importance.

The Company

Genuit Group plc is a public company limited by shares, incorporated in England and Wales, with registered number 06059130. Since 16 April 2014, the Company has been listed on the premium segment of the London Stock Exchange. While the Group operates predominantly in the UK, it does have operations in Ireland, Italy, the Netherlands and the Middle East.

Strategic Report

The Companies Act 2006 requires the Company to present a fair review of the development and performance of the Group's business during the financial year and the position of the business at the end of that year. This review is contained within the Strategic Report on pages 2 to 72. The principal activities of the Group are described in the Strategic Report on pages 16 to 48.

Financial risk management

The Group's financial risk management objectives and policies, including information on financial risks that materially impact the Group and financial instruments used by the Group (if any), are disclosed in Note 29 to the Group's consolidated financial statements on pages 188 to 190.

Viability Statement

In accordance with Provision 31 of the Code, the Directors have assessed the prospects of the Group over a longer period than that required by the 'going concern' provision.

The Board has determined that a three-year period to 31 December 2026 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 Strategic Review 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 Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency, or liquidity. In performing scenario analysis, the Directors have assumed the Group's banking facilities and Sustainability-Linked Loan revolving credit facility agreement of £350.0m with a £50.0m uncommitted accordion facility which expires in August 2027 will continue to be available. Further, they have assumed the separate agreement for private placement loan notes of £25.0m will be repaid at the end of their full term in August 2029. Within the base case scenario, the Directors have assumed that the Group's volumes will move in line with industry forecasts and inflationary pricing. The Directors believe that the Group is well placed to manage its business risks successfully, having considered the current economic outlook. In their assessment of the viability of the Group, the Directors have considered 6 scenarios each considering the impact of one of the Group's principal risks and uncertainties, detailed on pages 66 to 72 of the Strategic Report. In addition, the Directors have considered a combined scenario which reflects the impact of multiple risks. The most severe scenario considers the impact of both a recession, with a similar impact to that of the 2007 to 2010 Global Financial Crisis, and a delay in recovering increases in raw material costs of 25% from customers. Even under these scenarios the Group would not be required to pursue any of its available mitigating actions in order to avoid a breach of covenants or exhaust available liquidity. Notwithstanding the Directors' expectation that they would not need to pursue mitigating actions, they have identified the reduction of capital expenditure and dividend payments as the two most significant mitigations. The Board included this in its assessment of the viability of the Group. The Directors have considered the potential impact of climate change on the viability assessment, particularly in the context of the risks and opportunities identified in the Task Force on Climate-Related Financial Disclosures Report on pages 31 to 40 of the Strategic Report. The Directors do not currently expect any material short- and medium-term impacts under the scenarios modelled that could not be mitigated, and climate change presents a number of opportunities for the Group which are built into the Group's strategy. The risks over the longer term

are more uncertain and the Directors will continue to assess these risks against key areas of judgement and estimations made within the Group's Annual Report.

Accordingly, the Board believes that, considering the Group's current position, and subject to the principal risks faced by the business, the Group will be able to continue in operation and to meet its liabilities as they fall due for the period up to 31 December 2026, being the period considered under the Group's current three-year strategic plan.

Going concern statement

The Directors have made enquiries into the adequacy of the Group's financial resources, through a review of the Group's budget and medium-term financial plan, including cash flow forecasts. The Group has modelled a range of scenarios, with the base forecast being one in which, over the 24 months ending 31 December 2025, sales volumes grow in line with or moderately above external construction industry forecasts.

In addition, the Directors have considered several downside scenarios, including adjustments to the base forecast, a period of significantly lower like-for-like sales, profitability and cash flows. Consistent with our principal risks and uncertainties, these downside scenarios included, but were not limited to, loss of production, loss of a major customer, product failure, recession, increases in interest rates and increases in raw material prices. Downside scenarios also included a combination of these risks and reverse stress testing. The Directors have considered the impact of climate-related matters on the going concern assessment and they are not expected to have a significant impact on the Group's going concern.

At 31 December 2023, the Group had available £230.0m of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. These borrowing facilities are available until at least August 2027, subject to covenant headroom. The Directors are satisfied that the Group has sufficient liquidity and covenant headroom to withstand reasonable variances to the base forecast, as well as the downside scenarios. In addition, the Directors have noted the range of possible additional liquidity options available to the Group, should they be required.

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

Directors' Report continued

Directors

The current Directors' biographies are set out on pages 78 and 79. In accordance with the Code, each Director will retire annually and put themselves forward for re-election at each AGM of the Company. Tim Pullen and Bronagh Kennedy joined the Board on 1 November 2023 and 3 July 2023 respectively and will offer themselves for election at the 2024 AGM, and for re-election annually thereafter.

Appointment and replacement of Directors

The rules about the appointment and replacement of Directors are contained in our Articles of Association (the Articles). They provide that Directors may be appointed by ordinary resolution of the members or by a resolution of the Directors.

Directors must retire and put themselves forward for election at the first AGM following their appointment and every third anniversary thereafter. However, the Directors wishing to continue to serve as members of the Board will seek re-election annually in accordance with the Code.

Details of the Non-Executive Directors' letters of appointment are given on page 88 under 'Appointment and tenure'. The Executive Directors have service contracts under which 12 months' notice is required by both the Company and the Executive Director.

Powers of Directors

The general powers of the Directors set out in Article 104 of the Articles provide that the business of the Company shall be managed by the Board which may exercise all the powers of the Company, subject to any limitations imposed by applicable legislation or the Articles.

The general powers of the Directors are also limited by any directions given by special resolution of the shareholders of the Company which are applicable on the date that any power is exercised.

Compensation for loss of office

The Company does not have arrangements with any Director that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the Company's share plans may cause options and awards granted under such plans to vest on a takeover. Further information is provided in the Directors' Remuneration Report on page 132.

Directors' indemnity arrangements

Directors and officers of the Company are entitled to be indemnified out of the assets of the Company in respect of any liability incurred in relation to the Company or any associate Company, to the extent the law allows. In this regard, the Company is required to disclose that, under Article 224 of the Articles, the Directors have the benefit of an indemnity, to the extent permitted by the Companies Act 2006, against liabilities incurred by them in the execution of their duties and exercise of their powers.

This indemnity has been in place since the Company's listing in 2014 and remains in place. The Company has purchased and maintained throughout the financial period Directors' and Officers' liability insurance.

Share capital

As at 31 December 2023, the share capital of the Company was 249,170,247 ordinary shares of £0.001 each, of which 375 ordinary shares were held in treasury. Details of the Company's share capital are disclosed in Note 24 to the Group's consolidated financial statements on pages 182 to 183. As at 12 March 2024, the share capital of the Company was 249,170,247 ordinary shares of £0.001 each, of which 375 ordinary shares were held in treasury.

Authority of the Directors to allot shares

The Company passed a resolution at the AGM held on 18 May 2023 authorising the Directors to allot ordinary shares up to an aggregate nominal amount of £166,113.25 (representing approximately two-thirds of the ordinary share capital). This authority will expire at the Company's 2024 AGM and the Directors will be seeking a new authority to allot shares, to ensure that the Directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares. There are no current plans to issue new shares except in connection with employee share schemes.

Issue of shares

A special resolution was passed at the AGM held on 18 May 2023 granting the Directors the authority to issue shares on a non-pre-emptive basis up to an aggregate nominal amount of £24,916.99 (representing 24,916,987 ordinary shares or approximately 10% of the ordinary share capital). A special resolution was also passed granting the Directors the authority to issue shares on a non-pre-emptive basis in respect of an additional 10% of the ordinary share capital in connection with an acquisition or specified capital investment.

These authorities will expire at the Company's 2024 AGM. The Directors will therefore be seeking a new authority to issue shares for cash on a non-pre-emptive basis up to £166,113.25, and the Directors also propose to seek authority to issue non-pre-emptively share capital of the Company in accordance with the updated Pre-Emption Group's Statement of Principles 2022 on Disapplying Pre-Emption Rights, being no more than 24% in total rather than the previous thresholds of 10% in accordance with the Pre-Emption Group's Statement of Principles published in 2015. The Directors will also seek authority to issue non-pre-emptively for cash shares up to £24,916.99 (representing 24,916,987 ordinary shares or approximately 10% of the ordinary share capital) for use only in connection with an acquisition or specified capital investment, and a further authority of no more than 2%, to be used only for the purposes of making a 'follow on offer', as set out in the Pre-Emption Group guidance.

Purchase of own shares by the Company

A special resolution was passed at the AGM held on 18 May 2023 granting the Directors the authority to make market purchases of up to 37,350,563.81 ordinary shares with a total nominal value of £37,350.56 representing approximately 14.99% of the Company's issued ordinary share capital. The authority to make market purchases will expire at the Company's 2024 AGM and the Directors will be seeking a new authority to make market purchases up to 14.99% of the Company's issued ordinary share capital, which will only be exercised if the market and financial conditions make it advantageous to do so. Further details are set out in the explanatory notes of the notice convening the AGM.

Rights attaching to shares

The rights attaching to the ordinary shares are summarised as:

- the ordinary shares rank equally for voting purposes;
- on a show of hands each shareholder has one vote and on a poll each shareholder has one vote per ordinary share held;
- each ordinary share ranks equally for any dividend declared;
- each ordinary share ranks equally for any distributions made on a winding-up of the Company;
- each ordinary share ranks equally in the right to receive a relative proportion of shares in the event of a capitalisation of reserves;
- the ordinary shares are freely transferable; and
- no ordinary shares carry any special rights with regard to control of the Company and there are no restrictions on voting rights.

Directors' Report continued

Amendment to the Company's Articles

The Company may alter its Articles by special resolution passed at a general meeting of the Company. A resolution to amend the Articles was voted on and passed by shareholders at the 2020 AGM.

Political donations

The Group made no political donations during the year.

Greenhouse gas emissions

Information on the Group's greenhouse gas emissions is set out in the Strategic Report on pages 26 to 28, and forms part of this Report by reference.

Future developments within the Group

The Strategic Report contains details of likely future developments within the Group. The Group's research and development costs are disclosed in Note 6 to the Group's consolidated financial statements on page 173.

Overseas operations

As explained in the Strategic Report, the Group operates in the UK, Ireland, Italy, the Netherlands and the Middle East.

Post balance sheet events

There have been no significant post balance sheet events to report.

Principal risks and uncertainties

The Board has carried out a robust assessment of our current key risks and these are summarised in the Principal Risks and Uncertainties section of the Strategic Report on pages 66 to 72.

Results and dividends

An interim dividend of 4.1 pence per share was paid on 27 September 2023. The Board recommends a final 2023 dividend of 8.3 pence per share.

Shareholders will be asked to approve the final dividend at the AGM, for payment on 5 June 2024 to shareholders whose names appear on the register on 3 May 2024.

Total ordinary dividends paid and proposed for the year amount to 12.4 pence per share or a total return to shareholders of £30.8m.

Employees

The Group is committed to employment principles which not only follow best practice, but are based on equal opportunities for all colleagues, irrespective of gender, pregnancy, race, colour, nationality, ethnic or national origin, disability, sexual orientation, age, marital or civil partner status, gender reassignment or religion or belief. Full and fair consideration is given to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. The Group encourages and supports the continued employment and training, career development and promotion of disabled persons employed by the Group; including making reasonable adjustments where required. If any employee becomes disabled, every effort is made by the Group to support and ensure their continued employment, either in the same or an alternative position, with appropriate retraining given if necessary.

The Board is aware of its obligations to engage with employees and the Group's wider stakeholders, as outlined under The Companies (Miscellaneous Reporting) Regulations. Further detail of its activities during the year can be found in our Stakeholder Engagement section on pages 49 to 53, our s172 statement on pages 54 to 57, and our Board employee engagement activities on page 86 of the Governance Report.

Substantial shareholders

As at 31 December 2023 and 12 March 2024, the Company was aware of the interests in voting rights representing 3% or more of the issued ordinary share capital of the Company set out below. This information was correct at the date of notification. It should be noted that these holdings may have changed since they were notified to the Company. However, notification of any change is not required until the next applicable threshold is crossed.

Name of shareholder	As at 31 December 2023		As at 12 March 2024	
	Ordinary shares	% Voting Rights	Ordinary shares	% Voting Rights
Impax Asset Mgt	20,317,353	8.15	20,317,353	8.15
Franklin Templeton Investments	13,408,466	5.38	13,247,000	5.32
Lansdowne Partners	11,769,231	4.72	11,944,092	4.79
Janus Henderson Investors	10,022,538	4.02	10,140,753	4.07
Vanguard Group	8,456,240	3.39	8,542,838	3.43

Auditor

A resolution to reappoint Ernst & Young LLP as the Company's external auditor and to authorise the Directors to fix the auditor's remuneration will be proposed at the 2024 AGM.

Directors' statement of disclosure of information to auditor

Each of the Directors has confirmed that as at the date of this Report:

- So far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
 - The Directors have taken all reasonable steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.
- This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Requirements of the Listing Rules

Apart from the details of any long-term incentive scheme as required by Listing Rule 9.4.3R, which is disclosed in the Directors' Remuneration Report on pages 134 to 147, disclosure of the information listed in Listing Rule 9.8.4R is not applicable.

Annual General Meeting

The 2024 AGM is scheduled to be held on 28 May 2024. A full description of the business to be conducted at the meeting is set out in the separate notice of AGM.

By order of the Board.

Emma Versluys
Company Secretary
12 March 2024

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the Group's consolidated financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group's consolidated financial statements in accordance with UK-Adopted International Accounting Standards (IFRSs).

Under company law the Directors must not approve the Group's consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing the Group's consolidated financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- state whether IFRSs have been followed, subject to any material departures disclosed and explained in the Group's consolidated financial statements; and
- prepare the Group's consolidated financial statements on the going concern basis unless it is appropriate to presume that the Group will not continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group's consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Section 172 Statement, Remuneration Report and Corporate Governance Statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Directors' responsibility statement

The Directors confirm, to the best of their knowledge:

- the Group's consolidated financial statements, prepared in accordance with UK-Adopted International Accounting Standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and undertakings included in the consolidation taken as a whole
- the Annual Report and Accounts, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face
- they consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy

By order of the Board.

Joe Vorih
Chief Executive Officer

Tim Pullen
Chief Financial Officer
12 March 2024