BREEDON

MAKING A MATERIAL DIFFERENCE

Annual Report and Accounts 2024

Making it happen

Contents

Our purpose is to make a material difference to the lives of our colleagues, customers and communities.

We achieve that by delivering essential construction materials while living our values; keeping it simple, striving to improve, making it happen and showing we care.

The strategic report has been approved by the Board of Directors and signed on its behalf by:

Rob Wood
Chief Executive Officer
5 March 2025

Making it happen

Breedon is a **leading vertically-integrated international construction materials** group in Great Britain, Ireland and the United States.

We supply the construction industry with the **essential materials** needed to build the places where we live and work, play and in-between.

We use our core assets to produce **valued-added** downstream products, pulling through our aggregates and cement to be used in the production of ready-mixed concrete and asphalt, and the provision of surfacing solutions.

Our growth strategy has served us well, building platforms in three geographies and delivering 19% compound revenue growth since our first full year of trading as Breedon. Our evolved strategy will ensure we continue to Expand and Improve Breedon as we deliver the next chapter of growth.

Record revenue

£1.6bn

Revenue

Resilient returns

9.0%

Return on invested capital

Robust earnings

£270m

Earnings before interest, tax, depreciation and amortisation

Making it happen

EXPAND

At Breedon, our ambition to become a leading vertically-integrated international construction materials group is driven by our growth mindset.

Since Breedon was formed, we have experienced rapid expansion, powered by two complementary routes to growth.

We focus on supplying essential materials to end-markets that benefit from long-term structural growth dynamics, ensuring we are well-positioned in high-demand sectors.

We pursue carefully selected transactions to consolidate the markets in which we operate, strengthening our competitive position and expanding our footprint.

£1.6bn
revenue

Making it happen

1.4bn tonnes

IMPROVE

Our growth is enhanced by a relentless focus on improving our assets and operations. We devote significant time and resources to ensure we replenish and extend our valuable mineral reserves and resources. These are the lifeblood of our business and a significant store of value for our future.

We are committed to maximising the efficiency of our assets through our focus on commercial and operational excellence, and attempt to ensure that every operation is optimised for performance and value.

Embracing innovation is key to enhancing productivity and increasing the value of every tonne of material we quarry.

Investment case

We offer sustainable long-term growth, underpinned by a proven financial framework

The foundations of our **asset-backed** model are 1.4 billion tonnes of mineral reserves and resources and two well-invested cement plants.

Our **vertically-integrated** operating model offers margin-enhancing routes to market by pulling through our aggregates and cement to be used in the production of ready-mixed concrete and asphalt and the provision of surfacing solutions.

We supply essential materials to **attractive end-markets**, such as infrastructure and housebuilding, which benefit from long-term structural growth trends.

Our **self-help culture** of continuous improvement supports margin enhancement and drives returns in excess of our cost of capital.

Our **disciplined capital allocation** enhances returns, generates strong Free Cash Flow, supporting multiple routes to growth, and enabling the payment of a progressive dividend.

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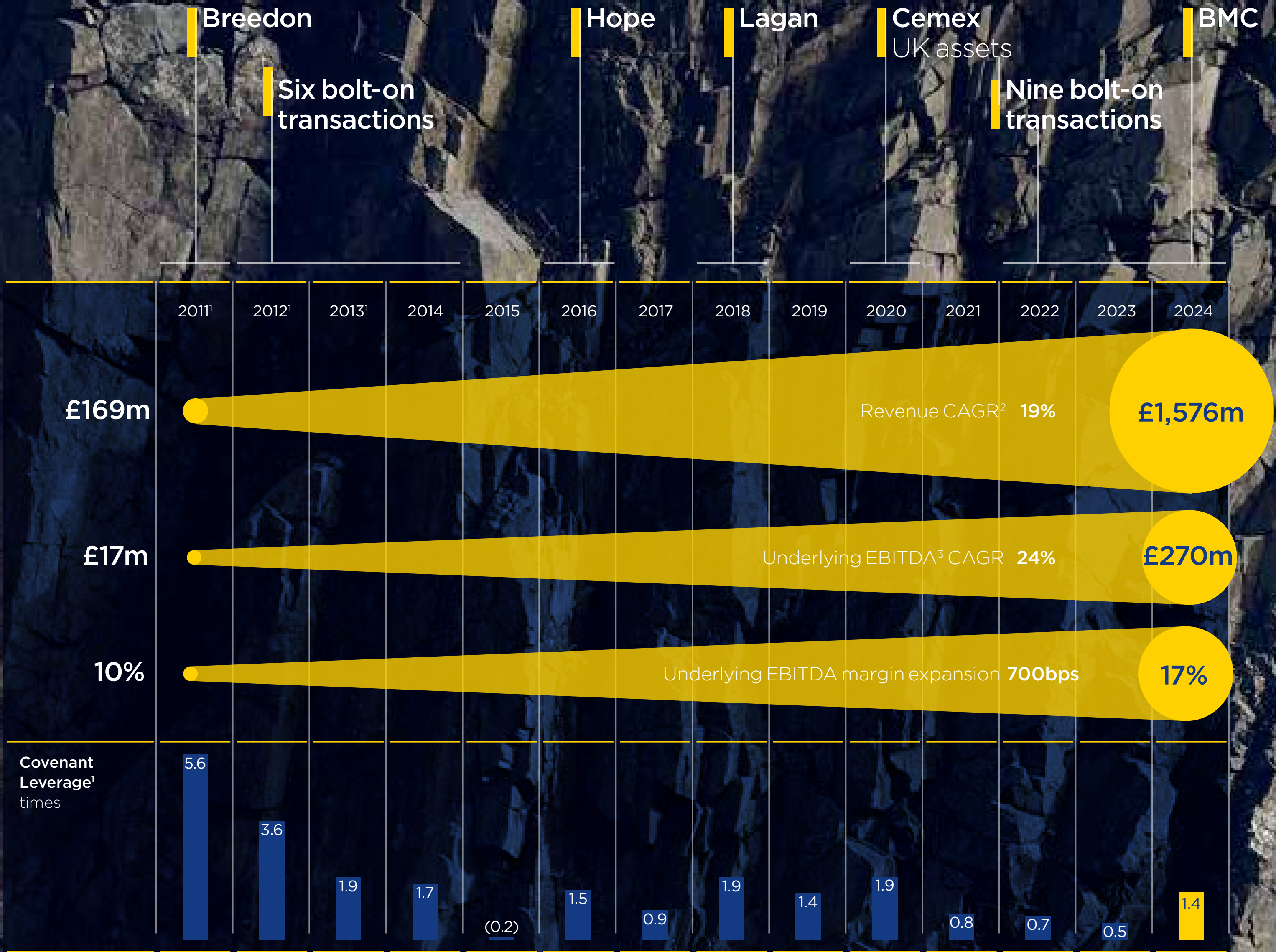
Investment case

An outstanding track record of sustainable growth

Since our first full year of trading as Breedon, we have undertaken 27 acquisitions while simultaneously pursuing organic growth.

In this time, our growth has outpaced our markets, we have successfully converted profits to cash and rapidly reduced leverage following each transaction.



1 Covenant Leverage has been calculated on a consistent basis for all periods, following the principles set out in the Group's current debt facility agreements. Note 27 of the consolidated financial statements contains further details of this calculation.
2 CAGR: Compound annual growth rate.
3 Underlying EBITDA refers to earnings before interest, tax, depreciation and amortisation.

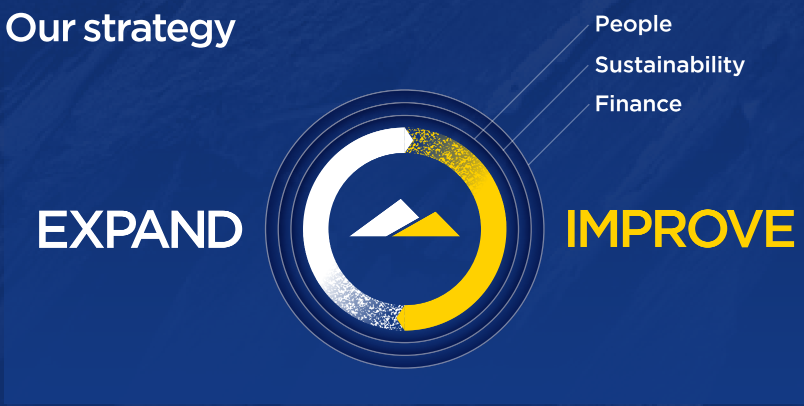
Breedon at a glance

A balanced portfolio of high-quality assets operated by our first-class team

Asset-backed and vertically-integrated

Aggregates >100 quarries		Our quarries supply aggregates to our external customers and our own ready-mixed concrete and asphalt plants, pulling materials through the business model.
Cement 2 plants		Our well-invested cement plants are capable of producing more than two million tonnes of cement annually.
Ready-mixed concrete >200 plants		Our ready-mixed concrete plants supply quality-assured concrete, screed and mortar to a broad scope of projects.
Asphalt >50 plants		Our asphalt plants supply quality-assured materials to a wide range of projects from car parks to major trunk roads.
Surfacing		Our **Great Britain** surfacing operations are strategically located in England and Scotland, serving our national, local and airport customers efficiently and sustainably. Our **Ireland** surfacing and contracting activities benefit from multi-year frameworks and term contracts, delivering high-profile projects including airports and major trunk road resurfacing.

Our strategy



Our culture

Our purpose

To make a material difference to the lives of our colleagues, customers and communities.

Our values

We are committed to upholding clear, authentic behaviours that drive long-term success. By staying true to our principles, we create a foundation of trust, integrity and accountability that supports sustainable growth.

- KEEP IT SIMPLE
- STRIVE TO IMPROVE
- MAKE IT HAPPEN
- SHOW WE CARE

Our people

Our people are one of our greatest assets. Their safety and wellbeing is our highest priority and the objective of our Home Safe and Well campaign.

4,500 people

40 new graduates and apprentices

78% colleague engagement score

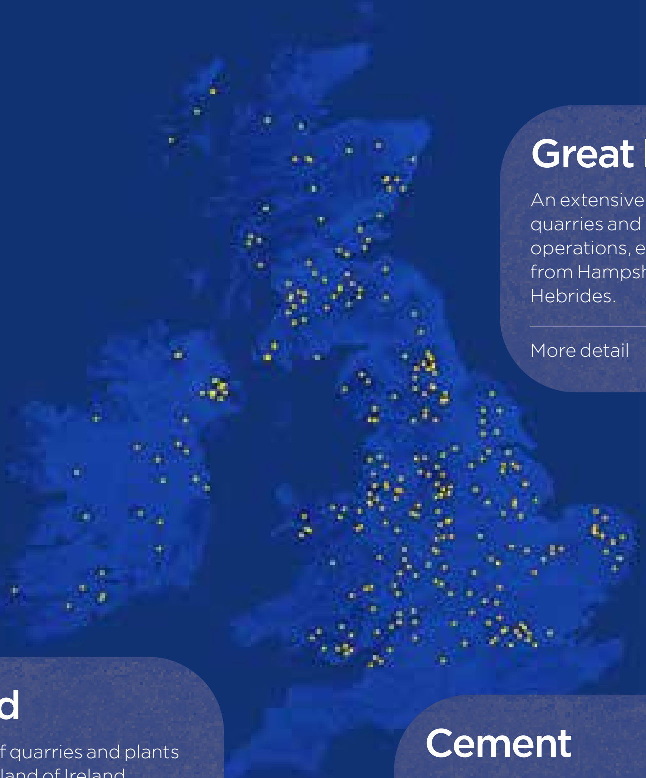
Breedon at a glance

An extensive footprint of valuable assets with leading market shares

United States

Headquartered in St Louis, Missouri, our US business is well situated for expansion across the Midwest, operating a concentrated network of quarries and ready-mixed concrete plants.

More detail »36



Great Britain

An extensive footprint of quarries and downstream operations, extending from Hampshire to the Hebrides.

More detail »32

Ireland

A network of quarries and plants across the Island of Ireland, supporting a highly regarded surfacing business.

More detail »34

Cement

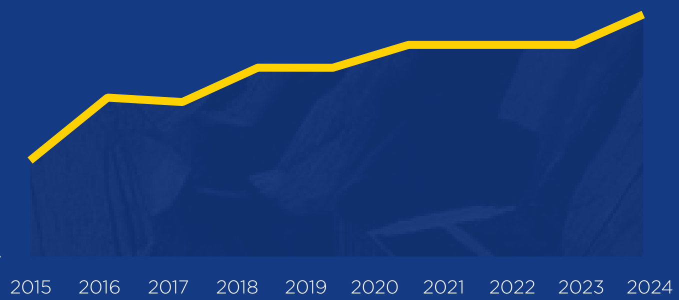
Our Cement division operates two well-invested plants in GB and Ireland, producing more than two million tonnes of cement annually.

More detail »38

Reserves and resources

1.4 billion tonnes

We are stewards of 1.4 billion tonnes of mineral reserves and resources, equivalent to around 47 years of production.



Connected

Our extensive road and rail haulage infrastructure delivers our mineral reserves and resources to our customers sustainably.

Chair's statement

> **Breedon is on an exciting journey, defined by the passion, dedication and commitment of our team.**

Amit Bhatia
Chair

We are on a path that will be defined by growth and driven by the people who make Breedon unique.

A remarkable year of achievements

I am immensely proud of the achievements we have made as a company, particularly in 2024, which marks a significant milestone in our growth journey as we entered the US construction materials market.

Whether on site or in leadership, each team member plays a crucial role in driving Breedon forward, creating opportunities and delivering remarkable results.

Our team has shown exceptional resilience and determination. We have successfully navigated challenging markets and poor weather to deliver record revenue and grow our Underlying margins.

This success is a testament to the unwavering commitment and passion of our people at every level of the organisation.

On behalf of the Board, I want to express our heartfelt thanks to each member of the Breedon team for their hard work and dedication.

Refreshing our ambition

Three years ago, at our first Capital Markets Event, we outlined our ambitious plans for the future. Since then we have delivered.

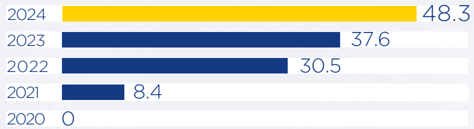
We established a third platform and made tremendous progress on our sustainability strategy. We grew the dividend, exceeding our target payout ratio ahead of schedule and we continued to invest through the cycle, deploying capital to drive growth in the long term.

These outstanding achievements were not left to chance. They are the direct result of the strategic vision, careful planning and relentless execution by our passionate team.

In 2024 we were delighted to host our second Capital Markets Event where we evolved our strategy, upgraded our sustainability targets and clarified our ambitious plans for expansion.

At the core of our simplified strategy remains our intention to prioritise profitable and sustainable growth.

Total cash dividends paid
£m



Chair's statement

Delivering on our strategic commitments

One of the most exciting strategic developments of 2024 was our entry into the US.

The US construction materials market offers tremendous growth potential and it was essential to identify the right entry point.

After a thorough search and careful consideration, the Board was delighted to approve the acquisition of BMC.

This is a landmark transaction and has opened up years of new growth opportunities for Breedon. We have found in BMC a business with a strong cultural alignment, sharing our values and commitment to excellence, and we are excited about the long-term prospects it brings to the Group.

Positioned for growth

Together, we have established a strong foundation, positioning Breedon for further success.

We have built a tried and tested model with extraordinary potential. We have retained a strong and flexible balance sheet.

Our people are at the heart of our success and our culture of empowerment, accountability and respect has fostered a world-class team with exceptional talent.

Exciting future opportunities

Looking ahead, Breedon is positioned for continued success and our future is filled with exciting possibilities to grow and mature.

As we continue to expand, thoughtful capital deployment will remain central to the Board's considerations, balancing growth with maturity, and financial flexibility with value creation.

There is much to look forward to. We are excited for the future and confident Breedon will continue to thrive in the years ahead.

Seeking re-election

Since joining the Board in 2016 it has been an incredible privilege to be part of Breedon's transformation. I am deeply proud of what we have accomplished together and the bright future we have created.

I am eager to contribute to our ongoing development. Therefore, I am seeking re-election in 2025.

I am excited to continue working alongside our exceptional team as we drive Breedon toward even greater success in the years ahead.

Amit Bhatia
Chair
5 March 2025

Board site visit

The Board site visit to our Dowlow quarry in September 2024

Market review

Supplying structurally-attractive end-markets with essential building materials, products and services

Growth drivers

Economic driver

The construction industry plays a fundamental role in everyday life and construction activity is widely recognised to be a significant contributor to economic prosperity, creating, maintaining and improving the built environment.

According to the CBI, every £1 spent on UK construction contributed £2.92 of value to the UK economy, employing 2.3 million people directly and generating 6% of UK Gross Value Added. In the US the impact is even greater with every US$1 of aggregates sales generating nearly US$4 of sales in the wider economy.

The population in our core markets is growing and urbanising. The UK population is forecast to grow 7% in the decade to 2032, while in the RoI, the population is set to increase by one million between 2022 and 2040.

Although the US population is growing at less than 1%, a greater proportion will live in urban settings. With household formation outpacing population growth, the pressure on our infrastructure, residential and non-residential spaces is likely to persist.

(Source: CBI, NSSGA)

Essential industry

Mineral products are a key component of the construction supply chain, providing essential heavyside building materials to the construction sector, including aggregates, cement and concrete products as well as asphalt and surfacing materials. Concrete is the most abundant man-made material on the planet and fundamental to shaping our world.

The market in GB is relatively consolidated; Breedon is one of the top five aggregates producers who together have access to c.78% of all consented reserves, with around 300 companies accounting for the remainder.

In the US the market is highly fragmented with c.40% of the market supplied by the top ten providers, with over 5,000 companies delivering the remaining 60% market share.

Planning consent for new quarries is rarely granted, emphasising the need for long-term strategic planning to secure extensions to the existing estate, alongside efficient mineral production.

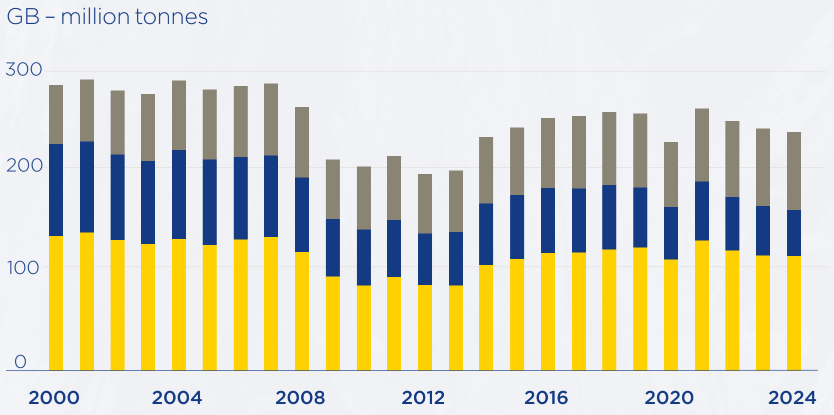
Due to the heavy nature of the materials and associated costs of transport, markets are driven by local and regional factors.

(Source: MPA, BDS Market Intelligence)

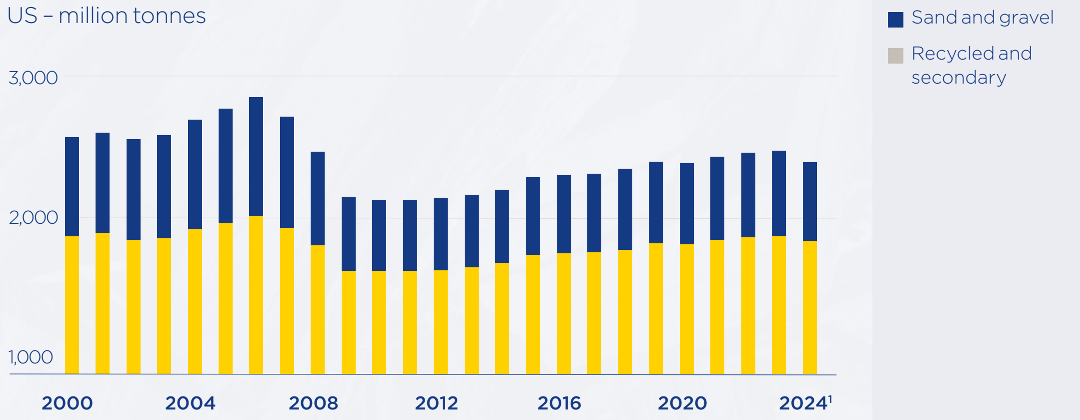
Market review

Growth drivers

Aggregates market supply



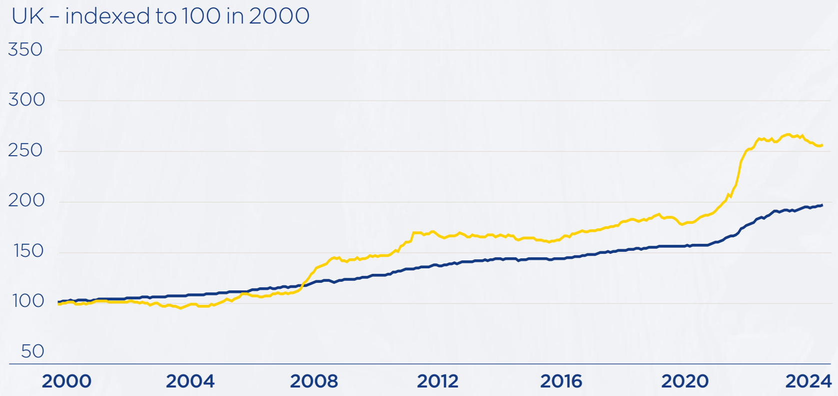
Source: MPA



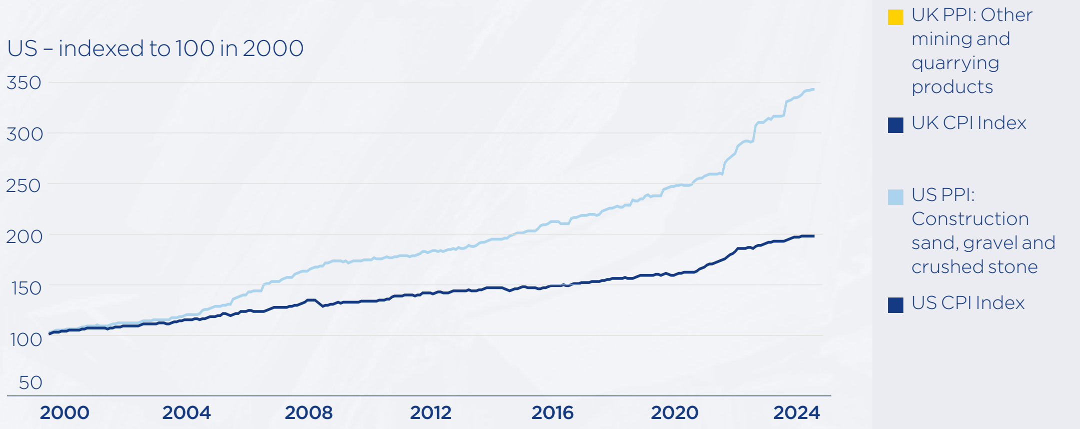
Source: US Geological Survey

1 2024 data is an estimate.

Aggregates markets outpace inflation



Source: ONS



Source: US Bureau of Labor Statistics

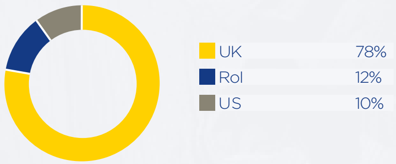
Market review

Markets

End-markets

The construction end-markets we serve promote economic prosperity and productivity. However, population growth and underinvestment have combined to produce structural deficits, underpinning the long-term growth profile of each market.

Revenue by end-market[1]



1. Pro-forma 2024: reported numbers for 2024 restated to include the impact of the four transactions that took place in 2024 as though they had been completed on 1 January 2024.

Infrastructure

Infrastructure is typically funded by public or regulated organisations with fixed long-term budgets. Governments in our target geographies recognise that infrastructure is under-invested and consequently there are large investment programmes in place.

In its latest analysis of the National Infrastructure and Construction Pipeline, the UK Treasury committed to invest up to £775bn over the current decade. This programme is currently under review with an update expected in the summer of 2025.

The new UK Government is expected to prioritise planning reform, stimulate maintenance of the existing transport network and promote investment in decarbonisation, renewable energy, water and sewage treatment.

In 2021 the Government of Ireland relaunched the National Development Plan (NDP), which outlined over €165bn of public investment by 2030. To deliver sustainable economic growth and improve environmental and social outcomes, public investment in RoI will increase to 5% of GNI by 2025.

Significant infrastructure spending commitments

UK	RoI	US
£775bn	**€165bn**	**US$1.2tn**

Following the 2024 European Court of Justice ruling ordering Apple to pay €13bn in unpaid RoI taxes, the Minister for Finance confirmed the windfall would be targeted towards public infrastructure investment over the coming decade.

In the US, the Infrastructure Investment and Jobs Act (IIJA) is a US$1.2tn five-year federal programme enacted in 2021, providing for a substantial increase in funding for a broad spectrum of growth enhancing infrastructure projects. The IIJA more than doubled funding for transportation to US$660bn, of which US$313bn is targeted at roads and bridges, a 33% increase.

Funding for infrastructure in Missouri has also increased. In addition to being allotted US$6.5bn IIJA funding, the Missouri Department of Transport introduced a fuel tax that will raise US$500m annually for investment in road and bridge repair and maintenance.

(Source: Gov.uk, Gov.ie, Euroconstruct, FMI, US Department of Transport)

Market review

Markets

Housebuilding

Homes shortfall at current build rates

UK up to
8 years

RoI up to
8 years

US up to
3 years

There is a fundamental shortage of housing in the geographies we serve, with an estimated deficit of roughly 1.5 million homes in the UK, 250,000 in RoI and 4.5 million in the US due to housing starts falling short of household formation over recent decades. At the current build rate, that equates to backlogs of roughly eight years, eight years and three years respectively.

While affordability and interest rates are key determinants for the pace of housebuilding, there is wide recognition that supply-side policies have not kept pace with demand. The planning processes in the UK and RoI are under-resourced and the Federation of Master Builders House Builders' Survey 2024 found that the UK planning system presented a greater restriction to the delivery of new homes than mortgage availability.

In the UK, the National Policy Planning Framework was updated in December 2024, central to which was a commitment to reform the planning system. While the core intention is to make it easier to build the infrastructure needed to support growth, the Government committed to building 1.5 million homes over the course of this parliament.

The Irish Government published its most ambitious housing plan in 2021, containing a series of actions designed to double housing output by 2026, supported by more than €4bn of annual Government funding. In 2024 30,330 homes were completed, a reduction of 7% compared to 2023 and below the Government's target.

In the US, the housebuilding market has been impacted by affordability and the 'lock-in' effect. While long-term fixed rate mortgages offer payment certainty, the prevalence of low-rate, fixed-term mortgages has severely reduced mobility in the US housing market, which requires lower interest rates and improved affordability to resolve.

(Source: Gov.uk, Gov.ie, MarketWatch.com)

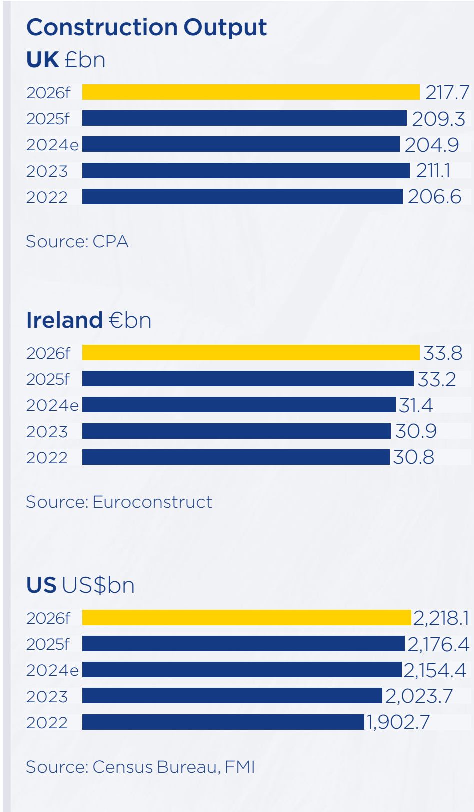
Commercial, Industrial and other

The pandemic has materially affected where we work, how we shop and how we spend our leisure time. Commercial construction, which is typically driven by large economically sensitive projects, has been contracting as retail, leisure and home working practices have undergone behavioural changes in recent years.

Industrial output has benefited from these cultural shifts, requiring new logistics and supply chain solutions, building large warehouses, distribution and data centres.

US manufacturing and data centre construction has been boosted by the Federal CHIPS and Science Act, which provides US$53bn over five years to incentivise domestic semiconductor manufacture and design and promote supply chain resilience.

(Source: CPA, Euroconstruct, FMI)



Market review

Markets

Volumes

Mineral product volumes in 2024 reflect the impact of modest economic growth, offset by rising construction material costs and the impact of poor weather conditions.

Volumes in GB marked the third consecutive year of contraction in 2024 reflecting the combined impact of input cost inflation and a lack of political clarity, compounded by wet weather.

While aggregates volumes contracted 3% in the year, third quarter volumes stabilised and fourth quarter volumes delivered incremental growth, sequentially and year-on-year. Asphalt volumes declined 3% reflecting delays to some projects. However, the Autumn budget apportioned additional spending for local authority road mending and volumes stabilised in the fourth quarter.

156m
tonnes GB primary aggregates

(3)%
2024 GB aggregates volume reduction

Ready-mixed concrete volumes reached their lowest level since 1963, reducing 11%. The decline reflected the poor weather conditions, the slowdown in new build housing and the effect of the change in housebuilding regulations in the first half of 2023, with volumes stabilising in the second half.

In the US, aggregate volumes stabilised in 2023 but softened in 2024, reflecting input cost increases, weather disruption and political uncertainty. In some sectors there is the additional effect of elevated prior year comparatives, notably multi-family housing and some commercial end-markets.

GB Aggregates
million tonnes

US Aggregates
million tonnes

Source: US Geological Survey

GB Ready-mixed concrete
million m^3

US Ready-mixed concrete
million m^3

1 2024 projected annual production

Source: National Ready Mixed Concrete Association

GB Asphalt
million tonnes

Source: MPA

Market review

Outlook

There is a fundamental need to invest in the built environment to promote economic prosperity, and Breedon is ideally positioned to respond when end-markets recover

In recent years, geopolitical uncertainty and macroeconomic disruption, coupled with unseasonal weather, have created volatile trading conditions. However, to promote economic prosperity there is a fundamental need to invest in the built environment and Breedon is ideally positioned to respond when end-markets recover.

Construction output is forecast to grow in each of our geographies.

The CPA has forecast growth in UK construction output of 2.1% in 2025, gaining momentum in 2026 to grow 4.0%. The shape of the recovery has undergone revision throughout 2024, and a more gradual upturn is now forecast.

CPA forecast

2025	2026
2.1% ↑	4.0% ↑

UK infrastructure construction output is forecast to grow 1.4% in 2025, accelerating to 4.1% in 2026. While we await the outcome of the Treasury's infrastructure spending review, activity remains strong on major projects including HS2 and Hinkley Point C.

In addition, there have been short-term injections to support road maintenance and the Government's measures to streamline permissions for offshore wind powered electricity generation will unlock up to 13 major offshore projects and accelerate plans to increase capacity.

Construction output in RoI is forecast by Euroconstruct to accelerate to 6.0% in 2025 before settling back to 1.8% in 2026, ensuring it remains one of the fastest growing construction markets in Europe.

Euroconstruct forecast

2025	2026
6.0% ↑	1.8% ↑

Ireland's strong economic performance provides a supportive backdrop to political commitments to accelerate capital investment in social and economic infrastructure. With net inward migration of one million people between 2022 and 2040, housing is a particular focus and the Government has committed to an annual house building target of 50,500 homes.

In the US, economic resilience has underpinned a robust construction market. Following two consecutive years of strong total Construction Put in Place of at least 6.0%, growth is forecast to moderate to 2.0% in 2025.

FMI forecast

2025	2026
2.0% ↑	2.0% ↑

US infrastructure is forecast to grow at 5% in 2025. Although this is slower than in recent years as we lap the effect of the IIJA, infrastructure investment remains well funded with backlogs sustained into 2026 as c.60% of IIJA funds are yet to be committed.

The largest construction market, single family housing, is forecast to grow at 4% in 2025, driven by falling interest rates and a shortage of homes.

Over the long term, our markets are characterised by steady growth and pricing power through the cycle. The prospects in the medium to long-term in all our markets are underpinned by high levels of pent-up demand coupled with stabilising economic and political landscapes, conditions in which Breedon would expect to thrive.

(Source: CPA, Euroconstruct, FMI)

Business model

Supplying structurally-attractive end-markets with essential building materials, products and services

OUR CUSTOMERS

We are a business-to-business provider, serving a diversified network of customers across the infrastructure, housebuilding and industrial end-markets.

- We provide materials to small local businesses, builders merchants and major contractors.
- The infrastructure projects our customers deliver are backed by central government funding or local authority budgets.

We are typically engaged in the early stages of construction projects due to the nature of our products.

- Our materials are utilised in foundations, groundworks and other early construction phases.
- Our exposure to repair, maintenance and improvement construction is limited.

Business model

What we do

VERTICALLY-INTEGRATED

Quarries, Cement — ASSETS

Products

Surfacing — ASSET-BACKED

Generating cash

What sets us apart

Our business model in action at Shap quarry

Business-to-business

Our quarries and cement plants produce the materials which flow downstream through the model to our customers and our own operations.

Buy and build platform

We are a consolidator. As a trusted owner of acquired assets we have a well-populated and active M&A pipeline.

Organic investment complements M&A and is supported by our healthy balance sheet and strong cash generation.

We follow our acquisitions with capital investment, enhancing the assets we acquire and maximising their profitability.

Shap quarry; investing for growth

When Shap was acquired in 2020 the quarry was flooded and loss-making.

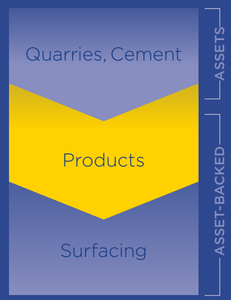
Following c.£3m investment over four years, we regained access to Shap's unique geology. Due to its hard wearing properties, it is ideally suited to rail track ballast and we have established a long-term supply contract with Network Rail.

Shap is now an active, growing and profitable quarry.

c.600kT
Annual Shap aggregate production

Business model

What we do



Generating cash

What sets us apart

Downstream operations pull through valuable products

Maximising value

Our ready-mixed concrete, asphalt and block plants use our own aggregates and cement to produce quality assured materials.

Our processes pull material through to the customer, maximising the value of every tonne of material we produce.

Operating locally

Our site teams are embedded in their local markets. Our sales and distribution model is regional with direct connections to our sites.

Our people have freedom within a framework to maximise profitability. They are close to their customers, have clear responsibility and accountability, and are empowered to make timely entrepreneurial decisions.

Maximising value at Shap

Shap's mineral offers high-value skid resistance and is ideal for high-speed road surfaces.

We invested in the on-site asphalt plant, enhancing both capacity and our ability to include recycled asphalt planings (RAP) into the process.

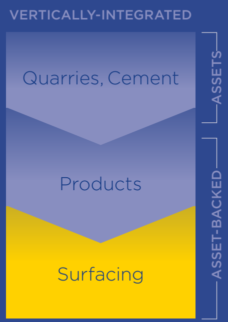
These sustainable credentials were key to our selection to supply 150kT of asphalt to the local Carlisle Southern Relief Road scheme.

150kT

Asphalt to vital local infrastructure

Business model

What we do



Generating cash

What sets us apart

Growing our surfacing business enhances our routes to market

Local supply, national footprint

We deliver surfacing and maintenance services to national and local road networks, and airfield operators.

Our surfacing strategy aims to utilise our core products, enhancing margins within a conservative risk profile.

Market reach extended

We have built a strong reputation for quality and reliability in GB and Ireland.

Airfield surfacing is a highly specialised market where we have rapidly established a robust national position, supplying commercial and defence infrastructure.

Partnering with the DIO

Airfield infrastructure requires highly specialised materials delivered with precision and reliability.

Through investment and execution, we have built our credibility and now have a long-term pipeline of work with the Defence Infrastructure Organisation (DIO).

In 2024, we completed the resurfacing of RAF Leeming supplying 36kT of drystone and 36kT of asphalt.

72kT
Downstream materials

Business model

What we do
Generating cash
What sets us apart

Strong and agile balance sheet provides strategic flexibility

Highly cash generative

Our business model is highly cash generative, rapidly converting revenue and profit into cash.

- Upstream products have short order lead times which vary, based on the nature of the construction project.
- Delivering downstream products and services pulls high-value products through to the customer.
- Investment in systems and processes ensures cash collection is efficient, quickly converting revenue to cash.

Our balanced portfolio of assets and services delivers a blended operating margin and return on invested capital.

- Upstream mineral products deliver a high operating margin. However, the capital-intensive nature of the assets impacts the return on invested capital.
- Conversely, downstream services have lower capital requirements and deliver higher returns on invested capital.
- Our thoughtful capital allocation approach balances returns generated by our asset portfolio.

Deploying capital

We deploy our capital responsibly, maintaining strategic optionality.

Investment for growth

Capital investment is evaluated for both maintenance and growth objectives and all opportunities are considered through a sustainability lens.

- We invest in replenishing our mineral reserves and resources and extending our quarry assets where possible.
- Our assets operate in harsh and abrasive environments and we invest proactively to maintain and upgrade our capital equipment.

Financing Breedon's future

Capital deployment is balanced to maintain strategic optionality and maximise return on invested capital.

- Breedon has an excellent track record of rapidly reducing leverage following acquisitions.
- Our increased dividend for the year exceeded our target payout ratio of 40% of Adjusted Underlying Basic EPS.

Business model

What we do
Generating cash
What sets us apart

Differentiators: our local assets, our people, and investment

Our assets

Opening a new quarry or cement plant is challenging. Consequently, our asset-backed model allows us to maintain our strong position in the market.

- Securing incremental permits and continuous parcels of land to existing quarries is achievable.
- Our cement plant in Kinnegad was commissioned in 2002 and is one of the most modern plants in Europe.

Our investment strategy

Our thoughtful approach to capital allocation has delivered a balanced growth profile where M&A and organic expansion have contributed evenly.

- Since we began trading as Breedon, we have acquired and integrated 27 businesses, where we have a strong track-record of improving operations and profitability.
- Disciplined capital investment ensures our assets are well maintained and incorporate the latest innovations.

Our people

Our first-class team is at the heart of our business and is one of our greatest assets.

- We have an entrepreneurial, empowered and engaged workforce.
- Our colleagues have deep and longstanding local relationships and are connected to their communities, which is key to our licence to operate.

Our brand

Breedon has become a top five heavyside construction materials provider in GB and RoI in just over a decade. Our brand has gained prominence with a reputation for quality of product and reliability of service. Our Net Promoter Scores (NPS) recognise our services as extremely good.

Our reputation as an asset owner

Our reputation as a good owner and acquirer of assets benefits our M&A pipeline which is populated with family- run operations for whom this is an important consideration.

Chief Executive Officer's review and outlook

> We delivered significant strategic milestones and our fourth successive year of record revenue.

Rob Wood
Chief Executive Officer

Making it Happen

£270m
Underlying EBITDA
2023: £242m

£125m
Statutory PBT
2023: £134m

Living our values has never been more evident than in 2024 when our team 'Made it Happen' in the face of significant market headwinds, political and economic instability, and poor weather conditions.

Results ahead of expectations

By adhering to a clear objective, to be a bigger and better Breedon, and through the enduring resilience and commitment of our first-class team, we delivered significant strategic and operational milestones across the Group, contributing to a fourth successive year of record revenue and delivering Underlying results ahead of expectations.

Significant strategic milestone

We created our third platform in the US, evolved our strategy and upgraded our sustainability targets. This remarkable outcome was achieved by maintaining a determined commitment to executing our strategy and a deliberate focus on operational and commercial excellence.

In March, we entered the US construction materials market through the acquisition of BMC for an enterprise value of US$300m. BMC, headquartered in St Louis, Missouri, supplies ready-mixed concrete, aggregates and building products. With an entrepreneurial approach and strong growth track record, the close cultural alignment enabled the smooth integration of BMC into the Group, delivering an encouraging initial contribution.

Chief Financial Officer's review »42

Chief Executive Officer's review and outlook

Outlook

Enquiry levels were healthy towards the end of 2024 and have remained encouraging in the first two months of 2025. Weather conditions in all our markets have been disruptive in early 2025. However, this is traditionally a quieter period of the year for us.

The economic landscape in the US is robust while RoI is strong, benefiting from a budget surplus, falling interest rates and net inward migration. Both regions benefit from long-term commitments to fund development in infrastructure. In addition, they each experience structural housing shortfalls, lack of inventory in the secondary market and improving affordability at the margin.

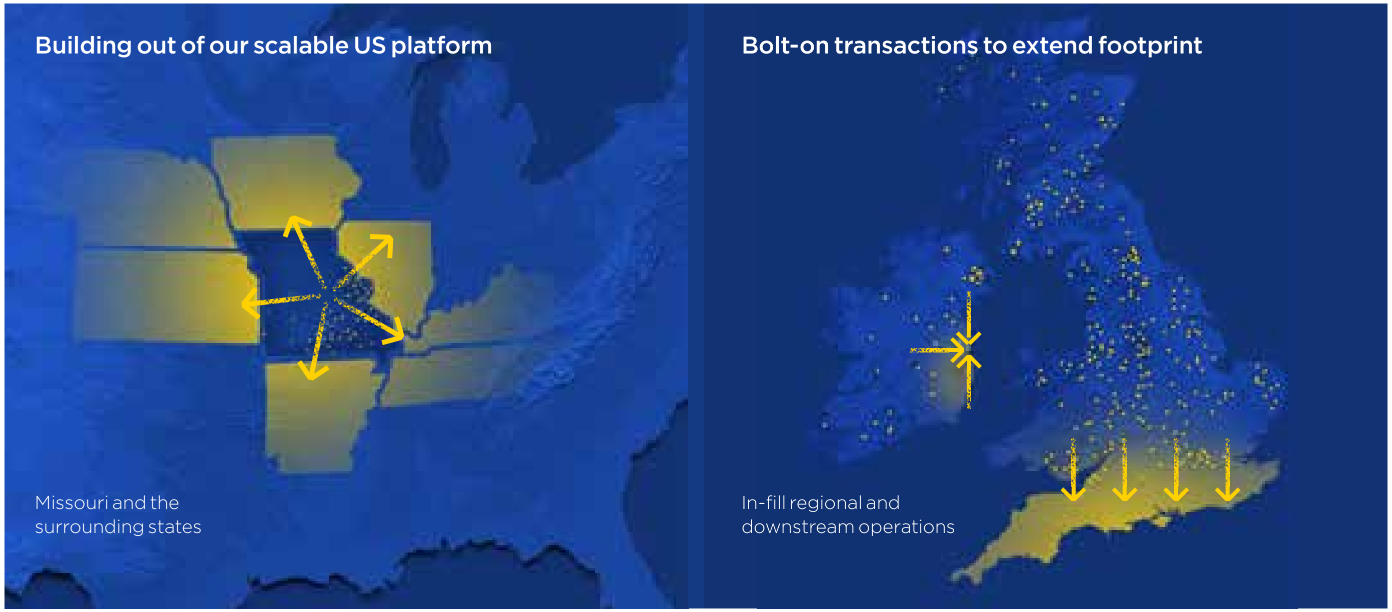
While we remain optimistic that 2024 should represent a floor in construction market activity in the UK, the broader economic outlook is less clear. The Government's growth agenda is supportive for the construction materials industry, interest rates have started to fall and the housing market lacks inventory. However, the catalyst to stimulate a recovery in confidence and investment is yet to materialise.

Our M&A pipeline remains well populated and we have exciting opportunities in each of our geographies. We continue to prioritise the build out of our US business in the Midwest and we have scope in GB and Ireland to expand our regional footprint and downstream activities.

We remain focused on our operational and commercial excellence programmes and have maintained investment in our machinery and plant through the cycle. This will enable us to maximise the productivity and efficiency of our operations when activity levels improve.

While the timing remains uncertain, when market activity improves Breedon is optimally positioned to benefit.

Rob Wood
Chief Executive Officer
5 March 2025



Our evolved strategy Breedon 3.0

Evolving our strategy Breedon 3.0

EXPAND

Breedon is a consolidator and M&A is at the heart of our strategy

IMPROVE

Replenishing minerals, unlocking efficiencies, driving innovation

Our evolved strategy Breedon 3.0

Breedon 3.0 is the latest iteration of our growth strategy. Although our approach has evolved, we have remained faithful to the emphasis on profitable growth at the heart of the original ‘Golden Rules’ while at the same time observing our core value, to Keep it Simple.

Our strategy has evolved at intervals since Breedon was formed but always with the same simple principle at its core: deliver profitable growth, by efficiently providing essential materials to structurally growing end-markets and executing carefully considered acquisitions in target geographies.

Key to operating our successful model are our values. Our intention to Keep it Simple and Strive to Improve is evident in this evolution of our strategy, Breedon 3.0, where we have simplified and clarified how we will deliver our next chapter of growth, ensuring our strategy relates directly to the day-to-day activities of our operational colleagues.

We have retained our emphasis on profitable growth through the core driving forces of Expand and Improve.

Expand »26 | Improve »28

Furthermore, the implementation of our strategy is viewed through the lenses of ‘People’ – leading our first-class entrepreneurial team effectively, ‘Sustainability’ – operating our business sustainably, and ‘Finance’ – deploying our capital in accordance with our disciplined financial framework.

A financial framework to underpin our growth

Financial metrics aligned to our strategy

Growth	Revenue	Outperforms our market
Profitability	Underlying EBITDA margin	17.5% – 20.5%
	Underlying EBIT margin	12% – 15%
Cash flow	FCF generation	>45% FCF generation
Financial discipline	Leverage	1x – 2x
Returns	ROIC	>10%
Dividend	Payout ratio	40%

Delivering Breedon 3.0

3 – 5 years

Our evolved strategy Breedon 3.0

EXPAND

Breedon is a consolidator and M&A is at the heart of our strategy

Since formation, we have built three vertically-integrated platforms in GB, Ireland and, most recently, the US, unlocking value in the process.

We balance M&A with organic growth by serving structurally-attractive end-markets in geographies that benefit from long-term growth prospects.

The launch of our scalable third platform in the US through the carefully targeted acquisition of BMC delivers an optimal combination of both these routes to Expand.

Our ambition in the next decade is to grow the US business to be as large as the GB and Ireland businesses combined.

KPIs

- Adjusted Underlying Basic EPS
- Combined LTIFR
- Combined TIFR
- Covenant Leverage
- Dividend per share
- Emissions intensity – Cementitious
- Emissions intensity – Revenue
- Free Cash Flow conversion
- People positively impacted
- Reserves and resources
- Return on invested capital
- Revenue
- Sustainable product sales
- Underlying EBITDA margin
- Underlying EBIT margin

More detail on our KPIs »40

Risks

- Acquisitions and material capital projects
- Climate change
- Competition
- Failure of a critical asset
- Health and safety
- IT and cyber security
- Land and mineral management
- Laws, regulations and governance
- Markets
- People
- Supply chain and input costs
- Treasury

More detail on our Risks »51

Our evolved strategy Breedon 3.0

US

A fast-growing construction market

Construction starts in the US are forecast to outpace European construction output in the medium-term, driven by housing and infrastructure deficits and federally funded stimulus programmes.

Acquisition opportunities

The US is highly fragmented with c.60% of the market supplied by over 5,000 operators, providing a significant opportunity to source high-quality assets at fair valuations.

The US offers Breedon numerous opportunities and our objective in the coming decade is to build a US business of a scale comparable to our combined GB and Ireland operations.

Mid-west focus

Our focus in the US in the medium-term will be on Missouri and the surrounding states, a region with an economic footprint roughly equivalent to the UK but with more than double the demand for aggregates.

BMC's first acquisition under Breedon

In October 2024, BMC completed its first transaction under Breedon ownership, acquiring a highly complementary, downstream manufacturer of masonry blocks and other building products.

GB and Ireland

The prospect for further M&A in GB and Ireland for bolt-on and downstream transactions remains compelling, and our M&A pipeline is well populated.

Eco-Asphalt

In January 2024, we completed the acquisition of Eco-Asphalt, a Merseyside asphalt supplier strategically located within the region where we service the National Highways Pavement framework.

Phoenix Surfacing

In April 2024 we acquired Phoenix Surfacing, enhancing our presence in the Midlands and reinforcing our regional surfacing, airfields and recycled asphalt capabilities.

Future focus

Investing for growth

Each year c.30% of our capital expenditure budget is invested in growth projects, enhancing our land and mineral portfolio, or investing in plant and machinery that will support growth and productivity.

Active M&A pipeline

Our M&A pipeline is well populated and active and we have a reputation as a good acquirer. Our first priority is to scale up our US business in Missouri and the surrounding states. In the UK and RoI, we seek to in-fill our existing footprint.

Our evolved strategy Breedon 3.0

IMPROVE

Replenishing minerals, unlocking efficiencies, driving innovation

By bringing the assets we acquire onto our vertically-integrated platforms, we can unlock efficiencies, drive innovation and provide our customers with a reliable and trusted supply chain partner.

This continual process creates a virtuous cycle of enhancement, complementing end-market growth and M&A with self-help, enabling us to outperform our markets.

KPIs

- Adjusted Underlying Basic EPS
- Combined LTIFR
- Combined TIFR
- Covenant Leverage
- Dividend per share
- Emissions intensity – Cementitious
- Emissions intensity – Revenue
- Free Cash Flow conversion
- People positively impacted
- Reserves and resources
- Return on invested capital
- Revenue
- Sustainable product sales
- Underlying EBITDA margin
- Underlying EBIT margin

More detail on our KPIs »40

Risks

- Acquisitions and material capital projects
- Climate change
- Competition
- Failure of a critical asset
- Health and safety
- IT and cyber security
- Land and mineral management
- Laws, regulations and governance
- Markets
- People
- Supply chain and input costs
- Treasury

More detail on our Risks »51

Our evolved strategy Breedon 3.0

Mineral replenishment

Our valuable mineral reserves and resources are the lifeblood of our business and replenishing them requires diligent long-term planning and strong community relationships.

Mineral reserves

In 2024 our land and minerals team successfully replenished our mineral reserves and resources, securing planning consent for extensions at eight quarries, adding 51m tonnes of mineral assets, significantly ahead of the 27.3m tonnes extracted in the year.

Mineral pipeline

Our teams utilise proprietary software to map local markets and track mineral replenishment requirements far into the future. We have an additional pipeline of 142m tonnes at various stages of development, equivalent to more than five years of production at current rates.

Innovation

Increasing the use of technology and innovation is allowing us to unlock efficiencies while improving safety.

Greater accuracy and safety through robotics

By using 'setting out' robots to autonomously navigate airfield surfacing projects, marking out each stage of laying asphalt with precision, we increased accuracy and efficiency while reducing the risk of vehicle interaction.

Increased training through AI and VR

We will increasingly utilise Artificial Intelligence and virtual reality for training and quality control, improving outcomes for our people and our customers.

Excellence

As a trusted steward of land and mineral assets, we seek to refine our processes through innovation and commercial and operational excellence programmes to ensure we maximise the value of every tonne of material we produce while minimising the impact on our neighbours and environment.

Operational

By using a broad diagnostics benchmark of operational efficiency indicators and analysing every step of the production process from quarry 'face to gate', we understand each site's unique requirements, enabling us to target our investment with care.

Commercial

Our vertically-integrated model promotes commercial excellence, evident in the success of our GB surfacing business.

Efficient use of capital and equipment

Process reengineering enabled us to remove the need for contract crushing at Leaton and Cloud Hill while the development of our Running Equipment Efficiency Improvement Programme enabled us to increase the utilisation of the wash plant at Dowlow by 50%.

Growing our airfield surfacing business

Through the close collaboration of our commercial and site teams we have ensured the reliable provision of highly technical asphalt with sustainable properties to our growing airfield surfacing business.

Future focus

Responsible stewards

We take our responsibility as stewards of the land we own very seriously. Navigated by our proprietary system, we have a long-term plan to maximise planning consents and restore depleted quarries.

Continuous improvement

Perpetual self-help is embedded in our culture. Our team constantly innovates, striving to improve our practices and processes.

Our evolved strategy Breedon 3.0

Viewing the implementation of our strategy through three lenses

In 2024 there is abundant evidence of how operating our vertically-integrated, asset-backed model in accordance with our values and strategic priorities is making a material difference for all our stakeholders.

People: Our people make Breedon unique

In 2024 we added nearly 600 colleagues through the acquisition of BMC. On completion of the transaction, enhancing safety practices and procedures took priority and we saw immediate benefits, not only reducing time lost to injuries by 80% but also their severity.

Improving the health, safety and wellbeing of our team is a constant objective and therefore, in 2024 we undertook a greater number of Visible Felt Leadership visits across the Group. We were pleased to see a direct improvement in our safety metrics with a reduction in the lost time injury frequency rate (LTIFR) to 3.3 per million hours worked (2023: 3.5).

Replenishing our team through the early careers route is essential for the future success of the Group, bringing in fresh talent and perspectives. The apprentice and industrial placement student programmes have been extremely successful in recent years, bringing 170 early careers colleagues into Breedon since 2022, of which 40 joined in the last 12 months.

Showing we Care is a value we live by, particularly with regard to our people. In 2024, we rewarded our colleagues with a 4% pay rise and implemented additional management training to enhance our leadership skills. These actions were acknowledged in our latest engagement survey, which once again recorded exceptionally high scores for the construction materials industry with 75% of our colleagues taking part (2023: 76%), and 78% reporting that they felt engaged (2023: 80%).

Our people »81

Sustainability: Operating sustainably

Operating our business sustainably is a strategic imperative and at the forefront of every decision we take. Breedon has always taken its responsibility to its people and its communities seriously and we have committed to increase our disclosure and transparency while working towards reducing our carbon footprint.

In recognition of the substantial progress we have made, we were pleased to receive formal validation of our Group-wide carbon reduction targets from the Science Based Targets initiative (SBTi) during 2024.

In addition, we were awarded our first CDP ratings, receiving a C for Water Security and a B for Climate Change. Both ratings have subsequently been upgraded, and in February 2025 we were awarded B- for Water Security and A- for Climate Change.

Our evolved strategy Breedon 3.0

Decarbonising our Cement business is essential to achieving our net zero objective and we are targeting every part of our operation that contributes to CO_2 emissions. Both our cement plants made progress to increase the use of alternative fuels, reaching a blended replacement rate of nearly 50% while our modern Kinnegad plant at times achieved 100% utilisation of low carbon alternatives. Our development of a high-strength, lower carbon CEM II product was well received by our customers and CEM II now comprises 37% of our cement sales (2023: 30%).

Carbon capture and storage is an essential technology to enable the decarbonisation of the cement production process. During 2024 we continued to progress, moving into the FEED stage (front-end engineering and design) of our plans to capture CO_2 emissions at Hope, exploring different technologies and engineering solutions to capture our carbon emissions.

The landmark Peak Cluster carbon capture and storage project has the potential to decarbonise 40% of the cement and lime production in the UK and we continue to work with the Peak Cluster partners towards the next stage of this exciting project.

In light of the significant progress we have made towards our sustainability targets, we took the opportunity to upgrade our ambitions.

We have accelerated our plans to decarbonise and we are now aiming to reduce Scope 1 and 2 emissions and Scope 3 emissions from purchased clinker and cement by 23.3% by 2030 from a 2022 baseline. Creating social value remains a key objective and we will generate a cumulative £500m benefit to society by 2030. We will work towards generating half of our downstream revenue from our Breedon Balance product range (2024: 34%), thereby contributing to a more sustainable built environment.

Sustainability »69

Finance: Disciplined financial framework

Our financial framework governs how we connect thoughtful capital allocation to strategy, facilitating multiple routes to growth. By prioritising profitable growth, through-cycle investment and responsible leverage, the framework has served us well, ensuring a strong balance sheet, healthy returns and strategic financial flexibility.

We have multiple investment opportunities and at Breedon investment is a differentiator. Even though volumes have declined in each of the past three years, we deliberately maintained capital investment through the cycle, an approach that ensures our well-invested assets will be positioned to respond efficiently when the end-market backdrop improves.

In 2024 we evolved the suite of financial targets by which we measure our performance, retaining our emphasis on profitability and financial flexibility. While we have maintained the majority of our targets we have modified our Free Cash Flow conversion measure, reducing the target to 45% to reflect higher corporate tax rates.

An Underlying EBITDA margin target range was introduced to complement our existing Underlying EBIT margin target range. Our cost of borrowing is directly impacted by our level of Underlying EBITDA and relates to our debt covenant compliance. M&A transactions predominantly reference an Underlying EBITDA multiple when assessing valuation. Many of our UK and International peers report Underlying EBITDA performance as their primary profit metric. Our primary operating profit performance measure going forward will be Underlying EBITDA.

Chief Financial Officer's review »42

Operating reviews Great Britain

Great Britain

Our GB business delivered a resilient performance in 2024, one of the wettest years on record.

Highlights

£997.4m
Revenue
(4)%

£132m
Underlying EBITDA
(5)%

- Resilient performance; Underlying EBITDA margin maintained in challenging trading conditions.
- Flexible and agile team; taking action to scale capacity appropriately and extend into new markets.
- Focus on self-help; completing two bolt-on transactions, and driving operational and commercial excellence.

Resilient performance

Our GB business delivered a resilient performance in 2024, one of the wettest years on record when weather conditions presented significant challenges to on-site activity for us and our customers. With the GB market experiencing its third consecutive year of volume decline, our first-class team drew on their extensive experience and strong customer relationships to manage through the challenging market conditions.

Robust end-markets

Infrastructure remained relatively robust and, while some high-profile civil engineering projects were cancelled, spending on the maintenance of road, airport, water and energy infrastructure underpinned sales of aggregates and asphalt where volumes only declined 5% and 3% respectively on a like-for-like basis. The downturn in housebuilding activity was particularly evident in ready-mixed concrete sales, which declined 12% organically.

Challenging conditions were felt across the construction supply chain and, although the pace of insolvencies abated towards the end of 2024, the overall level remained elevated at c.29% above the level seen during Covid-19.

Aggregates
million tonnes

Asphalt
million tonnes

Ready-mixed concrete
million m^3

Operating reviews Great Britain

Notwithstanding the soft market conditions, our volumes stabilised in the second half with sequential volumes comparable to the first half. Consequently, pricing was sustained. Revenue declined 4% to £997.4m (2023: £1,033.8m) or 6% organically.

Flexible and agile team

Our team took deliberate actions to manage the cost base and protect profitability, restructuring the materials business and scaling capacity appropriately. During the year we closed or mothballed 11 ready-mixed concrete plants, five quarries and two asphalt plants.

As a result, Underlying EBITDA reduced 5% to £131.9m (2023: £138.6m) or down 6% organically. In a business with high operating leverage, it is therefore highly creditable that our team delivered an Underlying EBITDA margin of 13.2%, a small reduction of 20bps compared to 2023.

Focus on self-help

We maintained our focus on self-help throughout the year, partially mitigating the soft market conditions. We continued to drive our commercial and operational excellence programmes to streamline processes, maximise efficiency and enhance customer service and expanded our presence in new markets with the acquisitions of Eco-Asphalt and Phoenix Surfacing.

Our surfacing business increased its airfield maintenance presence, completing high-profile projects for the Defence Infrastructure Organisation and pulling through a third of the GB Materials asphalt volumes. Working in close collaboration internally and with our customers we laid 36,000 tonnes of asphalt at RAF Leeming in nine days.

We have built a strong brand in this niche market, investing carefully in mobile plant and technology to deliver value and reliability for our customers. Consequently, we have a healthy airfields pipeline of DIO and commercial projects with up to five years' visibility.

Outlook

The market backdrop is stabilising and we believe 2024 will prove to be a floor for volumes, particularly in the event of a house building recovery. We have continued to invest through the cycle, maintaining close customer relationships, ensuring that when our end-markets return to growth, our team, and the plant and machinery they operate, are well-positioned to respond efficiently and reliably.

Expand and Improve at Shap

Shap quarry in Cumbria exemplifies the virtuous cycle of our strategy to Expand and Improve our business.

Shap joined the Group in 2020 through the acquisition of the Cemex assets. At that time, the site was flooded, the rail head was inactive, and the quarry was loss-making.

With 13m tonnes of reserves and resources, and a committed and entrepreneurial team, the key ingredients to return Shap to profitability were in place.

We removed 1.5m cubic metres of water, revitalised the rail head through capital investment and expanded the site team.

Shap now serves three key markets. Its hard wearing Hornfels Hardstone is ideal for use as rail ballast and is prized by Network Rail.

The material's properties are ideally suited for the Low Level Nuclear Waste Repository at Drigg while the Carlisle Southern Relief Road values the high skid resistance value of the material on its high-speed route.

Through carefully targeted investment coupled with operational and commercial excellence, delivered by a local team embedded in their community, we have transformed Shap into a thriving, sustainable and profitable operation.

1.5m m^3
water removed

13m
tonnes of high specification material

Operating reviews Ireland

Ireland

Ireland benefited from a healthy economic backdrop, a stabilising political landscape and self-help to deliver a strong performance.

Highlights

£233.4m
Revenue
(1)%

£41.5m
Underlying EBITDA
+16%

- Strong performance; positive market conditions and self-help delivered significant Underlying EBITDA margin increase of 260bps.
- Delivering strategic priorities; a new quarry acquired, mineral assets extended and planning secured for new strategically located plants.
- Active M&A pipeline and positive market outlook.

Strong performance

Our business in Ireland delivered a strong performance in 2024. RoI benefited from positive market conditions driven by the budget surplus and investment in housing and infrastructure while the return of the governing Assembly in NI contributed to an improvement in sentiment.

Furthermore, actions taken in recent years to restructure and rebrand our Irish business, reinvigorate the leadership team and enhance the contribution from aggregates came to the fore during the year, driving volume and enhancing profitability.

Aggregates-led vertical integration

Increasing the supply of our own mineral assets through our downstream operations has been a strategic priority in Ireland. In 2024 we once again enhanced our contribution from aggregates by recommissioning dormant quarries and acquiring well-located assets.

We secured extensions at three existing quarries, submitted plans for two new strategically located asphalt plants and a recycled asphalt planings hub, and are preparing three new renewable energy projects.

Operating reviews Ireland

Our sites are well positioned to serve infrastructure projects across Ireland and the steep rise in house building activity benefited our operations in RoI. We supplied high-profile infrastructure projects such as the Celtic Interconnector and end-uses such as high-speed road networks and rail ballast, which require a specific high-value aggregates specification that quarries in our portfolio provide. Consequently, aggregates volumes in Ireland increased 11%, or 8% on a like-for-like basis.

Since acquisition, our aggregates volumes in Ireland have increased on average by 9% per year.

In 2024 we tendered for c.600 road maintenance schemes and delivered multiple high-speed framework projects and contracts for Dublin Airport.

In NI, although the political backdrop stabilised, the phased return to work of the civil service presented some challenges in progressing the letting of framework contracts, which in turn impacted activity levels. This, together with a more structured approach to the tendering of contracts, led to 11% lower asphalt volumes in Ireland across the year.

Enhancing profitability

Due to our leading market positions and reputation for high-quality service, pricing was sustained. Revenue was stable at £233.4m (2023: £235.5m) or down 2% on a like-for-like basis after adjusting for the acquisition of Robinsons in May 2023.

Growing profitably is a guiding principle of our strategy and we have continued to review the optimal configuration of the division. During 2024, we took further steps to maximise profitability, increasing the contribution from aggregate sales, reducing headcount and selectively tendering for projects.

These deliberate actions resulted in Underlying EBITDA of £41.5m, an increase of 16%, or 14% on an organic basis, and delivered an Underlying EBITDA margin of 17.8%, an increase of 260bps.

Outlook

The political and economic landscape in RoI is supportive where the Government operates a budget surplus and net inward migration is driving population growth and the need to invest in housing and infrastructure. In NI, while sentiment has improved, the economic outlook remains less clear. There are a number of large infrastructure projects coming to market in 2025 and we are well positioned to benefit. Our M&A pipeline is well populated and active discussions are ongoing.

Extending our upstream mineral reserves and resources

Extending our upstream footprint and increasing the supply of our own mineral assets through our downstream operations has been a strategic priority since establishing our second platform in Ireland in 2018.

In 2024 we once again extended our mineral reserves and resources, adding a further 27m tonnes during the year by recommissioning dormant quarries, securing extensions on three existing sites, with geological reassessments across the portfolio. As a result of our strategic intention, we have now tripled our mineral asset base in Ireland since 2018.

Working closely with planning authorities and local communities is essential to expanding our mineral asset base. Therefore, we have a programme of applications at various stages of the planning process and our mineral pipeline has a further 42m tonnes of prospects.

In addition to securing upstream mineral assets, our land and minerals team works to develop our downstream operations. In 2024 they secured consent on a new recycled asphalt planings hub and developed planning submissions for two new strategically located asphalt plants on existing sites and three new renewable energy projects.

27mT
reserves and resources extended in 2024

42mT
prospective reserves and resources

Operating reviews US

US

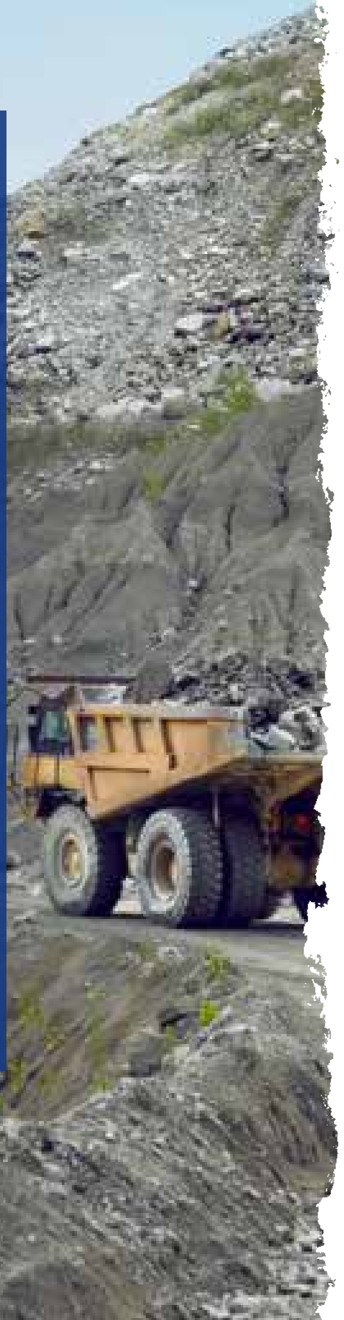
Our third geographic platform was established through the acquisition of BMC which provides us with a solid foundation for growth in the US construction materials market.

Highlights

£132.5m
Revenue

£24.8m
Underlying EBITDA

- Integration completed; the close cultural alignment of BMC enabled integration to be competed quickly and successfully.
- Encouraging initial contribution; supportive end-markets, healthy backlogs and positive pricing delivered an Underlying EBITDA margin of 18.7%.
- First bolt-on transaction completed; well populated M&A pipeline.



Strategic milestone

In March 2024, we delivered a transformational strategic objective. Our third geographic platform was established through the acquisition of BMC which provides us with a solid foundation for growth in the US construction materials market.

BMC's culture is closely aligned to Breedon. Our entrepreneurial US team are close to their local markets, operating an aggregates-led vertically-integrated model, pulling our own material through our ready-mixed concrete plants. BMC is a consolidator and has been built through many transactions, with an ambitious pipeline of target opportunities.

Encouraging initial contribution

The integration of BMC has been completed quickly and successfully and in its first ten months under Breedon's ownership, BMC delivered an encouraging initial contribution despite poor weather conditions in the final quarter impacting volumes.

Due to the supportive level of underlying demand and healthy backlogs, pricing throughout the year was positive. BMC contributed revenue of £132.5m and Underlying EBITDA of £24.8m in the period since 7 March.

Aggregates
million tonnes

2024	2.2
2023	
2022	
2021	
2020	

Ready-mixed concrete
million m^3

2024	0.6
2023	
2022	
2021	
2020	

Operating reviews US

Investing in integration

Underlying EBITDA margin of 18.7% absorbs certain additional operating costs including investment in improving health, safety and wellbeing outcomes.

Home Safe and Well

Ensuring our colleagues return Home Safe and Well each day is our highest priority. While BMC had already committed to improve its safety practices, following completion we increased the emphasis on safety culture, introducing new protocols while investing in equipment and training to enhance safety outcomes.

First bolt-on transaction

Our M&A pipeline is well populated, active and focused on those states surrounding Missouri that we define as the Midwest. Since completing our entry to the US, we are considered to be a credible acquirer, and our expanded pipeline has been complemented by inbound interest.

During October BMC completed its first transaction under Breedon's ownership, acquiring a building products and masonry manufacturer in Western Illinois. Building Products is highly complementary to our downstream products business and generates revenue of c.US$9.0m per annum.

Outlook

The economic and political backdrop in the US is supportive. Residential construction is underpinned by regional population growth and urbanisation while infrastructure and industrial end-markets have been significantly under-invested and benefiting from the recent introduction of new federal and state funding programmes. Falling interest rates and major infrastructure projects should continue to support growth in the future.

Home Safe and Well

Our people are our greatest asset and promoting their welfare is one of our highest priorities.

BMC had already implemented improvements to its safety practices prior to acquisition. As part of the integration process we prioritised health and safety, allocating US$2m of investment to improve outcomes.

Firstly, we added safety performance to the metrics that BMC leaders are measured on. We expanded the health and safety team, rolled out new safety protocols and implemented weekly safety performance reviews.

Our colleagues embraced the new guidelines, adopting new personal protective equipment standards. They improved guarding and demarcation around high-risk areas on site. Installing cameras in our ready-mixed concrete vehicles has allowed us to work with our drivers to demonstrate good working practices. We extended our healthcare programme to all US employees, providing additional access to medical benefits.

Changes were adopted swiftly with immediate benefits. While the number of reported incidents increased incrementally, the severity reduced dramatically, cutting the number of days lost to injury by 80%.

US$2m
investment in health and safety

80%
fewer days lost through injury

Operating reviews Cement

Cement

Our first-class team demonstrated commitment and positivity, delivering a strong performance in the face of considerable market headwinds.

Highlights

£309.2m
Revenue
(7)%

£88.2m
Underlying EBITDA
+4%

- Strong performance; our committed team delivered record Underlying EBITDA in the face of considerable market headwinds.
- Commercial excellence drives profitability; resilient pricing and careful input cost management delivered 300bps of Underlying EBITDA margin expansion.
- Investing in our future; carefully targeted to reduce carbon emissions and secure the long-term future of cement production.

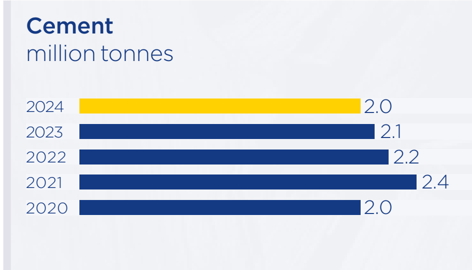
Strong performance delivered by our committed team

The positivity and commitment of our first-class team were exemplary in 2024 and they delivered a strong performance. By adhering to our core strategic priority to Improve and focusing on excellence, they enabled Cement to deliver a significant improvement in Underlying EBITDA margin in the face of considerable market headwinds and challenging weather conditions.

Second half volumes stabilised

Infrastructure end-market demand remained resilient in 2024. However, the slow-down in house building in GB had a material impact on cement demand, resulting in a reduction in volume for the division as a whole of 5% during the period.

Volumes for the division stabilised as the year progressed and production in the second half was comparable to that achieved in the first half.



Commercial excellence in action

With the cement market entering a third year of declining volumes, ensuring we provide the highest quality product, and most reliable service, has never been more important. Although the headline price of cement reduced 1%, reflecting the removal of carbon surcharges due to the lower cost of carbon allowances, we remained agile and close to our customers, enabling us to progress underlying pricing.

We recorded revenue of £309.2m (2023: £331.2m) during the period, a decrease of 7%. Despite this, through careful management of our cost base, Underlying EBITDA increased 4% to £88.2m (2023: £84.5m), expanding Underlying EBITDA margin by 300bps to 28.5%.

Operating reviews Cement

Delivering operational excellence

Both our plants operate at world-class levels of kiln reliability, exceeding 94% uptime due to our diligent monitoring and proactive approach to planned maintenance. While Hope sustained high levels of performance, Kinnegad once again improved its reliability. Planned kiln maintenance completed on time and within budget in all cases.

Kinnegad, the most modern plant in Ireland, successfully trialled new materials as alternative fuels. The team achieved average fossil fuel replacement of 81%, at times reaching 100% when feed stock availability allowed. Hope continued to increase the mix of alternative fuels enabling Cement to achieve a combined rate of nearly 50% fossil fuel replacement.

Carefully targeted investment

During the year, Hope, the largest cement plant in GB, progressed two major capital improvement projects alongside its annual programme of maintenance and capital investments. The primary crusher was replaced, having been in service since 1950. The ARM project, which will enable the import of secondary materials from our Welsh Slate sites, approached its conclusion ahead of commissioning in spring 2025.

At Kinnegad, the new 17MW solar farm neared completion ahead of commissioning in spring 2025. We commenced the construction of a new bagging plant adjacent to the existing site which will begin operation in the first half of 2025 and improve our competitive position in the bagged cement market.

Outlook

The fortunes of the cement market are influenced by the outlook for housing. Housebuilding activity in RoI is accelerating and, with a strong commitment from the UK Government to unlock planning, combined with falling interest rates and improving affordability, we expect 2024 should represent a floor in construction materials activity.

Financial Framework; carefully targeted investment

Carefully targeted investment, directed by diligent planning and rigorous monitoring, enables us to maintain world-class reliability while reducing our carbon footprint and securing our future.

Annual proactive kiln maintenance implements a tailored programme of repairs to minimise unplanned outages.

Capital investment ensures the long-term competitiveness and sustainability of our operations.

At Hope, preparations to capture and store our carbon emissions are progressing through the pre-FEED stage. The ARM project will enable the transport via rail of low sulphur Welsh slate, a secondary material that would otherwise be a waste by-product. And after 74 years of service, and processing over 100m tonnes of mineral, we replaced the primary crusher.

By modernising and increasing our bagging capacity at Kinnegad we will improve our competitive position in a sought-after product that is closely aligned to the rapid pace of house building in RoI. And when the new solar farm is commissioned it will deliver c.20% of the plant's energy requirements.

In combination, these projects will reduce our carbon emissions and ensure the long-term future of our Cement operations.

74
years of primary crusher service

100m
tonnes of mineral processed

Key performance indicators

Financial

Our financial KPIs are used to measure progress against our strategy and act as risk monitors.

A new financial KPI (Underlying EBITDA margin) has been added to our metrics, which calculates EBITDA as a percentage of revenue. For all other measures, there have been no changes to either the metrics used as financial KPIs, or the calculation methodology during the current year, although earnings and dividend per share measures have been restated for the impact of the 5:1 share consolidation undertaken during 2023.

Where a financial KPI is a non-statutory measure of performance, a reconciliation to the most directly related statutory measure is provided in note 27 to the consolidated financial statements.

Links to remuneration

ST Underlying EBIT Is considered by the Remuneration Committee as part of determining the 2024 annual cash bonus. For 2025, Underlying EBITDA will be considered for annual cash bonus purposes.

LT Impacts vesting levels of our longer-term performance share plans

Directors' Remuneration report »129

Measure	2024	2023	2022	2021	2020	Why we chose this measure	How we performed	Link
Revenue £m	1,576.3	1,487.5	1,396.3	1,232.5	928.7	This metric tracks the Group's top-line growth.	Revenue for the Group increased by 6%, supported by our entry into the US. On a like-for-like basis, revenue was down 5%, being adversely impacted by macroeconomic uncertainty and adverse weather conditions.	
Underlying EBITDA margin %	17.1	16.3	16.8	17.4	16.1	This metric tracks EBITDA as a percentage of revenue and illustrates operating profitability as a percentage of total revenue.	Underlying EBITDA margin was strong at 17.1% for the year (2023: 16.3%), supported by the BMC acquisition as well as robust cost control and operational self-help measures across our business.	ST
Underlying EBIT margin %	11.0	10.5	11.1	10.8	8.2	This metric tracks changes in the relative profitability of the Group.	Underlying EBIT margin increased driven by the BMC acquisition as well as careful cost control and operational excellence measures across our business.	ST
Adjusted Underlying Basic EPS* pence	34.4	34.0	35.4	29.9	15.9	This metric tracks changes in adjusted Underlying Basic EPS for our shareholders.	Adjusted Underlying Basic EPS increased marginally from 34.0p in 2023 to 34.4p in 2024.	LT
Dividend per share* pence	14.5	13.5	10.5	8.0		This metric tracks cash returned to shareholders through dividends.	Dividend has increased by 7%, slightly ahead of our target payout ratio of 40%.	
Covenant Leverage times	1.4	0.5	0.7	0.8	1.9	This is a key credit metric for our providers of debt finance which tracks the ability of the Group to maintain sufficient liquidity to service the needs of the business and determines the margin payable on our revolving credit facility.	Covenant Leverage of 1.4 times is an increase on the prior year, driven by the acquisition of BMC Enterprises Inc. in March 2024.	
Return on invested capital %	9.0	9.9	10.8	9.5	5.5	This metric tracks how well the Group generates returns in relation to the average capital invested.	ROIC decreased as a result of short term dilution from the BMC acquisition combined with the impact of increased corporate tax rates.	
Free Cash Flow conversion %	42	39	29	59	94	This metric tracks the conversion of Underlying EBITDA into Free Cash Flow, which is a key indicator that the Group is able to generate sufficient cash to support its capital allocation priorities.	Free Cash Flow conversion increased from 39% in 2023 to 42% in 2024, just behind our medium term target of 45%.	

* Comparative values for Earnings and Dividend per share measures have been restated to reflect the impact of the 5:1 share consolidation undertaken during the prior year.

Key performance indicators

Non-financial and sustainability

Our non-financial and sustainability KPIs are used to measure progress against our strategy and act as risk monitors.

There have been no changes to either the metrics used as non-financial and sustainability KPIs nor the calculation methodology during the current year.

We have made good progress on our 2030 sustainability targets and we have upgraded our level of ambition. From 2025 we will report against new metrics to track our upgraded 2030 sustainability targets.

For further information on sustainability, including details of our new targets established for 2025, see our Taskforce on Climate-Related Financial Disclosures (TCFD) report from page 59 and the Sustainability report from page 69.

KPI	2024	2023	2022	2021	2020	Why we chose this measure	How we performed	Link
Combined LTIFR per million hours worked (employee and contractor)	3.3	3.5	3.1	3.1	3.0	This industry-standard metric tracks our health and safety performance and enables us to maintain a strong health and safety culture.	Our combined LTIFR performance reflects a 6% improvement against 2023. This was due, in part, to a reduction in employee lost time incidents in 2024. *Note: The 2020 figure has been corrected following a reporting error in 2023.*	
Combined TIFR per million hours worked (employee and contractor)	17.7	17.0	17.2	19.8	18.0	This is a wider measure of our health and safety performance, which indicates the total injury frequency rate of the Group across our own colleagues and also the contractors working on our behalf.	We have seen a 4% increase in the combined TIFR in 2024. Contractor TIFR will be a specific area of focus for us in 2025.	
Reserves and resources billion tonnes	1.4	1.0	1.0	1.0	1.0	This metric tracks the level of reserves and resources available to the Group.	We increased our asset base to 1.4 billion tonnes, an extra 0.4 billion tonnes since the previous year, driven by the addition of BMC to the Group. At current volumes, this equates to around 47 years of production.	ST
Emissions intensity – Revenue kgCO_2e per £ revenue	1.0	1.1	1.3	1.6	1.7	This is a reporting requirement of the UK Government's SECR regime which tracks our overall carbon intensity and has been reported by the Group since 2019.	Our total location-based emissions for this period were 1.6MtCO_2e, a decrease of 4% in comparison to 2023. The resultant emissions intensity is 1.0 kgCO_2e/£ revenue, a reduction of 9% in comparison to 2023.	
Emissions intensity – Cementitious* reduction per tonne from 2005 baseline	24%	24%	23%	23%		This tracks the progress in decarbonising our cement production and aligns with our 2030 target to achieve a 30% reduction in gross carbon intensity per tonne of cementitious product.	From our 2005 baseline we have maintained a 24% reduction to date, against a 30% target for 2030.	
People positively impacted* number of people per year	27,268	25,856	17,814	11,114		This is a key measure of social value and aligns with our 2030 target to positively impact 100,000 people.	We increased the number of people positively impacted during the year by a further 27,268, bringing the cumulative number to date up to 82,052, achieving 82% of our 2030 target.	ST
Sustainable product sales* total concrete and asphalt revenue	48%	40%	37%	25%		This tracks our success in increasing our sales of sustainable products and aligns with our 2030 target to achieve 50% of our concrete and asphalt sales revenue from products with enhanced sustainability attributes.	We achieved 48% of our concrete and asphalt sales revenue from products with enhanced sustainability attributes. This compares to 40% in 2023 and reflects an increased adoption of CEM II cement and warm-mix asphalt.	ST

* These metrics will change from 2025

Links to remuneration

ST Considered by the Remuneration Committee as part of determining the annual cash bonus

LT Impacts vesting levels of our longer-term performance share plans

Directors' Remuneration report »129

Chief Financial Officer's review

Breedon delivered a resilient performance in 2024 despite challenging market conditions.

James Brotherton
Chief Financial Officer

Revenue and Underlying EBITDA

	2024		2023	
	Revenue £m	**Underlying EBITDA* £m**	Revenue £m	Underlying EBITDA* £m
Great Britain	**997.4**	**131.9**	1,033.8	138.6
Ireland	**233.4**	**41.5**	235.5	35.9
United States	**132.5**	**24.8**	–	–
Cement	**309.2**	**88.2**	331.2	84.5
Central administration	**–**	**(16.5)**	–	(16.7)
Eliminations	**(96.2)**	**–**	(113.0)	–
Total	**1,576.3**	**269.9**	1,487.5	242.3

* Underlying results are stated before acquisition-related expenses, property gains/losses, redundancy and reorganisation costs, amortisation of acquired intangibles, unamortised banking arrangement fee and related tax items. The prior year also included the costs associated with the Group's move from the AIM to Main Market.

Breedon delivered a further year of balanced financial performance during 2024 with robust pricing and a focus on operational excellence more than offsetting the impact of a challenging GB market.

Revenue for the Group increased by 6% to £1,576.3m (2023: £1,487.5m), supported by our entry into the US and price actions. Like-for-like Revenue for the year decreased 5% (2023: increase of 4%) with 6% of the decrease due to lower volumes, partially offset by a 2% favourable impact from price.

Revenue growth in the year was more weighted to the second half increasing by 3% in the first six months and 9% in the second when compared with the equivalent periods in 2023. The second half benefited from a full contribution from BMC and a modest improvement in GB trading conditions compared with 2023.

Underlying EBITDA increased by 11% to £269.9m (2023: £242.3m), helped by good cost control and operational self-help measures across each of the divisions. The Group's Underlying EBITDA margin for the year increased to 17.1% (2023: 16.3%), assisted by the higher margins generated in BMC and the significantly improved margin in Ireland. Our Underlying EBITDA margin is now only slightly below our threshold target of 17.5%.

On a statutory basis, Group profit from operations of £149.6m increased by £3.9m from £145.7m in 2023.

Chief Financial Officer's review

Impact of acquisitions

In addition to the acquisition of BMC for an enterprise value of US$300m during 2024, we also completed three smaller bolt-on transactions for an aggregate enterprise value of £28.8m (2023: three transactions; aggregate enterprise value £22.0m).

In the ten month period under our ownership BMC contributed £132.5m to revenue and £24.8m to Underlying EBITDA. The incremental impact of the other bolt on acquisitions completed in 2023 and 2024 was a contribution to revenue of £26.7m and to Underlying EBITDA of £2.7m in the year.

Joint ventures

Our share of profit from our associate and joint ventures was higher at £3.5m (2023: £2.6m), helped by a stronger performance in 2024 from BEAR Scotland.

Interest

Finance costs in the year increased to £25.4m (2023: £13.9m) principally due to interest payable on the additional debt drawn to fund the acquisition of BMC together with the write off of capitalised fees relating to the Group's previous RCF that was refinanced in the year.

Non-underlying items

There were £24.1m (2023: £10.5m) of non-underlying items which impacted profit from operations during the period. Key components included £10.2m (2023: £0.9m) of acquisition-related expenses, and £12.5m (2023: £6.0m) amortisation of acquired intangibles. Redundancy and reorganisation costs of £1.3m (2023: £nil) relate to an operational efficiency programme implemented in response to trading conditions in some of our markets.

Tax

The Group recorded an Underlying tax charge of £32.7m (2023: £29.5m) at an effective rate of 21.7% (2023: 20.4%). The change in the effective rate is due to increases in the statutory UK corporation tax rate combined with the evolving geographic distribution of the Group's trading activities.

The statutory tax charge, calculated relative to statutory profit before tax and inclusive of deferred tax rate changes, was £29.1m (2023: £28.8m); equivalent to an effective tax rate of 23.2% (2023: 21.4%).

From 1 January 2024, the Group falls within the scope of the Pillar Two Model Rules (Pillar Two). The impact of Pillar Two is limited to the Group's taxable profits generated in the Republic of Ireland, where the tax rate is 12.5%, resulting in a top up charge of £0.6m that has been recorded in the income statement.

Earnings per share

Statutory Basic EPS decreased to 28.1p (2023: 31.1p) primarily due to the significant non-underlying expenses recognised in the period and Adjusted Underlying Basic Earnings per Share increased fractionally to 34.4p (2023: 34.0p). The acquisition of BMC is estimated to have been accretive to 2024 Adjusted Underlying Basic Earnings per Share by c.2%; around twelve months ahead of schedule.

The Group has no significant dilutive instruments, and diluted EPS measures closely track non-diluted measures for both the current and prior year.

Return on invested capital

Post-tax ROIC was lower in 2024 at 9.0% (2023: 9.9%). ROIC was impacted by the GB trading performance, short-term dilution from the BMC acquisition and the structural impact of increased corporate tax rates. We remain confident in our ability to deliver a ROIC ahead of our target of 10% in the medium term once volumes in our key markets recover.

Statement of financial position

Net assets at 31 December 2024 were £1,170.6m (2023: £1,110.7m). Increases in total assets of £2,114.0m (2023: £1,872.8m) and total liabilities £943.4m (2023: £762.1m) were principally driven by the acquisition of BMC which was predominantly cash and debt funded.

Chief Financial Officer's review

Impairment review

We completed our annual impairment review of cash generating units containing goodwill and retain comfortable levels of headroom relative to the carrying value of our asset base. As well as our continued consideration of the impacts of climate change on impairment testing; in light of the ongoing challenging market conditions in GB we applied further sensitivities to our GB forecasts. The Directors remain of the view that there are no reasonably possible changes to assumptions which would result in an impairment charge being recognised.

Input cost and hedging strategy

Our strategy in the UK and RoI is to hedge substantially all energy and carbon requirements for at least one year in advance, with further layered purchases extending into future years, to deliver near-term cost certainty particularly for our cement plants. Our US business does not include a cement plant and so its energy requirements are materially lower than the UK and Ireland.

A proportion of our bitumen requirements are hedged in the short-term, typically for those larger contracts where pricing is agreed up front. Our remaining bitumen purchases are made at spot as are purchases of other fuels.

Free Cash Flow

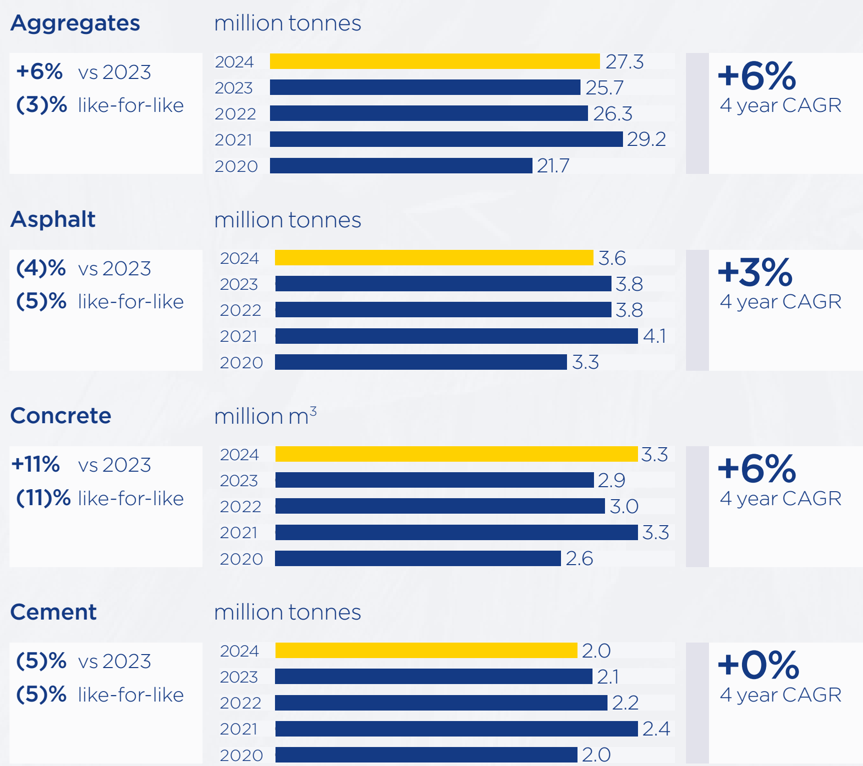
Free Cash Flow before major capital investment projects was £114.1m (2023: £94.8m). In 2024 material capital investment projects totalled £23.4m (2023: £nil) and comprised three projects consisting of the ARM and primary crusher projects at Hope and the solar farm at Kinnegad.

Working capital management remained disciplined and meant that our Free Cash Flow conversion rate (Free Cash Flow as a percentage of Underlying EBITDA) improved to 42%, just behind our medium-term target of 45%.

In total, net capital expenditure increased by £22.2m to £125.6m (2023: £103.4m) comprising capital investment of £131.3m (2023: £106.8m), offset by £5.7m of proceeds from specific asset disposals (2023: £3.4m). This represents around 132% of the Group's depreciation charge and demonstrates our commitment to use investment as a differentiator for Breedon through the cycle.

Over the last five years, average Free Cash Flow conversion has been 53%.

Year-on-year change in volumes

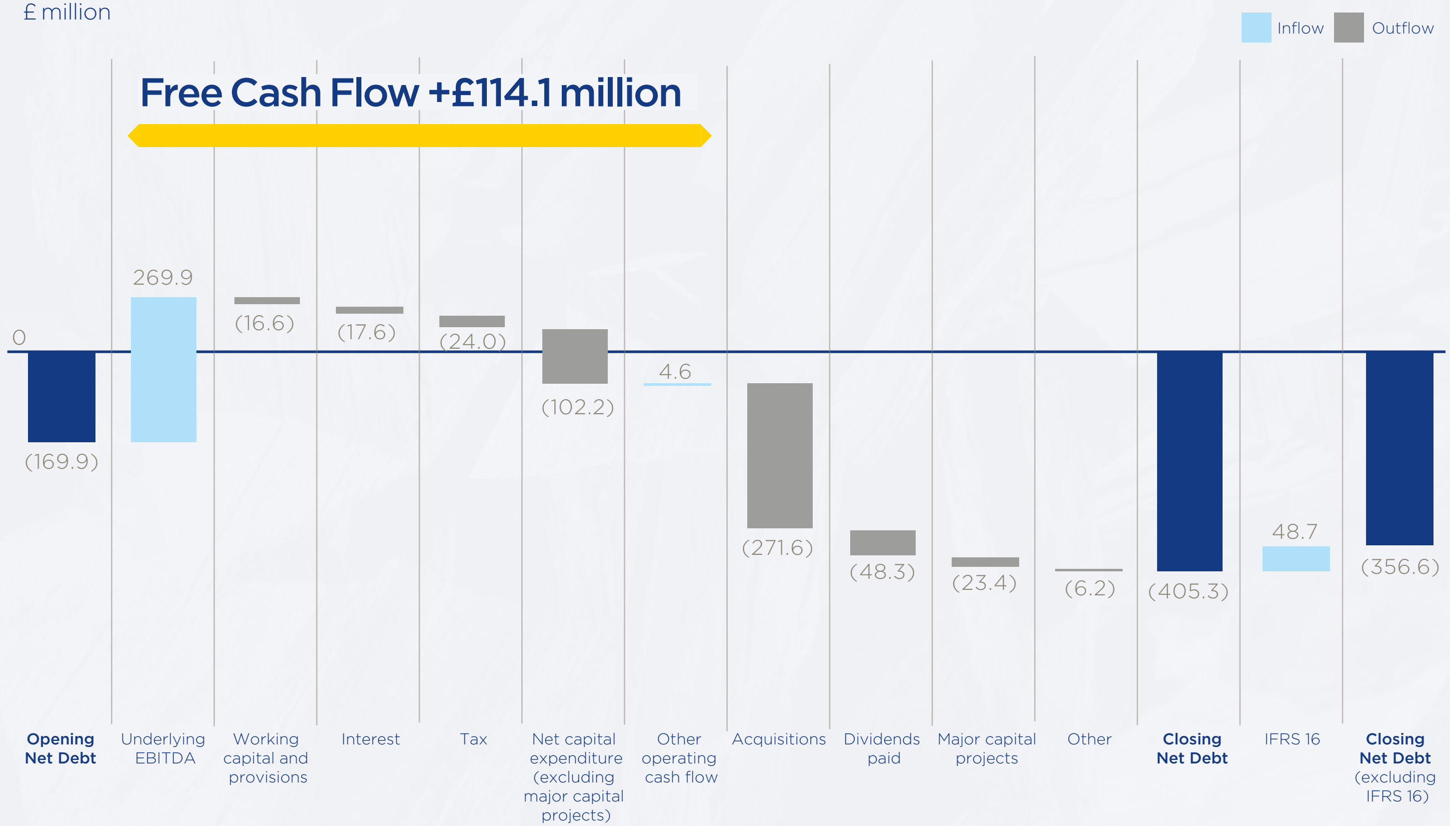


Like-for-like reflects reported volumes adjusted for the impact of acquisitions and disposals. Refer to page 196.

Chief Financial Officer's review

2024 net debt movement

£ million



Free cash flow excludes the impact of major capital projects undertaken in the year. The major capital projects undertaken during 2024 were the ARM project and the primary crusher replacement and the solar farm investment, all within the Cement division.

Net Debt

Net debt increased by £235.4m to £405.3m as at 31 December 2024 (2023: £169.9m), with the increase largely driven by the acquisition of BMC which was principally funded through our existing debt facilities and use of surplus cash balances.

Net Debt includes IFRS 16 lease liabilities of £48.7m (2023: £48.0m). Covenant Leverage at the year-end was 1.4x (2023: 0.5x), well within our target range of 1x to 2x and 0.2x lower than reported at the half year.

Refinancing of borrowing facilities

During the year, the Group completed the refinancing of its RCF, increasing the facility size from £350m to £400m and retaining the option of a further £100m accordion. The amended facility secures access to longer-term finance, running for an initial four-year period to at least July 2028, and offers an incremental reduction in ongoing debt service costs.

Fees and expenses capitalised in connection with the refinancing amounted to £2.3m and will be amortised over the amended life of the facility. Capitalised fees of £1.3m relating to the previous facility have been expensed to the income statement as a non-underlying interest cost.

Chief Financial Officer's review

The remaining facilities available to the Group comprise the £250m USPP, issued in 2021, which provides long-term financing at low fixed interest rates with an average fixed coupon of approximately 2%. At 31 December 2024 the USPP comprised £170m sterling and £80m drawn in euro, with a maturity profile between 2028 and 2036. Our borrowing facilities are subject to leverage and interest cover covenants which are tested half-yearly, and we remained fully compliant with all covenants during the year.

The Group maintains a strong liquidity position and at 31 December 2024 had total available liquidity of over £275m comprising undrawn borrowing facilities of over £250m together with cash and cash equivalents of £28.9m.

Subsequent to the year end, the Group issued an additional €95m under its USPP loan note programme. The proceeds from the issuance were used to pay down its existing RCF balances, increasing the level of committed funds available for drawing under the RCF. The notes have maturities of between five and seven years, with a fixed interest rate of approximately 4%.

Dividend

Subject to shareholder approval at the AGM, we intend to pay an increased total dividend in respect of the 2024 financial results of 14.5p (2023: 13.5p).

An interim dividend of 4.5p (2023: 4.0p) was paid on 1 November 2024 and, a final dividend of 10.0p per ordinary share will be paid on 16 May 2025 to shareholders who are on the Register of Members at the close of business on 4 April 2025. The ex-dividend date is 3 April 2025. The latest date for registering for the Company's DRIP is 22 April 2025, further details of how to join the DRIP are available on the Company's website.

This delivers a payout ratio of 42% (2023: 40%) of Adjusted Underlying Basic EPS, slightly ahead of our committed target payout ratio. Since starting to pay a dividend in 2021, we have declared nearly £160m of cash dividends to shareholders.

Dividends are recorded in the financial statements of the accounting period in which they are declared. Accordingly dividend payments to Breedon Group shareholders amounting to £48.1m (2023: £37.3m) have been recognised in the 2024 financial statements.

Tax strategy

Breedon's tax strategy governs our approach to tax compliance, and is underpinned by the following principles:

- To comply with all relevant tax regulations.
- To ensure ethical tax practice is maintained and tax planning is undertaken responsibly.
- To engage proactively and transparently with relevant tax authorities.
- To manage tax risks effectively and maintain a high standard of tax governance.

Our tax strategy is reviewed periodically by the Audit & Risk Committee on behalf of the Board.

During the year we complied with our stated tax strategy and we made a significant contribution to the economies in which we operate through payments of taxation. In 2024 the total taxes borne or collected by the Group amounted to c. £200m (2023: c. £210m).

The strategy is kept under review by the Audit & Risk Committee on behalf of the Board. Click or scan to find out more.

Chief Financial Officer's review

Capital allocation

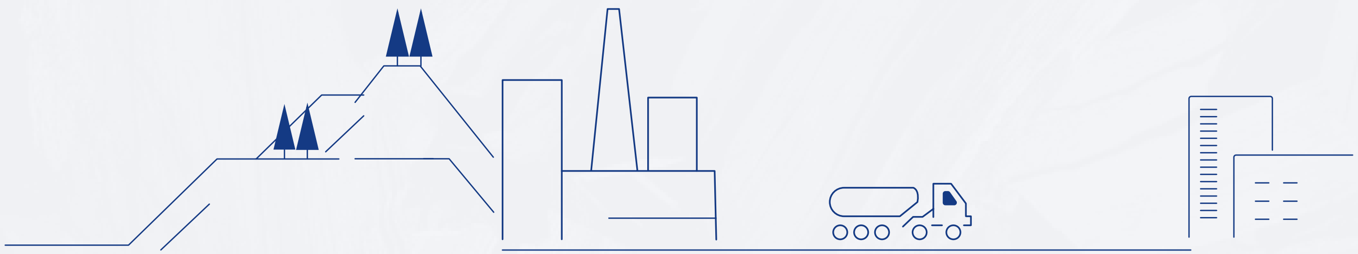
Conservative and disciplined financial management and the maintenance of a strong balance sheet are at the core of our thoughtful approach to capital allocation. The Board will always seek to deploy the Group's capital responsibly, focusing on organic investment in our business to ensure that our asset base is well-invested.

We will look to pursue further selective acquisitions which will accelerate our strategic development and that we are confident will create long-term value. This conservative approach to financial management enables us to pursue capital growth for our shareholders through active development of our business, while supporting our progressive dividend policy.

James Brotherton
Chief Financial Officer
5 March 2025

Our capital allocation model

Investment as a differentiator



Maximise value through capital deployment

Thoughtful capital deployment

Proactive Investment

ORGANIC
- Reserves and resources replenished
- Productivity enhancing investment
- Three major capital projects

M&A
- Three bolt-on transactions
- Transformational – BMC acquired

Meeting strategic objectives

- **Third platform launched**
- **Returns on capital**
- **Strong balance sheet**

Excess capital

Dividends
42% Payout ratio
7% Increase YOY

Debt reduction since half year
1.4x Covenant Leverage

Managing our risks and opportunities

Effective risk management is fundamental to the successful delivery of our strategy

Our risk framework

Risk is an inherent and accepted element of doing business, and effective risk management is fundamental to how we run our business. Our risk management framework facilitates the identification, assessment and mitigation of risks to an acceptable level, enabling us to make informed decisions and deliver our strategic priorities.

'Four lines of defence' risk management and internal control framework

Our framework utilises a 'four lines of defence' approach, with roles and responsibilities defined as set out below.

Board

Overall responsibility for the Group's risk management and internal control framework, and for reviewing effectiveness. The CFO has executive management responsibility for risk and internal control.

Audit & Risk Committee

Reviews the suitability and effectiveness of the risk management and internal control framework on behalf of the Board. Performance by the business against risk appetite is monitored and reported to the Audit & Risk Committee. The Committee monitors the effectiveness and independence of the internal and external auditors.

Senior management and risk owners

Ensure that the risk management and internal control framework is embedded within their respective business area and develop an effective risk culture.

LINES OF DEFENCE

1

Front line teams

Any Breedon colleague who makes decisions, deploys resources or contributes to an outcome is responsible for identifying associated risks and implementing internal processes and controls to manage those risks.

2

Group Risk & Controls

Provides expertise and support to the front line teams responsible for designing the risk management policies, processes and controls, monitoring the ongoing effectiveness of internal controls and the reporting of risk across the Group.

Other monitoring functions

Responsible for designing policies and processes and monitoring the effectiveness of processes and controls, for their area of accountability.

3

Internal audit

Responsible for providing independent assurance over risk and control activities performed by the first and second lines of defence.

4

External audit and regulators

Managing our risks and opportunities

Risk identification, assessment and monitoring

Our management teams assess the likelihood and potential impact of key risks against a risk matrix containing a range of both quantitative and qualitative factors for consideration.

Once identified and assessed, risks are assigned to a member of senior management who is accountable for ensuring appropriate processes and controls are implemented to mitigate that risk to within the level of appetite set by the Board, which may include the transfer of risk through insurance.

Risks are assessed both before and after the impact of these mitigations and recorded on risk registers which are held for each division and central function.

Risk registers are monitored and signed off by management. The Head of Risk and Control reviews the registers and identifies the most significant risks for inclusion on the Group risk register. The Group risk register consolidates risks by principal areas and is reviewed at least twice a year by both the Executive Committee and the Board. Post mitigation 'net risk' is reported within the principal risk table on pages 51 to 57.

Risk assurance and reporting

The second-line Group Risk and Controls team undertake various process reviews throughout the year, including testing of compliance with the Group Financial Controls framework, to provide assurance over the divisional self-certification process.

Our Internal Audit function undertakes a number of independent reviews across our principal risk areas to provide assurance over the effectiveness of key controls. These reviews are agreed annually in advance with the Audit & Risk Committee at the point of approval of the Internal Audit plan, although there is opportunity throughout the year to make amendments to the plan should this be required.

Findings resulting from these reviews are reported throughout the year to the Audit & Risk Committee along with the actions that have been agreed with management. Progress with previously agreed mitigating actions is monitored throughout the year by the Group Risk and Controls team and validated by Internal Audit, with formal progress updates provided to the Audit & Risk Committee.

Risk appetite

The level of risk accepted in pursuit of our strategic goals is guided by our risk appetite, which is set by the Board and reviewed on an annual basis. This provides clear guidance to management as to the level of risk the Board considers acceptable and sets appropriate boundaries for business activities and behaviours.

The following appetite statements are used to describe the level of risk the Board is prepared to take across each of the principal risk areas.

Averse

We have little appetite for risk and will seek to apply more controls to minimise our exposure and avoid uncertainty.

Cautious

We have an appetite for some risk, however prefer options that have a low degree of downside.

Open

We are open to taking considered risks and will choose options that offer an acceptable level of reward with a greater likelihood of success.

Seeking

We are willing to take proactive risks and be more innovative to pursue strategic opportunities and achieve higher returns, despite the higher inherent risks. The costs and benefits of the increased risk accepted must be fully understood and measures to mitigate or transfer the risk established.

Risk categorisation

Our risk review processes apply a common methodology across the Group for identifying and assessing risk. Principal risks are categorised as either Strategic, Operational or Financial. Compliance risks span all three categories. The categories are defined as:

Strategic risks

Events that may make it difficult, or even impossible, for the Group to achieve its strategic objectives.

Operational risks

Events or threats that are inherent in our day-to-day operations.

Financial risks

Threats arising from ineffective management and control of the Group's financial resources or movements in the financial markets.

Managing our risks and opportunities

Risk velocity

Risk velocity is defined as the time elapsing between an event occurring which crystalises a risk and the point at which Breedon would be impacted. Risk velocity is expressed in days, weeks, months or years.

2024 priorities

Throughout 2024 the Group Risk and Controls team:

- implemented an internal controls compliance tool to facilitate the storing of controls evidence, automate workflows, track completion of control activities and provide greater 'real-time' reporting capabilities;
- defined the Group's material controls in preparation for Provision 29 of the 2024 UK Corporate Governance Code, which requires boards to make a declaration over the effectiveness of their material internal controls;
- further developed the Group's Fraud risk management framework, with the implementation of an overarching fraud policy and fraud risk assessment; and
- worked closely with BMC management to establish the Group's risk management and internal control processes in BMC.

Areas of focus for 2025

Our key areas of focus for 2025 include:

- the development of our assurance plan to test the design and operating effectiveness of the Group's material controls in readiness for Provision 29 of the 2024 UK Corporate Governance Code; and
- development and implementation of our assurance plan for BMC.

Case study

Risks and Controls in the US...

Following the acquisition of BMC in March 2024, the Group's risk universe now extends into the United States.

As part of the integration team, the Group Risk and Controls team has worked closely with BMC management to establish the Group's risk management and internal control processes in BMC, embedding a common standard across Breedon.

Our immediate priorities following the acquisition were to bring BMC's cyber risk management processes under the supervision of our Information Security team and to embed the Group's Risk Management Framework. A detailed exercise was undertaken to identify and quantify risks and opportunities, along with their associated mitigations, which has been used to inform our Principal Risk reporting.

This included a full financial statement risk assessment, providing the foundation to roll out the Group's Financial Controls Framework. Our subsequent walkthroughs of those processes for which risks were identified allowed us to identify and assess the design of the effectiveness of the controls in place, with any gaps relative to our control standard subject to remediation plans.

This has set a baseline from which to develop our assurance plan, with BMC now within the scope of our internal audit function with a number of reviews scheduled during 2025.

Principal risks

Our principal risks are the most significant risks that might adversely impact the Group

The principal risks and uncertainties outlined in this section reflect those risks that, in the opinion of the Board, might materially affect the Group's future performance, prospects or reputation.

The assessment of these principal and emerging risks and the effectiveness of the associated controls put in place reflect management's current expectations, forecasts and assumptions, and will be subject to changes in our internal and external environments.

	Risk	Summary	Appetite	Net risk rating	Velocity	Trend
Strategic	1 Acquisitions and material capital projects	Our ability to complete the acquisitions and strategic projects required to deliver our growth strategy.	SEEKING	MEDIUM	YEARS	→
Strategic	2 Climate change	The transitional and physical risks arising from climate change as we decarbonise our business.	OPEN	VERY HIGH	YEARS	→
Strategic	3 Markets	The impact of the macroeconomic environment on our business.	OPEN	HIGH	MONTHS	→
Strategic	4 Land and mineral management	Managing mineral reserves to deliver our growth strategy; ensuring compliance with planning and environmental regulations.	CAUTIOUS	MEDIUM	YEARS	→
Strategic	5 People	The successful recruitment, development and retention of our people.	CAUTIOUS	MEDIUM	YEARS	→
Operational	6 Competition	The impact of our competitors on our market share and profitability.	OPEN	HIGH	MONTHS	→
Operational	7 Failure of a critical asset	The risk of unplanned downtime or operational inefficiency at our critical operating locations.	AVERSE	HIGH	DAYS	→
Operational	8 Health and safety	Ensuring our employees and other stakeholders return Home Safe and Well.	AVERSE	HIGH	DAYS	→
Operational	9 IT and cyber security	The impact of a cyber security incident or a lack of resilience in our technology infrastructure.	AVERSE	HIGH	DAYS	↗
Operational	10 Laws, regulations and governance	Our ability to comply with all applicable laws, regulations and principles of corporate governance.	AVERSE	MEDIUM	DAYS	↗
Operational	11 Supply chain and input costs	Managing input costs volatility and supply chain risk.	OPEN	MEDIUM	MONTHS	→
Financial	12 Treasury	Our ability to secure access to the capital needed to deliver our growth strategy and to manage the impact of interest and currency rates.	CAUTIOUS	LOW	YEARS	→

Principal risks

Net risk rating: Low | Medium | High | Very high

Risk context	How this risk could impact us	Mitigations	Trend	Velocity
STRATEGIC RISKS				
1 Acquisitions and material capital projects			→	YEARS
Our growth strategy is predicated on continued successful execution and integration of M&A and delivery of major capital investment projects. These come with higher levels of inherent risk compared to 'business as usual' operations.	– If we do not identify suitable acquisition targets which meet our stringent criteria on quality, price and sustainability, we could not execute the inorganic element of our growth strategy. – Failure to integrate acquisitions successfully, including delivering expected synergies, could result in lower returns on capital. – Competition authorities may restrict the businesses we are able to acquire. – If capital projects overrun in either cost or time, these could fail to deliver expected benefits and cause business disruption.	– Acquisitions are subject to rigorous due diligence and approval processes, supported by specialist advisers, and include careful consideration of competition regulation and sustainability. – Material capital projects and business integrations are subject to detailed project plans, implemented by dedicated teams and with progress monitored by the Board.	No significant change to risk profile in 2024. The integration of BMC is complete and performance is encouraging. We have a steady pipeline of opportunities and will continue to pursue transactions across all three platforms.	Although it is possible for a failed acquisition or capital project to have a more immediate impact, this risk is most likely to impact over a number of years, reflecting the longer-term nature of our growth strategy.
2 Climate change			→	YEARS
Climate change poses a significant challenge to our business and our response to climate risks and opportunities forms a critical pillar of our strategy. Cement manufacturing in particular emits significant amounts of carbon, with emissions hard to abate due to the majority of carbon being released through chemical reactions during the manufacturing process. Delivering on our commitment to achieve net zero by 2050 will require significant capital investment and the development of technology which has not yet been proven commercially at scale.	– If we do not successfully decarbonise our business in line with our targets and the wider industry we may be exposed to significant additional costs and reduced demand for our products. – We may experience operational disruption due to the physical impacts of climate change. – Full details of physical and transitional risks and mitigations are provided in our TCFD reporting on pages 59 to66.	– We have committed to near term and net zero targets and these have been validated by the SBTi. We are transparent in reporting our progress against these and senior management remuneration is structured to incentivise delivery. – We have appropriate sustainability governance structures and processes, overseen by the Board with support from external specialists where appropriate. – Full details of physical and transitional risks and mitigations are provided in our TCFD reporting on pages 59 to 66.	No significant change to risk profile in 2024.	This risk is most likely to impact over the medium term, as physical impacts are slow to materialise in our trading geographies and the level of decarbonisation in any one year is less significant than the multi-year trend.

Principal risks

Net risk rating
Low | Medium | High | Very high

Risk context	How this risk could impact us	Mitigations	Trend	Velocity
STRATEGIC RISKS				
3 Markets			→	MONTHS
Demand for our products is well diversified across the public and private sectors, and our products are supplied into a variety of infrastructure, residential and commercial projects. Although the medium to long-term prospects remain positive for our industry, our markets are cyclical and in particular are influenced by the level of government infrastructure spending. We accept the risk of operating in these markets, however to succeed our operating model has to combine resilience during market downturns with the strategic flexibility to meet demand when markets are growing.	– Macroeconomic factors or changes in government policy could reduce demand for our products, impacting our profitability. – The market trends which impact our sales also impact our customers, and so may increase our exposure to credit risk.	– We closely follow published indicators of activity in our geographies and sectors and maintain regular contact with our key stakeholders to identify significant trends or events which could impact our business. – Our budgeting and forecasting processes provide up-to-date financial information which allows us to adapt our plans accordingly. – Credit risk insurance cover is maintained over the majority of our private sector customers.	Although the GB market remains challenging, we are seeing improvement and the outlook is encouraging for both the GB and Ireland markets. BMC reduces the risk by increasing the Group's geographical diversification with a third platform in a growing economy.	Market downturns usually impact within months as our customers complete their existing projects which are replaced with lower levels of new work.
4 Land and mineral management			→	YEARS
Minerals are the life blood of our business and we extract significant volumes each year to be sold as aggregates or fed into our downstream manufacturing processes. Securing new reserves organically has a significant lead time from the agreement of a land deal through to the granting of planning permission; meaning our Land & Minerals teams need to plan for the long-term to ensure continuity of production. Once reserves are secured it is crucial that we comply with environmental regulation, planning restrictions and permits to ensure we can continue to operate the sites. When a site is no longer operational, we are required to fulfil our restoration obligations.	– If we fail to replenish our mineral reserves and resources over time, we will be deprived of our critical raw material, disrupting operations and reducing the value of our business. – If we fail to measure our existing reserves and resources accurately, we may operate our quarries inefficiently. – Failure to comply with planning requirements or to obtain new or extended permissions at a quarry or plant could prevent the business from operating facilities or extracting its mineral reserves. – A compliance breach could incur significant remediation costs and impact our licence to operate that site and ability to secure new mineral reserves. – The costs to fulfil our restoration obligation at end of quarry life may increase by more than we have forecast, resulting in additional costs.	– Our Land & Minerals team supports our businesses in obtaining additional mineral reserves and resources, providing in-house expertise through the lifecycle of our quarries and plants. – We monitor our mineral assets to assess both the quality and the longevity of our resources, with the aid of external experts. – We proactively monitor environmental compliance, including restoration plans, and have policies in place setting clear expectations on how we should manage our environmental impact. These are communicated to our people through training programmes.	No significant change to risk profile in 2024.	Absent a material compliance breach which could have an immediate impact for the site involved, this risk is primarily a multi-year risk from failure to manage our minerals pipeline appropriately.

Principal risks

Net risk rating
Low | Medium | High | Very high

Risk context	How this risk could impact us	Mitigations	Trend	Velocity
STRATEGIC RISKS				
5 People			→	YEARS
We employ c. 4,500 colleagues across all of our trading locations, a number of whom work in highly-skilled and specialised roles. Recruitment is expected to become more challenging in future years as a significant proportion of the workforce approaches retirement. We are part-way through the implementation of our five-year People Plan, which aims to embed our values, attract a talented and diverse workforce, provide opportunities for everyone and ensure Breedon remains a great place to work.	— Failure to attract and retain the right people could have an adverse impact on our ability to achieve our strategic objectives. — If we do not have adequate succession planning processes, we may experience short-term disruption if key individuals leave the business. — Failure to equip our people with the right skills and training increases the possibility that they will not deliver to their full potential.	— Our People team provide the framework of policies and procedures to mitigate this risk. See People on pages 81 to 87 for further details.	No significant change to risk profile in 2024.	This risk is most likely to impact gradually over a number of years.
OPERATIONAL RISKS				
6 Competition			→	MONTHS
We face volume and price competition from both large and small players in our industry. As our products are largely commodities, the strength of our customer relationships and service offering can be a key differentiator in securing orders.	— If we fail to deliver consistently excellent customer service, increasingly underpinned by digitalisation, we may lose market share to our competitors. — Our competitors' pricing strategies could cause supply/demand imbalances and limit our ability to implement price rises to cover increasing costs. — A new entrant to our markets could gain market share, reducing our sales volumes. — Over the longer-term, competing alternative products could emerge which reduce demand for our core products.	— Our commercial teams engage closely with our customers to understand their needs and provide excellent customer service. — We have made a number of strategic investments in digital projects to improve the customer experience and simplify administrative processes. — Our product technical teams evaluate and research new products, materials, methods and technologies and test these in the field to assess their performance.	While still challenging, the cyclical downturn in the overall size of our markets is now stabilising which reduces the level of risk that competitors adjust their pricing strategies to secure volume.	This risk can impact in the short-term at a local level through either a new entrant or changes in competitor behaviour; however more fundamental shifts to the competitive landscape are likely to be multi-year.

Principal risks

Net risk rating
Low | Medium | High | Very high

Risk context	How this risk could impact us	Mitigations	Trend	Velocity
OPERATIONAL RISKS				
7 Failure of a critical asset			→	DAYS
Our two cement plants and some of our larger quarries make a significant contribution to our overall profitability and significant management focus is devoted to maximising production uptime and efficiency at these locations. Our cement plants in particular are complex manufacturing environments, operating 24:7 outside of planned maintenance shutdowns and the reliability of the kilns is critical to our operational success. **Emerging risk:** Operational technology	– An unplanned production outage at one of our two cement plants or at a small number of critical quarries could reduce production efficiency, cause significant operational disruption and loss of earnings.	– Our sites have real-time performance monitoring and preventative maintenance and inspection programmes designed by our specialist plant engineers, with external support utilised when appropriate. – Each of our cement kilns is subject to an annual shutdown in accordance with a planned maintenance schedule. – Back-up processes and facilities are in place across critical areas of the plants and spare parts are held for critical equipment. – We hold Business Interruption Insurance and continue to strengthen business continuity plans.	No significant change to risk profile in 2024.	This risk could have an immediate impact if a critical asset suffered unscheduled downtime.
8 Health and safety			→	DAYS
Our industry has to operate in inherently dangerous environments, involving heavy machinery, extreme temperatures in manufacturing processes, the use of explosives in our quarries and significant numbers of plant and vehicle movements. Our risk extends to locations outside of our direct control such as road surfacing or rail operations and construction sites. We take our responsibility to keep our people safe extremely seriously, with robust control practices and a constant focus on continuously improving our safety culture. However, we cannot eliminate this risk entirely. **Emerging risk:** Operational technology	– The most serious impact would be fatality or physical harm caused to our employees or other stakeholders. – If we were deemed culpable, we could be impacted by significant regulatory fines, reputational damage and business disruption.	– Our Group Health, Safety and Wellbeing team has day-to-day management responsibility for this risk. – We promote a strong safety culture with a focus on continuous improvement and personal ownership of health, safety and wellbeing. – We provide people with the tools and equipment they need to do the job safely, and invest in risk reduction technologies, including regular health, safety and wellbeing training. – Detailed investigations into both actual and potential incidents, and the sharing of learnings to help to prevent recurrence.	No significant change to risk profile in 2024.	This risk could have an immediate impact in the event of a serious incident.

Principal risks

Net risk rating
Low | Medium | High | Very high

Risk context	How this risk could impact us	Mitigations	Trend	Velocity
OPERATIONAL RISKS				
9 IT and cyber security			↗	DAYS
Our business is becoming increasingly digital, which requires resilient and secure digital infrastructure as a foundation, both within Breedon and at approved third parties who are provided with access to our data and systems. At the same time, external cyber threats are growing increasingly frequent and sophisticated, with more significant potential impacts. This means management of our cyber risk remains fundamental to our strategy. **Emerging risk:** Generative artificial intelligence and operational technology	— A cyber security incident, whether through external cyber attack or internal data breach, could cause operational disruption, data loss, financial penalties, reputational damage and potential legal consequences. — Lack of infrastructure resilience could result in business disruption and reduce our ability to benefit from increasing digitalisation. — Systems integration projects or significant IT changes may lead to business disruption.	— Our dedicated Information Security team monitors and responds to new and existing cyber risks and strengthens the Group's cyber resilience with the support of external service providers. — Our people undertake regular cyber training, including simulated phishing attacks to educate users on cyber risk. — Policies and processes are in place, including business continuity and disaster recovery plans, to define the standards of controls we have implemented to prevent, detect and respond quickly to events. — We are increasing investment in digital infrastructure to increase security and resilience. — IT system development projects are carefully planned and managed with defined governance and control procedures.	Our risk continues to increase as cyber attacks become more sophisticated, are more likely to occur and our business is increasingly digital.	A cyber attack or a failure in critical IT infrastructure could have an immediate impact.
10 Laws, regulations and governance			↗	DAYS
We must comply with a complex set of laws and regulations in all of our trading locations. Compliance is increasingly complex, and the penalties for getting compliance wrong more severe. These include, among others, environmental, competition, fraud, bribery, market abuse, taxation and data privacy, in addition to the requirements arising from our listing on the London Stock Exchange. Our compliance programme sets clear expectations and provides our people with support to do the right thing. **Emerging risk:** Generative artificial intelligence	— A breach of laws and regulations could expose us to significant legal consequences including fines, reputational damage and operational disruption.	— Our Legal and Compliance team monitors and responds to legal and regulatory developments, supported by external expertise where required. — We maintain specific policies for each area of compliance, which are communicated to our people through regular compliance training. — Externally facilitated confidential whistleblowing process, with all reports, subsequent findings and follow up actions overseen by the Audit & Risk Committee. — Our tax strategy is approved by the Audit & Risk Committee, with compliance monitored Group-wide, applying the principles of the Senior Accounting Officer requirements in the UK.	There has been a small increase in the level of risk following our move into the US market, a new legal jurisdiction for the Group.	This risk could result in an immediate impact if a law or regulation was found to have been breached. Over a multi-year period a repeated failure to demonstrate strong compliance could have additional consequences.

Principal risks

Net risk rating
Low Medium High Very high

Risk context	How this risk could impact us	Mitigations	Trend	Velocity
OPERATIONAL RISKS				
11 Supply chain and input costs			→	MONTHS
The majority of our raw material requirements are minerals which have been purchased at historic cost and sit as mineral reserves and resources in our quarries, providing a natural hedge against inflation. Of our remaining cost base, a significant proportion is either directly or indirectly impacted by the price of hydrocarbons, so are sensitive to the global geopolitical trends which have caused significant cost volatility in recent years.	– If we do not pass on increased input costs immediately to our customers, our profitability and margins will be adversely impacted. – The execution of our procurement and hedging strategies could fail to provide us with appropriate cost certainty, or result in overpaying for commodities. – If we cannot obtain alternative fuels and raw materials for our cement business, production may be disrupted. – If we fail to contract with counterparties who are reliable and maintain high standards of governance, compliance and sustainability, we may be exposed to operational disruption, reputational damage and fines.	– Input cost increases are passed onto customers through our deliberate pricing strategy to recover costs. – Our layered hedging strategy provides a degree of cost certainty around energy, bitumen and carbon allowances under both UK and EU ETS schemes. – We are investing in a number of longer-term renewable energy generation projects for electricity to reduce dependency on volatile markets. – Our strategic purchasing programme aims to secure contracts for key products and services to ensure counterparties are assessed and selected with considerations covering a wide range of criteria.	The risk has reduced as cost price volatility, in particular for energy, has stabilised in 2024.	While prices can move significantly in the short term, our hedging programme delays the likely impact for our key input costs to reduce the velocity to months.
FINANCIAL RISKS				
12 Treasury			→	YEARS
Access to capital at appropriate rates is a prerequisite of our growth strategy. Our capital structure, which includes USPP and RCF facilities, gives us immediate access to significant liquidity, and it is important to us that we maintain strong relationships with both our lenders and shareholders to ensure this continues. Our trading operations use sterling, euro and US dollar as functional currencies. We aim to use the natural hedges that arise from our operations in currencies other than sterling; however it remains important to execute our treasury strategy effectively to minimise unnecessary currency volatility.	– Lack of sufficient available capital could cause us to miss out on significant growth opportunities or, in extreme situations, threaten the viability of our business. – Increased interest rates could result in reduced profitability. – The value of our earnings and assets may be impacted by currency fluctuations.	– We maintain good relationships with our lenders and shareholders and have a strong history of raising debt and equity financing. – We utilise fixed and floating rate borrowings to minimise interest costs while maintaining appropriate levels of liquidity. – Our borrowings are structured to mitigate the impact of currency fluctuations on asset values.	Interest rates in both the UK and the US are easing gradually. Leverage has reduced following the BMC acquisition in 2024 which, given our strong balance sheet, means that the overall level of treasury risk remains low.	The most significant impact would be an inability to successfully refinance our facilities. Our current maturity profile means that this risk would not impact us in the short to medium term.

Managing our risks and opportunities

Emerging risks

Emerging risks are identified through our standard risk processes. We define an emerging risk as a new risk that cannot yet be fully assessed, or a risk that is known to some degree however is believed unlikely to materialise or have a material impact in the short term. Emerging risks typically relate to one or more existing principal risks however may result in the identification of additional principal risks as they are more fully understood.

Climate change and the decarbonisation of the business is a significant evolving risk which has the potential to impact over the medium term. Full details of climate-related risks and opportunities are provided in our TCFD reporting.

TCFD reporting »59

We continue to assess two potentially significant emerging risks

Emerging risk	Link principal risk(s)	Possible impacts
Generative artificial intelligence		
Artificial intelligence that can generate new content, such as text, images, and audio, that is often indistinguishable from human-generated content	– IT and cyber security – Laws, regulations and governance	– Data loss – Automation of cyber attacks – Sophisticated phishing emails – Quality control and misinformation
Operational technology		
The increasing modernisation and digitalisation landscape is likely to mean that operational hardware and software, typically separate from IT systems, becomes more connected with information technology	– Failure of a critical asset – Health and safety – IT and cyber security	– Physical harm to people – Operational disruption – Financial loss – Reputational damage

Climate-related risks and opportunities

Taskforce on Climate-related Financial Disclosures

We have set out our climate-related financial disclosures consistent with the 11 TCFD recommendations and recommended disclosures in this section of our Annual Report in compliance with UK Listing Rule 6.6.6R and with consideration of Sections C and E of the 2021 TCFD Annex.

Our Sustainability report from page 69 sets out how Breedon is responding to the urgent challenge posed by climate change, our progress against the metrics and targets which we have set to decarbonise our business, and the practical actions we are taking to achieve this.

Our TCFD disclosure supplements the Sustainability report by providing a clear analysis for our stakeholders on how climate change impacts Breedon's risk and opportunity landscape, and the governance arrangements we have in place to support delivery of our strategy.

During 2024 the SBTi completed the validation of our decarbonisation targets, improving our transparency and disclosure. We have reported the targets and progress made against them on pages 72 to 74.

TCFD Pillar	Our response	Further information
Governance Disclose the organisation's governance around climate-related risks and opportunities.	The Board retains overall responsibility for climate-related risks and opportunities. The Board is supported by the Sustainability Committee, which comprises all members of the Board and is chaired by Carol Hui. The Committee meet three times a year. The Executive Committee is responsible for the design, implementation and execution of the sustainability strategies and policies of the Group. Our Group Sustainability Director leads Breedon's sustainability team and chairs the cross-divisional Sustainability Liaison Committee. She reports directly to the CEO and has day-to-day management responsibility for climate-related issues.	Climate change governance process »60 Sustainability Committee report »121
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Climate change presents both opportunities and risks for Breedon in delivering our sustainable growth strategy. To ensure that the latest scientific evidence on the impacts of climate change is properly understood and to stress test the impact on our strategy, we modelled the impact of our most material risks under a range of possible warming scenarios. This exercise highlighted a number of tactical actions to manage climate risks and opportunities however has not required fundamental adjustments to our strategy. Our strategic commitment to sustainability is demonstrated through our key strategic objectives of Expand and Improve, with decarbonisation a critical element of delivering value for all our stakeholders.	Climate scenarios modelled »60 Chief Executive Officer's review and strategy »22 Sustainability: Our approach »69 Sustainability: Strategic actions and progress achieved »71
Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks.	Climate change-related risk identification, assessment and management is considered through the Group's overall risk management and internal control framework. Climate change and laws, regulations and governance are considered to be principal risks. We have embedded our Sustainability risk register into the Group-wide risk processes. The Group Sustainability Director, together with the management teams and cross-divisional Sustainability Liaison Committee, have reassessed the outputs from the climate risk review exercise refreshed with a third party in 2024 and agreed action priorities with management.	Climate risk management processes »60 Climate-related risks and opportunities »61 Managing our risks and opportunities »48
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	We report CO_2 metrics in line with the UK SECR, which include both absolute emissions (Scope 1, 2 and 3) alongside intensity measures relative to revenue and volumes. We have committed to net zero by 2050, with medium-term targets set through to 2030. We developed science-based near-term and net-zero targets and these were formally validated by the SBTi during 2024. Progress against our targets is monitored and reviewed regularly by management, the Executive Committee, the Sustainability Committee and the Board. Delivery of these objectives is supported through short-term targets, the achievement of which is linked to incentive schemes which form part of senior managers' remuneration.	SECR reporting »75 Carbon targets and progress »72 Sustainability objectives and remuneration »135 »140 Net zero road map »73

Climate-related risks and opportunities

Climate change governance process

OVERSIGHT

REPORTING

The Board

The Board is ultimately responsible for our strategy to create sustainable value for all our stakeholders over the long term. The Board retains ownership of climate-related risks and opportunities and is supported by the Committees of the Board. It receives regular updates from management on climate-related issues. For examples of where the Board has considered climate-related issues see the S172 statement: Board decisions 2024 stakeholder impact – revised carbon targets on page 99 and the Audit & Risk Committee report: Accounting impact of climate change on page 114.

Sustainability Committee

Oversees sustainability strategies, policies, and targets.

Reviews sustainability risks and opportunities.

Considers the integrity of climate-related disclosures.

Evaluates the performance of the Group over time in delivering against these targets.

Audit & Risk Committee

Supports the Board in reviewing and challenging climate-related risks and opportunities as part of the principal risk reviews.

Considers the integrity of climate-related disclosures.

Reviews the effectiveness of risk identification and management processes, including climate-related risk.

Oversees appropriate assurance on disclosed climate metrics.

Remuneration Committee

Designs remuneration structures ensuring alignment with climate targets.

Monitors performance against climate-related targets when approving remuneration.

For further detail on how executive remuneration is linked to sustainability objectives, see our Director's Remuneration report on pages 126 to 146.

Nomination Committee

Ensures the Board and senior managers have sufficient experience to provide effective leadership on climate issues.

Executive Committee

Responsible for the design, implementation and execution of the strategies and policies of the Group in relation to sustainability. Receives regular updates from the Group Sustainability Director.

Management

Our Group Sustainability Director leads Breedon's sustainability team. She reports directly to the CEO and chairs our cross-divisional Sustainability Liaison Committee.

The Group-level sustainability team and the cross-divisional delivery groups support our businesses to ensure that sustainability is effectively embedded into our working practices, climate-related KPIs are accurately defined and quantified, that practical measures are in place to make progress against our climate-related targets and that this is monitored and reported appropriately.

Climate risk management process

- Climate change is one of Breedon's principal risks, with climate-related risks and opportunities integrated into the Group's overall risk management and internal control framework, set out on page 48.
- As part of our risk process, a full climate risk review was undertaken during 2022 to ensure that our risk assessment reflected the latest scientific understanding of the likely impacts of climate change. The physical risk assessments and scenario modelling were updated during 2024 and included acquisitions in the year.
- The climate risk review assessed the risks and opportunities arising from both physical and transitional impacts of climate change. Risk levels were considered over different time horizons through to 2050 and under three different possible warming scenarios, allowing for a comprehensive understanding of the evolving risk landscape.
- Our sustainability risk register tracks our climate risks alongside the effectiveness of mitigating actions taken by the Group.
- This exercise underpinned the selection of the most significant climate-related risks and opportunities which we have modelled in our scenario analysis.

Our TCFD process

Assessment of potential climate risks to identify a long list of possible climate-related impacts.

Discussions with operational management to assess risks using Breedon's standard risk framework and shortlist the most significant climate risks and opportunities for further consideration.

Scenario analysis performed, with external data analysis, to estimate the unmitigated impact under each climate scenario in the short, medium and longer-term.

Findings communicated to the Board and senior operational management. Action plans agreed to help to mitigate risk impacts.

Integration into business as usual risk management processes, with plans to mitigate identified risks considered as part of our overall risk process. Sustainability risk register updated to capture both detailed risk information and mitigating actions.

Climate-related risks and opportunities

Net risk: Low | Medium | High | Very high

Opportunity: Low | Medium | High | Very high

Our principal climate-related risks and opportunities are as follows:

	Risk	Timeframe	Net rating
P – Physical	Flooding	Medium to long	Low
	Landslides	Medium to long	Low
	Water availability	Medium to long	Medium
T – Transitional	Carbon pricing	Medium to long	Very high
	Capital cost of transition	Short to long	Very high
	Fuel costs and availability	Medium to long	Very high
	Reputational damage	Short to long	High
	Substitute products	Medium to long	Low
	Opportunity		
O – Opportunities	Alternative uses of land resources	Medium to long	Very high
	Climate resilience and/or green infrastructure projects	Short to long	Very high
	Sustainable products	Short to long	High

	Risk/opportunity description	Management response
P – Physical risks	**Flooding** Sites may be at increased risk of flooding – either from rising sea levels or increased rainfall causing rivers to overflow.	Only a small number of sites are expected to be impacted by flooding risk, these are mostly leasehold sites that could be relocated. Business interruption plans are in place and flood risk is considered as part of our capital investment process to ensure future investments are sustainable.
	Landslides Sites may be at increased risk of landslides. In addition, there is a risk that quarry faces become unstable in the medium to long term as a result of the impacts of climate change.	Our land and minerals teams conduct, for each of our key sites, regular geological surveys to monitor landslide and landslip risks at our quarries and ensure appropriate contingency plans are in place. Only a small number of non-quarry locations are expected to be impacted. These are mostly leasehold sites that could be relocated, and geological risk is considered as part of our capital investment process, where relevant, to ensure future investments are sustainable.
	Water availability Climate change could put additional stress on the availability of water, which is a key operating material for a number of our quarries and concrete plants.	We have installed over 40 smart meters at our top water consuming sites to understand demand patterns and allow us to scope operational contingency measures, including water storage. The rollout of further metering will continue into 2025.

Climate-related opportunities and risks are applicable to all geographies in the Group. The table on the right reports the amount and extent to which the assets and revenue of each division is vulnerable to the significant climate risks and opportunities reported above.

By division	Great Britain	Ireland	United States	Cement
Revenue	£997.4m	£233.4m	£132.5m	£309.2m
Total assets	£976.0m	£293.8m	£305.0m	£575.0m
Potential impact	LOW – HIGH	LOW – HIGH	LOW – HIGH	LOW – HIGH
Physical risks				
Transitional risks				
Opportunities				

Climate-related risks and opportunities

Net risk: Low, Medium, High, Very high

	Risk/opportunity description	Management response
T Transitional risks	**Carbon pricing** (Very high) We purchase carbon allowances for our carbon emissions under both UK and EU ETS schemes. The cost of these allowances is forecast to rise over the long term under nearly all climate scenarios, as a factor of both market pricing and the gradual withdrawal of existing free allowances to incentivise investment in low carbon technologies. If the cost of emissions allowances rises faster than the speed that we are able to decarbonise, this would result in increased input costs. Cement imported from countries with lower carbon costs would be more affordable than locally produced cement unless a carbon border adjustment mechanism is imposed.	We have carbon reduction targets and roadmaps across our businesses. In addition, our SBTi-aligned near-term and net zero targets were formally validated by the SBTi in 2024. Progress against our targets is monitored via KPIs that are linked to Executive Committee remuneration. These will reduce the carbon intensity of our business and the corresponding requirement for emissions allowances. To the extent that carbon prices rise more rapidly than the impact can be mitigated through carbon reduction, our dynamic pricing strategy has allowed us to pass on increases to date and we expect this will continue. Both UK and EU governments have proposed carbon border adjustment mechanisms to ensure equal treatment of carbon costs on cement imports, and we are engaged with the process through industry bodies to ensure these are appropriately drawn.
	Capital cost of transition (Very high) While the capital costs of our carbon reduction strategy are reflected in our financial plans, the technology required to decarbonise our Cement business is not yet proven at scale and it is consequently not possible to quantify the gross cost of the transition over the longer term. It is likely that very substantial capital investment will be required, which could limit funds available to invest in growth projects elsewhere in the business. To be commercially viable, the costs of this investment would need to be passed into the market through higher pricing, and without clarity as to the level of investment required, it is unclear how this might impact demand for cement.	Our base case scenario is that the required carbon reduction technologies will be developed to operate at scale over the medium term, and that these will represent commercially viable investments either on a standalone basis or with the benefit of additional government subsidy. We are closely monitoring developments in emissions-reducing technology, and our financial forecasting processes reflect the costs of anticipated sustainability projects. We are an active member of the MPA and the Global Cement and Concrete Association (GCCA), supporting collaborative approaches to climate challenges and policy development across the sector.

	Risk/opportunity description	Management response
T Transitional risks	**Fuel costs and availability** (Very high) The transition to a lower carbon economy is forecast to impact the cost and availability of fuels which Breedon currently uses or may use in the future.	Our Energy team monitors developments in fuel costs and availability, and works closely with operational teams to ensure that we have maximum optionality on the types of fuel capable of being used in our plants. We are investing in a number of renewable energy generation projects for electricity to reduce dependency on volatile markets, provide longer-term cost certainty and become a more sustainable business.
	Reputational damage (High) If our sustainability strategy does not demonstrably succeed in meeting the challenge of climate change, or we fail to meet our carbon reduction targets due to a perceived lack of commitment, we may suffer significant reputational damage impacting our relationships with our customers, employees, investors and other stakeholders.	We demonstrate our commitment to sustainability by taking visible actions today to decarbonise our business, setting ourselves credible targets for the future and underpinning this with appropriate governance structures. Our net-zero targets were validated by the SBTi during 2024, and our investments in sustainability projects provide tangible evidence that we are taking action to reduce the carbon emitted by our operations. Our Group Sustainability Director provides subject matter expertise in this area, and the Board is supported, in particular by the Sustainability Committee, to ensure that our governance structures are appropriate, to provide challenge and scrutiny, and to monitor progress.
	Substitute products (Low) If a lower carbon substitute product for concrete emerged which was commercially scalable, there could be a reduction in demand for concrete and cement products.	There is no obvious scalable substitute product for concrete available at present and we believe it is unlikely that one will be developed in the near term. Over the longer term, the targeted reduction in the carbon intensity of our operations will reduce the advantage of substitutes.

Climate-related risks and opportunities

Opportunity
Low | Medium | High | Very high

	Risk/opportunity description	Management response
Opportunities	**Alternative uses of land resources** (Very high) We have significant land holdings, typically areas of our quarries on which restoration has been completed, which could be used for alternative purposes such as carbon sequestration to generate our own emissions credits, biodiversity net gain or to host renewable energy infrastructure, such as solar farms.	We have further analysed our natural and social capital performance assessment of all our non-operating rural assets through the lens of our current agricultural tenants. We are currently evaluating proposals and possible partnerships with likeminded tenants and partners. This will ensure that we are maximising future value for our stakeholders.
	Climate resilience and/or green infrastructure projects (Very high) Our products are used in infrastructure projects which both enhance physical climate resilience, such as flood defence schemes, and in transitional technologies, such as green energy networks. Increasing investment into these types of project increases demand for our existing products.	Our network of operating locations and significant mineral reserves means we are well positioned to take advantage of increased demand arising from climate resilience and green infrastructure projects.
	Sustainable products (High) Demand for more sustainable products is expected to increase, which provides a market opportunity to improve both volumes and margins through product innovation and investment in lower carbon technologies.	In 2022 we launched Breedon Balance, our range of products with sustainable attributes, and we continue to review opportunities for innovation within our products. Capital investment supports these product developments, with a recent multi-million pound investment in new silos across our ready-mixed concrete network, providing additional capacity for sites to provide lower carbon CEM II ready-mixed concrete. Additional silos were constructed during 2024. Further details can be found within the Sustainability report on pages 69 to 94.

Financial impacts

Where we have been able to utilise external data sources to quantify a climate-related risk or opportunity, we have disclosed details of the data source and the resultant possible financial impact (prior to mitigating actions) which has informed our scenario analysis.

For those risks which cannot be reliably quantified, we have assumed that a worst case scenario (before mitigations) would be £58.5m of operating profit foregone per annum, representing the 2024 Underlying EBIT contribution from our Cement business.

Data source	Risk modelled	Output (highest modelled impact)
World Resources Institute's Aqueduct Floods tool to determine flood risk.	**Flooding**	Under the most pessimistic climate scenario modelled, less than 4% of operating profit is estimated to be at risk due to an increased risk of flooding to 2050.
Coalition for Disaster Resilient Infrastructure GIRI model to determine susceptibility to landslides triggered by precipitation.	**Landslides**	Under the most pessimistic climate scenario modelled, no active sites were rated as being higher than 'low' risk of landslide exposure.
WRI's Aqueduct Water Risk Atlas to determine risk of water stress impacting production.	**Water availability**	Under the most pessimistic climate scenario modelled, less than 1% of operating profit is estimated to be at risk due to a lack of water availability until 2050.
International Energy Agency's Global Energy and Climate model.	**Carbon pricing**	To achieve net zero by 2050, all free allowances are withdrawn and carbon price grows rapidly to reach £181/tonne by 2050. Assuming no reduction of current emissions levels, this would represent a gross cost of c.£275m per annum to Breedon.
Fuel price projections are derived from an Integrated Assessment Model framework which simulates, in a forward-looking fashion, the dynamics within and between the energy, land use, water, air pollution and health, economy and climate systems.	**Fuel costs and availability**	To achieve net zero by 2050, fuel availability is limited and costs increase significantly. Assuming Breedon's current fuel mix does not change from a 2021 baseline, this could add up to £40m of increased cost to Breedon by 2030 and £70m per annum by 2050.

Climate-related risks and opportunities

Scenario analysis

Climate scenarios considered and impact on risk

- Our financial plan, which is incorporated into our viability and impairment assessments, assumes that the divisions meet their stated policy commitments to net zero by 2050 on time and in full. However, there remain a number of different possible warming scenarios as government policy and scientific understanding evolve over time.
- During 2024 we have refreshed the detailed analysis undertaken during 2022 to assess the impact of three possible different warming scenarios on our most significant climate-related physical risks and opportunities. The detailed analysis for transitional risks and opportunities continues to be based upon the assessment performed in 2022.
- Risks have been assessed over short, medium and longer-term time horizons. The short-term analysis to 2030 aligns with our short-term financial planning cycle, 2040 with the timing of our medium-term decarbonisation roadmap and 2050 with our longer-term commitment to achieving net zero by this date.
- Underpinning the analysis in each scenario is an assumption that the costs of transition impact the industry equally and that no scalable substitute product for concrete emerges in the near term.

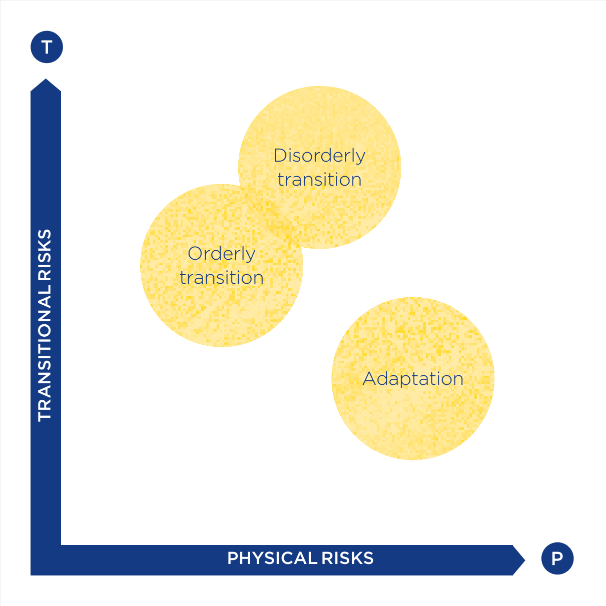
Outcome of scenarios modelled

In each scenario modelled, the Group would continue to be profitable and cash generative, although in some scenarios some restructuring of our operating model may be required to achieve this.

Given the need to decarbonise our cement operations, we are significantly more exposed to transitional than physical climate risks.

Therefore the Orderly and Disorderly scenarios which involve a successful transition to net zero by 2050 present the highest risk to Breedon as a result of elevated transitional risks in those pathways. Opportunities are less impacted by the transition pathway, but are greater in the Orderly and Disorderly scenarios.

Relative exposure to transitional and physical risks under each of the Group's climate scenarios



Climate-related risks and opportunities

T TRANSITIONAL RISKS   P PHYSICAL RISKS   O OPPORTUNITIES

Risk/opportunity impact (unmitigated): LOW – HIGH

Orderly transition — 1.5 – 2.5°C

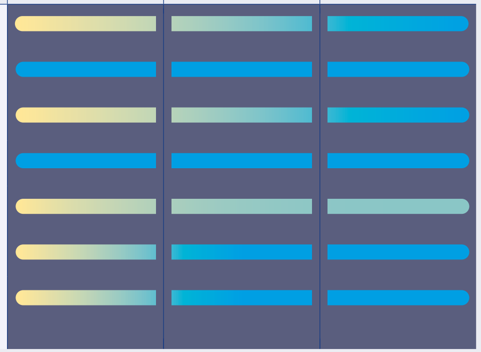
The Orderly transition scenario assumes that climate policies are introduced early and gradually become more stringent, limiting the increase in global temperatures to more manageable levels.

Transitional risks increase as climate action is more rapid and ambitious than current policy, which would include significant increases in carbon pricing and investment in renewable energy.

Physical risks are relatively subdued in comparison to other scenarios as expected temperature increases are lower, however still reflect increases in the frequency and intensity of extreme weather events and disruptions to weather patterns.

	Risk /opportunity
T	Carbon pricing
T	Capital cost of transition
T	Fuel costs and availability
T	Reputational damage
P	Water availability
O	Alternative uses of land resources
O	Climate resilience and/or green infrastructure projects

2030 | 2040 | 2050

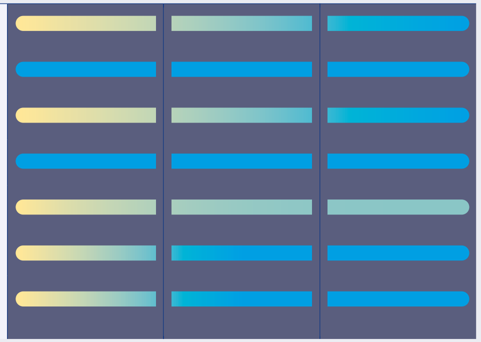


Disorderly transition — 2.0 – 3.5°C

The Disorderly transition scenario assumes a delayed introduction of climate policies, with global greenhouse gas emissions (GHG) increasing throughout the 2020s before more drastic action is taken by governments from 2030 to achieve net zero by 2050, with global temperatures reaching significantly higher levels than under the Orderly transition scenario.

Transitional risks are therefore the highest of all scenarios reflecting the greater severity of the measures required as a result of the delayed implementation of policy measures, while physical risks increase relative to the Orderly transition model as increased global temperatures result in more extreme weather events.

	Risk /opportunity
T	Carbon pricing
T	Capital cost of transition
T	Fuel costs and availability
T	Reputational damage
P	Water availability
O	Alternative uses of land resources
O	Climate resilience and/or green infrastructure projects



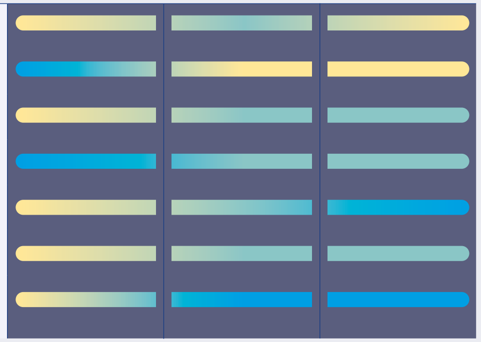
Adaptation — 3.0 – 5.0°C+

The Adaptation scenario assumes that some climate policies are implemented, however these are not sufficient to halt significant global warming.

Critical temperature thresholds are exceeded, leading to severe and irreversible physical impacts, resulting in the highest level of physical risk across the three scenarios modelled.

Policy measures focus less on incentivising decarbonisation and more on adaptation, resulting in lower levels of transitional risk and increased spend on climate resilience projects.

	Risk /opportunity
T	Carbon pricing
T	Capital cost of transition
T	Fuel costs and availability
T	Reputational damage
P	Water availability
O	Alternative uses of land resources
O	Climate resilience and/or green infrastructure projects



Climate-related risks and opportunities

Impact on strategy

- Sustainability remains a critical element of our strategy which underpins the whole of our operating model.
- The greatest climate-related risks arise from transitional impacts, which are mitigated through the strategic actions being taken to decarbonise our business and achieve net zero by 2050.
- We are well positioned to capitalise on climate-related opportunities, with a strategy to grow the percentage of sales from products with sustainable attributes, and are in the process of reviewing our land holdings to assess how we can best utilise them to maximise sustainable, environmentally friendly outcomes.
- Our operating locations are exposed to relatively low physical risk, and consequently this does not require a significant strategic response. A number of tactical initiatives are in place to ensure that the physical risks to achieving our strategy are appropriately managed.
- The key metrics that we have selected to measure our success in executing our sustainability strategy are as follows:

Metric	Risks/opportunity
GHG emissions – scope 1 & 2 **Emissions intensity** **Energy use**	Carbon pricing Capital cost of transition Fuel costs and availability Reputational damage
Mains water intensity	Water availability Reputational damage
Sustainable product sales	Substitute products Sustainable products Climate resilience and/or green infrastructure

The targets which have been set for each of these metrics are set out in the Sustainability report from page 69.

Climate in the financial statements

We have considered the financial reporting implications of the impacts of climate change on the financial statements.

Impairment of non-current assets

As noted in our impairment testing disclosure in note 9 of the consolidated financial statements, there may be elevated levels of climate-related risk in respect of assets in our Cement division as clarity emerges on the costs and corresponding commercial impact of the transition to net zero. However there is no current indication of impairment under either base or sensitised scenarios.

Inventory obsolescence

If market demand were to decline significantly as a result of climate change, impacting consumer purchasing habits, the cost of inventory held on the Group's balance sheet may become irrecoverable.

There has been no sign of decreasing demand for the Group's products as a result of societal responses to climate change. Furthermore, any change in consumer demand is expected to occur over a prolonged period of time. Financial controls are in place to identify these shifts in demand and we would expect to have sufficient time to identify any risks and adapt stock production accordingly.

The Group's inventories include some spare parts held for our Cement plants. As discussed in our impairment testing disclosures, the technological advancements required to achieve net zero could result in these items becoming obsolete over time, but at present these parts are held to support a profitable trading business and are not impaired.

Recoverability of trade debtors

The economic impacts of climate change may damage our customers' liquidity, leading to irrecoverable debts. Cash collection has remained strong across the Group throughout 2024 and we mitigate this risk through credit insurance policies.

We have not identified any indicators that our customers' ability to settle debts has been impacted by climate change factors. Financial controls are in place to identify any concerns regarding bad debts.

Furthermore, any risks arising as a result of climate change are expected to occur slowly over an extended period of time, enabling management to respond.

Trade payables and other liabilities

The economic impacts of climate change may damage our suppliers' abilities to continue in operation, disrupting our supply chain. We have not identified any signs that the ability of our suppliers to trade is currently impacted by climate change and consider this unlikely in the short to medium term.

Where we hold provisions for restoration, it is likely that the sustainability standards governing restoration obligations will increase over time. However, this would not impact measurement of existing liabilities.

Going Concern and Viability

We have considered the impact of climate change through the short to medium-term forecasts used to support our use of the Going Concern assumption in preparing our financial statements, and our Viability assessment over a three-year period.

Over the longer-term, it is possible that the impact of climate change could result in increased costs of capital. However we completed a successful refinancing exercise during the year at competitive interest rates, we maintain positive relationships with our lenders and there has been no indication that the impact of climate change will result in any significant issue in the Group obtaining finance.

Viability Statement

Viability Statement

In accordance with provision 31 of the UK Corporate Governance Code (the Code), the Board has assessed the viability of the Company over a three-year period to December 2027, taking into account the Company's current position and principal risks.

Based on that assessment, the directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2027.

Viability assessment period

The directors have determined that three years is an appropriate timeframe over which to provide a Viability Statement. This is aligned to the period in which the long-term plan is derived. The directors consider that demand in the Group's business is ultimately driven by certain key markets and macroeconomic factors which are difficult to project accurately beyond a three-year period.

The Board's assessment of the Group's financial position at 31 December 2024 is set out in the Chief Financial Officer's review on pages 42 to 47. Important aspects of that assessment that are most relevant to the assessment of viability are:

- although like-for-like volumes have reduced during 2024, as a result of challenging macroeconomic factors and adverse weather conditions, the Group has achieved robust underlying results through disciplined pricing and cost control;
- the Group's operations are consistently cash generative, and underpinned by well-invested assets; and
- the Group has significant headroom in borrowing facilities. As at 31 December 2024, the Group had liquidity headroom of over £250m and Covenant Leverage of 1.4x. The Group comfortably met all covenants in 2024 and the other terms of its borrowing agreements in the period.

When assessing viability, the Board considers the Group's business model and strategy as outlined on pages 16 to 31 and the principal risks set out on pages 48 to 58.

Budgeting and long-term planning

Breedon's viability prospects are assessed primarily through the Group's budgeting and strategic planning process. The annual Group budget is compiled in the autumn of each year and generates a detailed forecast for the year ahead. The budget is performed at a site-by-site level which is reviewed by divisional management before being presented to the directors and finally reviewed and approved by the Board.

The long-term strategic plan is formulated at a higher level and applies a series of assumptions to the budgeted figures.

The divisional strategies together with the long-term market outlook are considered within the long-term planning process and reviewed by the CFO. The output of the long-term plan includes a consolidated set of financial projections for the Group covering the budget plus a further two year period, including a review of forecast debt covenant compliance and debt headroom. The long-term plan reviewed as part of the assessment of prospects in this report covers the three-year period ending 31 December 2027.

Severe but plausible downside scenarios

While we have estimated the size of each of the severe but plausible scenarios described on the following page, we have grouped scenarios with similar impact types together and performed stress testing for the scenario with the greatest impact. Where the scenario occurs at a point in time, we have assumed that it occurs at the point in the plan with the lowest headroom.

Viability Statement

The risks and scenarios tested are described below:

Risk assessed	Severe but plausible scenario	Stress test applied
Acquisitions and material capital projects	A material capital investment project experiences delays and overspends, resulting in business disruption.	– Adverse one-off cost event – Reduction to revenue and profitability
Markets	A deteriorating macroeconomic environment results in reduced demand for our products.	– Reduction to revenue and profitability
Land & mineral management	Compliance breaches are identified resulting in immediate remediation costs and the temporary closure of sites.	– Adverse one-off cost event – Reduction to revenue and profitability
Competition	A loss of market share to competitors or new entrants and increased pressure on pricing.	– Reduction to revenue and profitability
Failure of a critical asset	An unplanned production outage causes significant operational disruption and loss of earnings.	– Adverse one-off cost event
Health and safety	A serious health and safety incident leading to regulatory fines, reputational damage and business disruption.	– Adverse one-off cost event – Reduction to revenue and profitability
IT and cyber security	A cyber attack results in business disruption and data loss leading to regulatory penalties.	– One-off financial penalty – Reduction to revenue and profitability
Laws, regulations and governance	A breach of law or regulations results in a significant one-off penalty.	– One-off financial penalty
Supply chain and input costs	Input costs rise without the ability to offset through pricing actions.	– Reduction to revenue and profitability
Treasury	Interest rates increase.	– An increase to base rate

The risks and scenarios tested are described below:

Stress test	Amount modelled
Increased opening debt	Opening Net Debt is increased by £200m on the first day of the assessment period.
Reduction to revenue and profitability	Budgeted revenues reduce by 10% in the first year then 5% thereafter in each of the following two years, with profitability also adversely impacted.
Adverse one-off cost event	A £50m cash outflow at the point in the forecast with the lowest headroom.
One-off financial penalty	A one off £5m cash outflow at the point in the forecast with the lowest headroom.
Increase to base rate	Base rate is assumed to increase by 2% for the assessment period.
Combined scenario	Budgeted revenues and profitability reduce as outlined in the stress test above, opening debt is increased by £200m, interest costs and cash flows increase due to the increased debt and a 2% increase to the base rate. In addition, one-off cost events of £55m combined are assumed in year one at the point where headroom is lowest.

Breedon have tested the above scenarios individually as well as the combined scenario outlined. After undertaking reasonable mitigating actions, forecasts show that covenants are complied with and Breedon should be able to comfortably withstand the impact of the severe but plausible scenarios.

The models take account of the natural reduction in variable costs and availability and likely effectiveness of mitigating actions available to the Group, including the flexing of capital expenditure, dividend payments and reducing discretionary spend. The models do not include significant structural actions, such as closing or mothballing quarries or divesting assets, which would be undertaken in the event of being necessary. The models do not consider changes to the Group's capital structure which it may be able to make through refinancing existing debt facilities and/or raising equity finance.

Going Concern

The directors have continued to adopt the Going Concern basis in preparing the financial statements (see note 1 in the notes to the consolidated financial statements).

Sustainability

We are a progressive and sustainable business

Our sustainability strategy and framework focuses on our most material areas of importance and impact, with clear targets and objectives to help us achieve our aims. Our upgraded targets reflect our significant achievements and our greater ambition.

Planet

»72

People

»81

Places

»88

New 2030 targets

Planet
- Achieve a 23.3% reduction in absolute gross scope 1 and 2 emissions, and scope 3 emissions from purchased clinker and cement (2022 baseline)

People
- Generate £500m cumulative Social Value (from 2025)

Places
- Achieve 50% of the Group's revenue across the concrete, asphalt, block, brick and tile portfolio from the Breedon Balance range

Focus areas

Planet
- Carbon and energy reduction
- Responsible use of resources
- Positive impact on nature and biodiversity

People
- Develop and empower a diverse, talented workforce
- Positive impact on the communities in which we work

Places
- Sustainable products and services
- Research, development and innovation
- Collaboration and influence

Underpinned by

Principles

»91

- Health, safety and wellbeing
- Quality
- Ethics and integrity
- Good governance
- Stakeholder engagement

Sustainability Our approach

Breedon's approach is to drive sustainable change pragmatically, balanced with the needs of our stakeholders, and to disclose our progress transparently

Our strategic focus areas and targets

We have continued to make good progress in pursuit of our ambitious strategy. When we established our framework in 2021, we set some ambitious targets to 2030 and over the past three years we have made good progress.

We continue making solid preparations for the future. In preparation for emerging reporting requirements such as the Corporate Sustainability Reporting Directive we undertook the first stage of a Double Materiality Assessment (DMA) which we will conclude in 2025. The output of this exercise may require an adjustment of our most material areas of focus.

We will be embedding a new Group-wide ESG reporting and management tool in 2025 along with a new social value evaluation tool. These will improve our data quality, business decision making and our external disclosures.

In 2024 we were pleased to have achieved a Bronze Ecovadis award for the Breedon Group, and improved our CDP scores to A- for Climate Change and B- for Water Security.

To further enable and empower a culture of sustainable action amongst our colleagues, a new sustainability-specific communications and engagement programme is planned for 2025.

Climate-related risk

We refreshed our TCFD risk assessment to understand any changes in physical risk to our sites, including our newly acquired BMC sites in the US. Our full TCFD disclosure can be found on page 59.

In recognition of the critical role of nature, we undertook an initial review of the key nature-related impacts and dependencies across our operations that might create opportunities and risks for our business.

This was done in line with the Taskforce on Nature-related Financial Disclosures' (TNFD) guidance and will help inform the development of a strategic approach for nature in 2025.

We have developed our first Climate Transition Plan that will be launched in 2025.

We continue actively collaborating with our stakeholders and influencing across the industry through groups such as the MPA and the GCCA on those challenges that cannot be tackled by any one individual company – requiring significant collaboration across the wider construction, energy and transportation sectors.

CDP Discloser 2024

Progress as at end 2024

- a 24% reduction in gross carbon intensity per tonne of cementitious product since 2005, against a 30% target for 2030;
- a cumulative total of over 82,000 people positively impacted – more than 82% of our 2030 target; and
- 48% of our revenue derived from more sustainable concrete and asphalt products, against a 50% target for 2030.

Upgraded 2030 targets

- achieve a 23.3% reduction in absolute gross scope 1 and 2 emissions, and scope 3 emissions from purchased clinker and cement by 2030, from 2022 baseline;
- generate £500m cumulative social value by 2030; and
- achieve 50% of the Group's revenue across the concrete, asphalt, blocks, brick and tile portfolio from the Breedon Balance range by 2030.

Sustainability strategic actions and progress achieved

✓ Key actions + Performance

	2021	2022	2023	2024	
Planet	✓ 100% renewable energy tariff in place + 9% improvement in energy intensity + 7% improvement in emissions intensity by revenue + 25,000 trees planted	+ 19% improvement in emissions intensity by revenue + Alternative fuel rate 77% at Kinnegad, and near 35% at Hope + 6% reduction in mains water per tonne of core product sold + 31,000 trees planted ✓ 25 Biodiversity Action Plans (BAPs) established	✓ ISO 50001 extended across the Group + 5% improvement in carbon intensity per tonne of core product + 15% improvement in emissions intensity by revenue + Record 79% annual level of alternative fuel usage at Kinnegad + 7,362 trees planted + 14 further BAPs established	✓ Carbon reduction targets formally validated by the SBTi + 9% improvement in carbon intensity per tonne of core product + 9% improvement in emissions intensity by revenue + Alternative fuel rate 81% at Kinnegad, and 35% at Hope	✓ Over 40 new water meters installed resulting in identification of savings of over 10,000m^3 ✓ Construction commenced on the planned 17MW solar farm at Kinnegad. ✓ Completed pipeline engineering pre-FEED and initiated capture plant pre-FEED study for Peak Cluster Carbon Capture and Storage (CCS) project + 13,400 trees planted
People	+ 11,114 people positively impacted	+ Further 17,814 people positively impacted + Over £300,000 in financial donations, plus over 600 tonnes materials donated	+ Further 25,856 people positively impacted + Over £450,000 in financial donations, plus over 3,000 tonnes of materials donated	+ Further 27,268 people positively impacted ✓ Over £600,000 in financial donations, plus over 1,500 tonnes of materials donated ✓ Dedicated Group Social Impact Manager appointed	✓ Volunteering platform launched ✓ IEMA-accredited net zero training developed for colleagues ✓ Over 350 managers trained on Management Essentials
Places	+ 25% revenue from more sustainable concrete and asphalt products	+ 37% revenue from more sustainable concrete and asphalt products ✓ Breedon Balance sustainable products established	+ 40% revenue from more sustainable concrete and asphalt products + 28% revenue from Breedon Balance products + 80% relevant technical and commercial people trained on Breedon Balance	+ 48% revenue from more sustainable concrete and asphalt products + 34% revenue from Breedon Balance products	✓ PAS 2080 Carbon Management achieved ✓ Environmental Product Declarations for Hope Cement products
Principles	✓ Materiality Assessment undertaken ✓ Sustainability strategic framework developed ✓ 2030 targets established ✓ Group-level policies established ✓ 139 sites with Responsible Sourcing certification + 18% improvement in employee LTI severity rate	✓ Board-level Committee established ✓ Scope 3 data and reporting increased ✓ 10% remuneration linked to sustainability KPIs ✓ TCFD aligned disclosures in Annual Report + 53% improvement in employee LTI severity rate	✓ SBTi targets developed and submitted for validation ✓ Group-level Sustainable Procurement Policy established ✓ 15% remuneration linked to key sustainability KPIs + A total of 241 sites with Responsible Sourcing certification + 15% improvement in employee LTI severity rate + CDP Climate Change and Water Security disclosures submitted, scoring B and C respectively	+ All 2030 targets on track to be met and upgraded targets announced ✓ 6% improvement in combined LTIFR. ✓ New cross-divisional Sustainability Liaison Committee and topic-specific Delivery Groups established ✓ Dedicated Sustainable Procurement Manager appointed ✓ New prequalification process in place for over 400 strategic or high risk suppliers in GB	✓ Undertook first stage DMA in preparation for emerging reporting requirements ✓ Refreshed TCFD and began aligning with TNFD to understand our impacts on nature + Achieved improved CDP scores of A- for CDP Climate Change and B- for Water Security disclosures

Sustainability Planet

Planet

Making a material difference to the environment

Click or scan to find out more about the Planet pillar

We are committed to achieving net zero by 2050, managing resources responsibly and creating a positive impact on nature.

New target 2030

23.3% reduction in absolute gross scope 1 and 2 GHG emissions, and scope 3 emissions from purchased cement and clinker by 2030 from 2022 baseline

What we said	Progress in 2024
Communicate our SBTi near-term and net zero targets once formally validated, and demonstrate progress towards these.	Carbon reduction targets were validated by the SBTi.
Seek to improve the carbon intensity of our products.	Carbon intensity for our core products has reduced again in 2024; now at 40.0kgCO_2e/t.
Continue our use of alternative fuels.	Cement kiln alternative fuels rate increased slightly from 48% in 2023 to 48.1% in 2024.
Progress the Kinnegad solar farm project.	Construction commenced on the planned 17MW solar farm at Kinnegad.
Ensure we use our mineral reserves responsibly.	Several projects underway to optimise use of minerals across the Group.
Demonstrate progress on our zero waste to landfill plans.	Central waste contract agreed and rolled out in 2024 with zero waste to landfill target embedded.
Make progress towards better water data and management.	Over 40 sites now have digital water meters installed.
Implement the Biodiversity Action Plans (BAPS) recently developed for key sites.	42 BAPs are in place and planned actions are being progressed.
Make further progress towards our longer-term decarbonisation levers such as Carbon Capture and Storage (CCS).	Progress made on Peak Cluster CCS project toward FEED stage, alongside continued research into emerging technologies and cement innovation.

Sustainability Planet

Carbon and energy

Our focus on getting to net zero

Breedon is dedicated to achieving net zero carbon emissions across the value chain by 2050. In 2022 we committed to develop SBTi-aligned carbon reduction targets following the 1.5°C warming pathway. Having submitted our near-term and net zero targets for approval to the SBTi in November 2023, these were formally validated in 2024:

- 23.3% reduction in absolute gross scope 1 and 2 GHG emissions, and scope 3 emissions from purchased cement and clinker by 2030.
- Reduce our absolute gross scope 1, 2 and 3 GHG emissions 95% by 2050 from the 2022 base year.

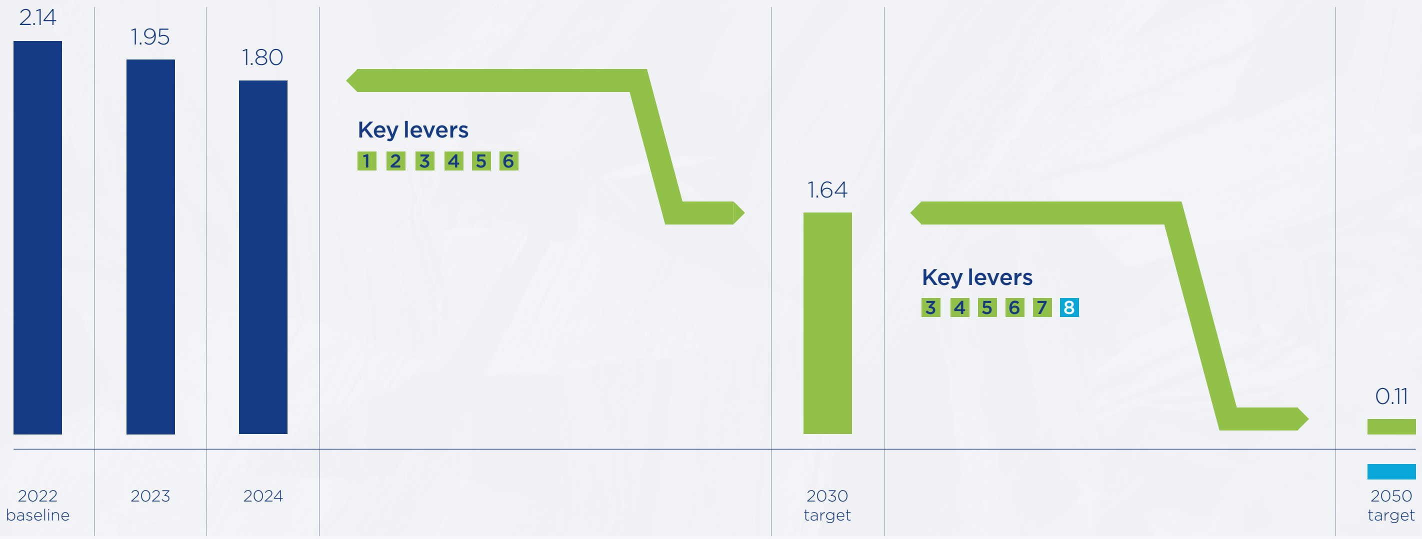
SCIENCE BASED TARGETS

Net zero reduction pathway

Scope 1, 2 emissions and scope 3 emissions from purchased cement and clinker only

Mt CO_2e

Click or scan to view full details of SBTi targets



To achieve these targets we have identified key levers:

1. **Operational efficiency** Ongoing improvements to ways of working to maximise the use of our resources.
2. **Onsite renewables and grid decarbonisation** Focus on using electricity from clean energy sources.
3. **New equipment and technology** Investing in new machinery that result in lower lifetime emissions or tools to allow us to identify opportunities for improvement.
4. **Fuel switching** Trialling and deployment of alternative fuels that result in lower emissions over their lifecycle including biogenic fuels.
5. **Product optimisation** Reviewing our manufactured products to ensure that higher carbon constituents are designed out wherever possible whilst ensuring overall life cycle emissions are also reduced.
6. **Sustainable procurement** Working with our supply chain to ensure our scope 3 emissions are mitigated.
7. **Carbon capture and storage** Where other levers are not viable due to the inherent chemical process that produces the emissions, invest in projects to capture the carbon and store it permanently.
8. **Offsetting and insetting** In order to achieve our 2050 net zero target, once all the above levers have been enacted and emissions reduced by at least 95% (from the 2022 baseline), we will ensure that residual emissions are offset using high-quality carbon credits either purchased or generated internally from Breedon projects.

Sustainability Planet

Reducing carbon emissions

We have made strong progress in cutting our carbon emissions. In 2024, we achieved an additional 4% reduction in our total scope 1 and 2 (location-based) carbon emissions compared to 2023.

Our carbon intensity metric has decreased for the sixth consecutive year, now at 1.0 kgCO2e/£, reflecting a 9% reduction from 2023 and a 47% decrease since we first reported it in 2019.

Planet performance »80

We will continue to disclose our carbon performance in line with SBTi requirements and both statutory and voluntary disclosure frameworks.

We have internal governance mechanisms in place to confirm we are recording our carbon emissions accurately and ensuring reductions and disclosure commitments are maintained. This includes an internal audit of our carbon reporting processes in 2023 and annual third-party assurance of our carbon KPIs. In 2024 we established our first dedicated inter-divisional carbon delivery group.

Target setting methodology

The target setting process followed the SBTi guidance including the cement sector specific guidance. Our near-term target combined the cement sectoral decarbonisation approach and the absolute contraction approach for Breedon's non-cement operations. This resulted in our 23.3% absolute reduction target of gross scope 1, scope 2 (location-based) and scope 3 emissions (from the purchase of cement and clinker only). Other scope 3 emissions are not included in the near-term target but do form part of the long-term and net zero targets.

As part of the SBTi target setting process, a target recalculation and re-baselining methodology was established. This includes a 5% significance threshold to any changes in the target or baseline emissions to account for changes to the company structure including acquisitions or divestitures. We will carry out a review against these thresholds once acquisitions have been under Breedon control for a full calendar year.

Having reviewed the data in the reporting year for acquisitions in 2023, none triggered the thresholds for a baseline or target recalculation. The impact of the BMC acquisition in March 2024 on the SBTi baseline will be reported in the 2025 annual report. The progress against SBTi targets shown below, and the net-zero reduction pathway on page 73 excludes the emissions from acquisitions in 2024. These emissions are included in our company 2024 GHG reporting on page 75.

Carbon intensity improvements

1.0
kgCO2e/£

47%
reduction since 2019

Progress against SBTi Targets

	2022 baseline	2023	**2024 excl-acquisitions**	2024 acquisitions	2024* % diff from baseline	**2030 target**	**2050 target**
Scope 1 (tCO_2e) (total)	**1,746,874**	1,615,764	**1,535,465**	16,067	(12.1)%		**(95)%**
Scope 2 (tCO_2e) location-based	**73,590**	77,975	**71,487**	2,482	(2.9)%		**(95)%**
Scope 3 (tCO_2e) (purchased cement and clinker)	**316,574**	252,640	**189,985**	148,155	(40.0)%		**(95)%**
Total for near-term target (tCO_2e)	**2,137,038**	1,946,379	**1,796,937**	166,704	(15.9)%	**(23.3)%**	**(95)%**
Total scope 1 and 2 (tCO_2e)	**1,820,464**	1,693,739	**1,606,952**	18,549	(11.7)%		**(95)%**
Total scope 3 (tCO_2e)	**695,970**	692,765	**623,417**	165,945	(10.4)%		**(95)%**
Total for long-term target (tCO_2e)	**2,516,434**	2,386,504	**2,230,369**	184,494	(11.4)%		**(95)%**

* difference shown is 2024 excl-acquisitions versus 2022 baseline

Sustainability Planet

Greenhouse gas reporting methodology

The methodology applied to the calculation of GHG emissions is the GHG Protocol Corporate Accounting and Reporting Standard.

We have applied an operational control boundary, and carbon conversion factors have been taken from UK Government GHG Conversion Factors for Company Reporting – 2024 and the International Energy Agency emission factors for non-UK sites where appropriate. For sites that operate within the UK and EU ETS schemes, the ETS emissions data for kiln fuels has been used.

Our GHG emissions are reported in tonnes of carbon dioxide equivalent (tCO_2e), for the period 1 January to 31 December 2024. We report our location-based and market-based emissions separately as per previous years, to reflect the Group's choice of electricity supply.

Scopes 1 and 2 emissions

The table shows the total global annual energy use and gross carbon emissions associated with the consumption of electricity, natural gas, all other fuels combusted on site, and fuel consumed for relevant business transport purposes, for the period 1 January to 31 December 2024, and a comparison with 2023.

Process emissions are those associated with carbon contained within the raw materials that is released during high temperature processes such as cement clinker and brick manufacture.

Breakdown of scopes 1 and 2 emissions

	United Kingdom	Rest of the World	**2024 Group total**	2023	% diff (2024/23)
On-site combustion (MWh)	1,737,751	614,978	2,352,729	2,376,916	(1.0)%
Electricity (MWh)	256,873	67,247	324,120	343,537	(5.7)%
Road transport (MWh)	65,742	43,812	109,554	75,020	46.0%
Energy (MWh)	**2,060,366**	**726,037**	**2,786,403**	**2,795,473**	**(0.3)%**
Scope 1 process emissions (tCO_2e)	660,063	263,894	923,957	981,253	(5.8)%
Scope 1 (non-process) (tCO_2e)	488,670	138,905	627,575	634,511	(1.1)%
Scope 2 (tCO_2e) location-based	53,134	20,835	73,969	77,975	(5.1)%
Total (tCO_2e) location-based	**1,201,867**	**423,634**	**1,625,501**	**1,693,739**	**(4.0)%**
Scope 2 (tCO_2e) market-based	0	2,482	2,482	1,395	77.9%
Total (tCO_2e) market-based	1,148,733	405,281	1,554,014	1,617,159	(3.9)%

Scope 3 methodology

The methodology applied to the calculation of scope 3 emissions follows the GHG Protocol's Corporate Value Chain (scope 3) Accounting and Reporting Standard following the requirements of SBTi Corporate manual. As a result, the 2024 emissions for several categories now include well-to-tank emissions where these were previously excluded.

We are continuing to develop our internal systems in order to improve the calculation methods within each category. We report on 12 scope 3 categories. The categories not listed have been assessed and deemed to be immaterial for our business.

Breakdown of scope 3 emissions categories

		2024 tonnes CO2e	2023 tonnes CO2e	2024 % of total scope 1, 2, 3 emissions
Cat 1	Purchased goods and services	465,983	385,688	19.3%
Cat 2	Capital goods	22,478	20,689	0.9%
Cat 3	Fuel and energy-related activities	117,289	118,425	4.9%
Cat 4	Upstream transportation and distribution[1]	135,122	122,052	5.6%
Cat 5	Waste generated in operations	644	668	0.0%
Cat 6	Business travel[1]	1,619	1,685	0.1%
Cat 7	Employee commuting[1]	11,292	11,064	0.5%
Cat 8	Upstream leased assets[2]	-	422	-
Cat 9	Downstream transportation and distribution[1]	22,770	22,834	0.9%
Cat 10	Processing of sold products	4,186	4,444	0.2%
Cat 12	End of life treatment of sold products	2,801	2,923	0.1%
Cat 13	Downstream leased assets[1]	2,991	-	0.1%
Cat 15	Investments[3]	2,187	1,871	0.1%
Scope 3 total		**789,362**	**692,765**	**32.7%**

1 Includes well-to-tank emissions.
2 Following a review of calculation approach, category 8 no longer relevant, emissions now in scope 2.
3 Category 15 not previously reported, includes equity share from joint ventures outside operational control scope.

Sustainability Planet

Emissions intensity

We have used a carbon intensity metric to express the emissions, for the purpose of establishing a baseline and for ongoing comparison.

The intensity metric chosen is by £ revenue. Using our location-based emissions the total the resultant emissions intensity is 1.0kgCO_2e/£ revenue. This represents a reduction of 9% in comparison to 2023.

An alternative carbon intensity metric relates our emissions to the annual sales tonnages of our core products (cement, ready-mixed concrete, aggregates and asphalt). In 2024 the kgCO_2e/tonne fell 9% from 43.9kgCO_2e/tonne to 40.0kgCO_2e/tonne.

(9)%
kgCO_2e/£ revenue

(9)%
kgCO_2e/tonne

Assuring our data

The GHG data we report is tracked internally during the year through the Executive Committee, the Sustainability Committee and shared with the Board. Bureau Veritas has carried out external assurance on our scopes 1 and 2 emissions, and the scope 3 impacts from purchased cement and clinker. Bureau Veritas's assurance process is carried out in line with the requirements of the International Standard on Assurance Engagements ISAE3000.

Click or scan to view the full Limited Assurance Statement

Carbon capture and storage

A key lever to achieving our long-term and net zero carbon reduction commitments is the successful adoption of CCS technologies within our cement operations. At the time of reporting, over 70 carbon capture projects are being tracked by the GCCA at cement plants across the globe. One of the largest of these, is the Peak Cluster CCS project, of which Breedon is a key partner. When completed, it will capture 40% of the CO_2 emissions from the UK cement and lime industry. During 2024 we completed the pipeline engineering pre-FEED and initiated the capture plant pre-FEED study.

Alternative fuels

We continue to make strong progress in substituting fossil fuels with waste-derived or biogenic alternatives. We achieve this through a range of both long-standing and new alternative fuel streams. The development of new fuel sources requires collaboration with suppliers, detailed testing to ensure the material's quality and consistency, as well as regulatory support and kiln testing to ensure emission limits are respected.

Unlike energy from waste plants, which generate waste ash, the combustion of alternative fuels in cement kilns not only utilises the energy content to replace virgin fossil fuels, but also incorporates the mineral content of these materials in the cement, in a process called 'co-processing'.

We are exploring opportunities for switching fuels in other parts of the business. The burners within our asphalt plants are responsible for over 60ktCO_2e each year. By switching to lower-carbon and bio-based fuels we can reduce this impact. During 2024, £0.6m capital investment was approved to prepare six more plants for fuel switching projects to take place in 2025.

HVO trial

Hydrotreated Vegetable Oil (HVO) offers a flexible interim carbon reduction solution until electric and hydrogen solutions mature. In 2024 we carried out a trial of HVO at our Raisby Quarry.

Click or scan to find out more

525tCO_2e
saving during trial

2,450tCO_2e
saving per year

Sustainability Planet

Energy management

At the start of 2024, 98% of our operational sites were covered by the ISO 50001 Energy Management Standard. This figure has reduced to 77% following the acquisition of BMC. However the implementation of a new Group-wide ESG reporting tool will allow for the consistent monitoring and management of energy consumption and efficiency at all of the Group's operations.

The introduction of a dedicated cross-divisional Energy Delivery Group will drive the continued focus and shared learning of energy opportunities.

Increasing energy efficiency

One of our key carbon reduction levers is to deliver improvements to operational efficiency. This can be achieved by driving out energy wastage through site surveys and audits either focused on a specific area such as compressed air leaks, or by monitoring of idle times of plant and machinery.

New equipment and technologies will also provide improvements. Over £3m capital investment was approved in 2024 for new, more efficient plant equipment, with a further £5m for replacement road haulage vehicles. Additional electric vans and forklifts have also been purchased.

Projects that consider the efficiency of the manufacturing processes have also delivered results. Kinnegad trialled a new grinding aid for its CEM II product, which resulted in an energy saving of 4kWh/t.

At our Hope Cement works, a project commenced to replace both the cement mill main motors, each of which are over 50 years old. The first motor will be installed and commissioned in early 2025, with an estimated annual saving of over 2GWh.

Our teams in GB have been using operational performance data to track and improve idle times of our on-site vehicles. By engaging with operatives on waiting times, site layout and eco training, we have seen substantial reductions in percentage idle times in the year of up to 35ppt.

Renewable energy

In 2024, work continued on the planned 17MW solar array at our Kinnegad Cement plant in Ireland, with commissioning set for early 2025. Our Wickwar block plant in Gloucestershire had a 108kW roof mounted array installed in May 2024, generating over 65MWh since going live.

Energy 2024 highlights

Energy Award

Our team in Ireland won the best energy achievement in construction at the Business Energy Achievement Awards in Dublin in October.

John Fennell, environment manager for Breedon Ireland South accepted the award, which recognises businesses and organisations that are taking a leadership role in sustainability. We were celebrated for our outstanding sustainable energy plans.

The collection of methane from our Mullaghglass site was highlighted as a strong example of energy generation benefits. By showcasing our effective and cutting-edge sustainable energy initiatives we are constantly striving to achieve more.

Our largest rooftop solar to date

In May 2024 our latest renewables project went live at our Wickwar block plant in Gloucestershire

A 108kW roof mounted array will generate over 20% of the factory's electricity needs, saving over 20tCO_2e per year.

Click or scan to find out more

Electric mixer trial

Reducing the carbon impact of our transport fleet is one of the more challenging aspects of our decarbonisation roadmap and we endeavour to move more material via rail. However, for our fleet of ready-mixed concrete trucks, other solutions are required.

In August we commenced a three month trial of our first fully electric concrete mixer operating out of our Raisby concrete plant to understand the impacts on delivery schedules, charging times, health and safety and driver satisfaction.

The results of the trial were positive with a carbon saving against the diesel of 4.5tCO_2e over the three month trial. We will be exploring further trial options in 2025.

Sustainability Planet

Responsible use of natural resources, positive impact on biodiversity

Our focus on environmental management

Breedon's role in creating the places for future generations through the production of our essential building materials is clear. However, the importance of protecting the local environment in the areas we operate now is just as key.

Understanding the impacts of our operations and activities on nature and the communities we operate is a fundamental part of any environmental management system. At the start of 2024 96% of our operational sites operated to an externally certified ISO 14001 system. This has decreased to 75% including our newly acquired businesses, however the importance of environmental compliance and promoting our positive environment impacts applies across the Group.

Through our corporate partnership with the Institute of Environmental Management and Assessment, we continue to develop training materials for our colleagues to promote environmental awareness.

Waste

We have continued to progress our ambition to have zero general waste sent to landfill. A new central contract for our general waste collections has been expanded into our Irish business with a core element of the partnership to achieve this milestone. We continue to improve the quality of our waste data and remain focused on operating to the waste hierarchy by reducing the volumes of waste we generate in the first instance, including hazardous waste.

Breedon remains a net consumer of waste given the large amounts of waste derived fuels used in our cement kilns. Through our collaboration with other industries, we will continue to seek opportunities to provide an outlet for industrial wastes and secondary materials that could act as a substitute for primary raw materials. We are exploring outlets for Breedon's secondary materials as well, with enhanced rock weathering projects and substituting primary raw materials in some of our other operations.

Air quality

Our sites are regulated by environmental permits which place limits on emissions and set conditions for the use of best available techniques to mitigate our impacts. Our cement works have the largest number of conditions imposed and because of the chemical composition of the input materials and the process complexity, emissions of sulphur dioxide, oxides of nitrogen and dust are closely monitored.

Click or scan to view more environmental performance data

Water

As at the end of 2024, over 40 of our highest mains water consuming sites have installed smart water meters. The data provided has been used by our environmental and operational teams to identify several areas of improvement resulting in savings of over 10,000m^3 of water in 2024 alone. The rollout of further metering will continue in 2025.

In addition, we continue to maximise our sites recycled water capabilities and work with suppliers of admixtures to reduce water demand in our products.

Water availability remains an important aspect to Breedon's operations. In the case of ready-mixed and concrete products it is a core ingredient in the manufacture of our products. Therefore we continue to place a strong emphasis on ensuring we manage water responsibly.

With the inclusion of BMC into our portfolio, around 6% of our production sites are located in areas of high or extremely high water stress, as classified by the World Resource Institute's Risk Atlas tool. As described in our TCFD report on pages 59 to 66, the risk of water scarcity in future years cannot be ignored and so our focus on reducing reliance on mains water and increasing our usage of recycled water continues.

Following our latest CDP Water Security disclosure we received a rating of B-, an improvement from the previous C rating.

Nature and biodiversity

We aim to protect and enhance biodiversity across all our operational sites through the development and implementation of well-designed biodiversity management plans and restoration plans.

43 BAPS are in place across the Group and planned actions are being progressed.

Sustainability Planet

Understanding our impact on nature

Looking ahead, we need to better understand the critical role that nature plays in supporting our business across our value chain and the ways in which our activities impact upon nature. We began to gather the information needed to fully map and assess our value chain and adjust our business to take a more strategic approach to supporting nature and reducing activities with negative nature outcomes.

In line with the TNFD guidance including the LEAP approach, to date we have:

- defined a study area across our business, including aspects of our supply chain, direct operations and wider value chain;
- undertaken an initial review of our key impacts and dependencies across both our direct operations and our supply chain;
- established financial thresholds for assessing business importance and related risk across our sites;
- assessed the ways in which identified impacts and dependencies might create risk and opportunities for our business and the materiality of those risks and opportunities; and
- reviewed our business processes and frameworks to understand the gaps in how we account for nature in our decision making and identified actions to close these gaps.

An initial evaluation of our direct operations showed that the most material risk category for Breedon is reputational risk which is driven by risk factors linked to pressures on biodiversity. This is due to the proximity of certain Breedon sites to protected or conserved areas and/or key biodiversity areas and highlights the importance of minimising our site-level impacts on nature.

Nature 2024 highlights

Across the Group we have continued to plant trees and hedgerows, install bird and bat boxes, and create hectares of grasslands, woodlands and water bodies.

Biodiversity week

A company-wide 'Biodiversity week' in May, showcasing a range of fantastic activities across our sites, including a 24 hour 'bio-blitz' ecological study at Mullaghglass that was attended by 100 local people and over 25 scientists and ecologists.

Encouraging avian life

17 bird surveys carried out in Ireland (38 since 2021) including our Blackmountain site having the first successful Peregrine nesting in the Belfast Hills since 1990 and Mullaghglass having the first breeding pair of Barn Owls in the area in over 50 years.

The Irish Green Awards

Sustainability Team of the Year 2024.

Biodiversity Awards

Cambusmore nominated for MPA Biodiversity Awards Innovation category.

Powmyre quarry nominated for MPA Biodiversity Awards Landscape Scale Restoration category.

North Cave and Mullaghglass sites are finalists in the MPA Biodiversity Awards Planned Restoration category.

Click or scan to find out more

Sustainability Planet

Planet performance data table

	2020	2021	2022	2023	**2024**	YOY change
Emissions intensity Revenue kgCO2e/£	1.7	1.6	1.3	1.1	**1.0**	(9)%
Emissions intensity by core products kgCO2e/t core products	47.2	44.2	46.3	43.9	**40.0**	(9)%
Energy Intensity by core products kWh/tonne	75.0	68.3	71.7	70.5	**65.9**	(7)%
Alternative fuels substitution rate % of kiln fuel GJ	45.2%	46.1%	48.5%	48.0%	**48.1%**	0.1ppt
Biofuel used % of kiln fuel GJ	20.2%	19.5%	21.1%	18.4%	**18.2%**	(0.2)ppt
Mains water litres/tonne	–	14.5	13.7	16.5	**14.6**	(12)%
Total non-production waste generated tonnes	–	–	–	6,140	**4,189**	(32)%
Trees planted number	–	24,800	31,300	7,400	**13,400**	81%

Click or scan to view more Planet performance data

Future focus

Our commitment to carbon reduction, responsible resource use and biodiversity across the Group is resolute, with several more projects planned for 2025:

- roll-out of a new Group-wide ESG reporting and management tool to ensure our performance will be accurately measured and improve our rigour for external disclosures;
- produce a climate transition plan (in alignment with our SBTi approved targets);
- roll-out of additional water meters to identify further water savings;
- continue to progress the Peak Cluster CCS project at Hope Cement Works;
- develop a nature-focused approach for consideration, alongside our existing net zero approach;
- continue to review and implement our BAPs and maintain a strong focus on managing our estate for biodiversity while forging partnerships that further enhance our positive impact on the natural environment; and
- enhance data collection in line with the TNFD's core and sector specific metrics for the construction materials sector and building a nature roadmap that supports a strategic approach to nature and prepares us for future reporting requirements.

The results of our DMA may inform any changes required to our Planet focus areas. However, decarbonisation, ensuring Breedon makes a positive impact on nature, and playing our part in creating a more circular economy, remain priority focus areas.

Sustainability People

People

Making a material difference to society

Our 4,500 colleagues are the heart of our business. Alongside our focus on attracting talent, developing and empowering our workforce, we also aim to be a good neighbour and have a positive impact on the communities in which we work.

New target 2030

Our aim is to generate £500m cumulative social value by 2030

What we said	Progress in 2024
Continue to positively impact people towards our target of 100,000.	A further 27,268 people were positively impacted through our activities, bringing our cumulative total to 82,052 people. We have upgraded our 2030 targets and will aim to generate £500m cumulative social value from 2025.
Improve our data across colleagues to help inform our diversity, equity and inclusion plans.	Reviewed our onboarding processes to collect a broader range of data for all job applicants and new starters.
Make our practices fairer and more inclusive for colleagues.	79% of our colleagues feel they are treated fairly regardless of gender, age, seniority, disability, ethnicity or sexual orientation.
Launch Management Essentials programme and embed performance conversations with our leaders.	Over 350 managers now trained and a further 250 managers enrolled on the 2025 training program.
Launch a new Employee Resource Group.	Created a cross-divisional Employee Resource Group as part of our inclusivity strategy.
Recruit a Social Impact Manager to guide further best practice across the Group and improve our ability to demonstrate the social value of our activities.	Group Social Impact Manager appointed to focus on establishing a strong foundation and best practices for demonstrating our social value.
Improve data to more accurately calculate and report our social value impacts.	Data gap analysis informed the requirements of a new tool that will create a unified data source in 2025.
Undertake a social impact assessment for each division.	Impact methodology for the Group agreed and baseline established to inform social value targets for each division.

Sustainability People

Developing and empowering a diverse, talented workforce

Outstanding colleague engagement

Our Group employee engagement score continues to remain high at 78%. Our surveys are run by an independent company and, when benchmarked, our engagement score for 2024 was eight percentage points above industry average and eight percentage points above companies of a similar size.

Pauline Lafferty continues to be our Designated Non-executive Director (DNED) for Workforce Engagement and during 2024 held a number face-to-face sessions with colleagues across GB and Ireland.

Pauline reports back to the Board, and this, combined with our regular People updates and the Board's frequent visits to operational sites, allows the Board to assess and monitor culture. We will run further sessions in 2025, building on the feedback that our colleagues provide, so that we can continue to make Breedon a great place to work.

We were pleased to have been featured in the Sunday Independent list of Ireland's Best Employers 2024. We also won the Most Effective Employee Engagement Strategy award for our 'Striving to Improve' programme at the Ireland HR Leadership and Management Awards.

Lighthouse Construction Industry Charity

We are working together on aspects of physical and mental wellbeing, placing a greater focus on our mental health first aiders, with refresher courses for those already trained to enable colleagues to stay current on mental health support.

Elephant in the Room

An elephant sculpture, designed collaboratively by colleagues and their families, serves as a symbol of strength and support for those facing mental health challenges. It embodies the Group's dedication to fostering open discussions about mental health and breaking the associated stigma.

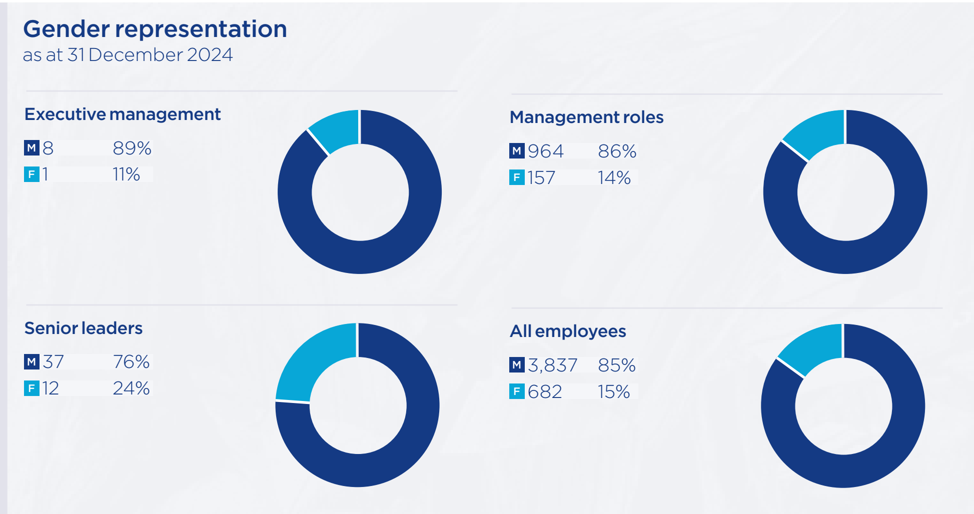
Colleague support and wellbeing

We are increasing our focus on wellbeing and have improved the support available to our colleagues, such as mental health, and continue to raise awareness and end stigma through employee stories and mental health first aid.

Our Home Safe and Well programme has progressed, and we have seen further improvements to our facilities across the business with support from our colleagues.

Our external partnerships play an important role in supporting our colleagues and during the year we launched the two new partnerships shown above.

Sustainability People



A focus on diversity, equality and inclusion

We pride ourselves on being a fair, respectful and inclusive place to work, where all our people feel they belong. During the year, we have continued to raise awareness of and celebrate diversity through a variety of initiatives at a local level, enabling colleagues to have a contribution and feel safe to share their personal stories and experiences.

We have actively listened to our colleagues and established a working group on inclusive PPE, recognising life stages, disability, hidden disability and gender that will be rolled out in 2025.

We created a new inclusive Employee Resource Group with representation from across our Group to make sure that action plans benefit all our colleagues.

Our aim with these priorities is to engage current and prospective colleagues to build a fully inclusive environment where people feel safe, respected, included and themselves.

Leadership development

We have had outstanding feedback on our Management Essentials Level 1 training across the Group, which is aimed at our supervisory and management teams with more than 350 managers now trained and a further 250 managers enrolled in 2025.

We have partnered with Cranfield Business School on accelerated senior leadership development for a number of senior leaders in GB and Ireland, to help shape their future roles.

Our focus in 2025 will be to embed the learning and skills, so that competencies become a tool that support our value added performance conversations, providing feedback, and helping us make more consistent choices around developing our talent.

Sustainability People

Investment in early careers

Investment into our future talent continues as a key focus of the Group's people strategy, bringing in fresh ideas, perspectives and energy into the business.

Our early careers cohort saw us welcome an additional 28 apprentices of which 18% are female.

We were delighted to have four industry placements from various universities across England and Northern Ireland, providing students with an opportunity to develop their practical skills in a role directly relevant to their vocational course.

Eight Large Goods Vehicle driver apprentices were recruited across England and Scotland in partnership with Seetec.

This infusion of apprentices brings vital fresh talent and novel perspectives, helping to revitalise the industry and ultimately shape the future landscape of the sector.

Highlights for 2024 include:

- we were once again awarded Silver membership of The 5% Club, in recognition of our commitment over the past 12 months to earn and learn opportunities across the UK as part of building and developing our workforce;
- three of our apprentices, Adam Boddy, Alex Nolan and Connor Garner-Jones were all recognised for their outstanding achievements at the British Aggregates Association Annual Conference Young Industry Talent awards; and
- Shaun Brecknell, Surfacing Operative won Apprentice of the Year with Telford College.

Supporting and developing our suppliers

By collaborating closely with suppliers, we strengthen relationships and drive continuous improvement, fostering mutual growth.

We have employed a dedicated Sustainable Supply Chain Manager and, to support and strengthen our supply chain, we have introduced a risk-based pre-qualification system, an updated Supplier Code of Conduct and supplier audit.

Existing suppliers in Great Britain, including 400 high risk suppliers, were invited to register on our new prequalification system in December 2024.

Connecting teachers to the minerals industry at Leaton

We hosted a Teacher Encounter day to provide a group of local teachers with an insight into careers pathways within the aggregates industry and an understanding of how it can be linked to curriculum delivery.

Click or scan to find out more

Sustainability People

Positive impact across our communities

Breedon is embedded in the local communities where we operate, actively engaging with stakeholders to understand and respond to their needs. Through our operations, we support local economies, create employment and apprenticeship opportunities, and partner with schools and colleges to inspire the next generation.

Additionally, our contributions include a robust volunteer programme, along with financial and material donations, reflecting our commitment to make a material difference.

In 2024, we positively impacted 27,268 people through various community partnerships, donations and volunteering. Since 2021, we have positively impacted 82,052 people, achieving 82% of our original 2030 target to impact 100,000 people.

Given our progress, we have set a more ambitious target. From 2025 we aim to generate £500m in cumulative social value by 2030. This new target is underpinned by a robust approach, utilising financial proxies from the Impact Evaluation Standard framework to better measure and optimise the positive impact Breedon generates.

27,268
people positively impacted in 2024

82,052
people positively impacted since 2021

Good neighbour plans

As part of our commitment to being a good neighbour we have developed a structured approach to community liaison that fosters two-way, accessible communication. This approach encourages transparency in sharing our environmental performance alongside the delivery of biodiversity, geodiversity, and archaeological outreach programmes. We also ensure regular engagement through attendance at parish council meetings, local consultations, and active contributions to community-based initiatives.

In 2024, we welcomed over 2,800 visitors to our sites, including groups such as The Russell Society, the Department for Energy Security and Net Zero, the MPA, U3A Groups, Institute of Quarrying Australia, and students from the University of St Andrews, Ullapool High School, East Norfolk Sixth Form, Northumbria University, and Bristol University.

Over 450 people from the local community joined our annual Christmas celebration at our Kinnegad site, and the event raised over £3,000 for Youth Work Ireland Midlands, a charitable organisation that supports, educates and inspires young people in Ireland. Our Dowlow site celebrated 125 years of operation with 350 local people attending our Open Day to find out more about the history of the site and our plans for a sustainable future.

Supporting outdoor play and learning initiatives in the Hope Valley

Hope Cement Works in Derbyshire actively supported various outdoor play and learning initiatives, including hosting an on-site forest school, funding an outdoor classroom and providing play equipment for local schools, as well as sponsoring a Wilderness Therapeutic Programme for Year 6 pupils in the Hope Valley.

Click or scan to find out more

1,236
pupils at Hope's Forest School

>£17,500
donated to local schools

Sustainability People

Volunteering and donations

Our financial donations increased by 33% since 2023, with £603,770 donated in 2024 to local and charitable causes. This was further bolstered by donations of materials totalling over 1,500 tonnes, that supported local projects such as the creation of a car park area for a new community sports pavilion in Lockington-cum-Hemington, the repair of pathways at North Cave playing fields and the creation of wheelchair access to student allotments at Hope Valley College.

Across Breedon, our colleagues have access to one day paid volunteering each year and we introduced the Neighbourly platform to connect colleagues with over 30,000 local charities and causes.

Colleagues have dedicated their time to raise funds for a range of charities, including Brake, the road safety charity, and veterans' support initiatives such as The Great Tommy Sleep Out for the Royal British Legion, the 13 Bridge Challenge for SSAFA, and the Cateran Yomp for the Army Benevolent Fund.

Throughout the year 2,155 volunteering hours were delivered across the Group. By working with local stakeholders, colleagues have supported initiatives that made a material difference to the communities where we operate, including the development of outdoor play and learning areas, supporting local food and baby banks.

A specific focus was on creating accessible green spaces and projects included constructing new footpaths at Sorn Woodland Walk, creating a new garden for an Action For Children residential unit in Stornoway, and laying a disabled access path leading to a woodland studies shed for Ysgol Hafod Lon near Minffordd.

Our desire to make a material difference in the communities where we operate extends to our sites in the US, where colleagues supported a range of good causes including St. Louis Children's Hospital, the American Heart Association and the Alzheimer's Association.

In addition, RBM, the building materials division of BMC, donated a new enclosed trailer to the Berkeley Fire Department in St. Louis, Missouri. The trailer will be used by the fire department's outreach program to deliver food and clothing throughout the year. It will also provide essential storage and allow the department to expand its service area, helping more families in the local community.

Volunteering and community 2024 highlights

Emergency services support

Providing Bleanau Ffestiniog Fire Station with access to our Ffestiniog quarry for training exercises.

Green social prescribing

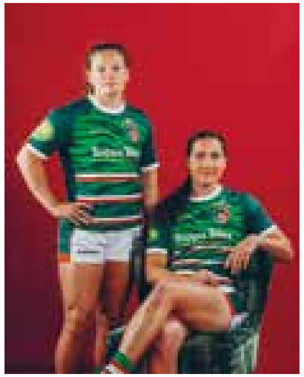
Funding a support worker at the Belfast Hills Partnership to connect young people in Belfast with nature to promote positive mental and physical wellbeing.

Supporting our local teams

Extending our partnership with Leicester Tigers Rugby Club through supporting the women's team for the 2024/2025 season. We also support grass roots sports clubs including Teesside Powerchair Football Club, Bethesda Rugby Club and Carryduff U15 Girls Hurling team.

Wetland maintenance

Cambusmore Quarry collaborated with the Callander Woodland Group to clear overgrown pathways and enhance drainage in wetland areas whilst the North Cave team continued their ongoing partnership with the Yorkshire Wildlife Trust to restore the former quarry area into a thriving wetland.



Social enterprise support

Our colleagues supported Green Routes, a Stirling-based charity, in improving accessibility to their outdoor learning space for young people with additional support needs and our team at Breedon on the Hill quarry donated over 100 tonnes of material to help the Sunnyside Rural Trust improve their car park and paths around the centre which trains people with learning disabilities in horticultural skills.

Community food

Donating 150 tonnes of materials from our Powmyre quarry to kickstart a community supported agriculture scheme as part of the Sustainable Kirriemuir project.

Rural crime reduction

Sponsoring an Automated Number Plate Recognition crime reduction initiative with Derbyshire Police.

Sustainability People

People performance data table

	2020	2021	2022	2023	**2024**	YOY change
Proportion of women in workforce	-	13%	14%	15%	**15%**	-
Number of women at management level	-	119	143	146	**157**	8%
Employee training hours	–	13,651	21,919	22,697	**23,095**	2%
People positively impacted	-	11,114	17,814	25,856	**27,268**	5%
Community/charitable financial donations	-	£154,906	£318,097	£455,305	**£603,770**	33%
Community/charitable material donations (t)	-	513	669	3,273	**1,555**	(52)%
Neighbour complaints	72	45	29	26	**15**	(42)%

Click or scan to view more People performance data

Future focus

To build on our successes in 2024, our focus going forward will be to:

- increase employee awareness, knowledge and engagement through improved communication;
- develop a compelling and inclusive offering of benefits to our colleagues and launch a new flexible benefits platform;
- finalise a mental health framework through our new partnerships and in collaboration with all colleagues;
- further growth in our early careers pipeline and further develop our attraction pathways into the organisation;
- focus on driving and embedding performance conversations as we seek to proactively manage our talent pipeline and succession proactively;
- implement a new Group-wide ESG reporting and management tool and a new system for quantifying social impact; and
- embed our new social value methodology ensuring social value is delivered through our colleagues, customers and supply chain partners.

Sustainability Places

Places

Making a material difference to the built environment

Click or scan to find out more about the Places pillar

Our products play an important role in building the places and spaces around us. With the increasing drive towards more sustainable construction, we recognise it is our responsibility to provide our customers with innovative, lower carbon and more sustainable solutions. We do this through our focus on research and development, innovation and collaboration.

New target 2030

Our target is to achieve 50% of the Group's revenue across the concrete, asphalt, blocks, brick and tile portfolio from the Breedon Balance range by 2030

What we said	Progress in 2024
Make further progress towards our previous 2030 target to achieve 50% of our asphalt and concrete sales revenue from more sustainable products.	Sales of asphalt and concrete products with more sustainable attributes rose from 40% in 2023 to 48% in 2024. As we were on track to exceed our 2030 target, we have upgraded our ambition still further.
Increase the proportion of CEM II sales, and install additional silos to enable the use of CEM II downstream.	Additional silos installed and CEM II sales increased from 30% to 37%.
Publish Environmental Product Declarations (EPDs) for Hope's cement products.	EPDs for Hope's cement products published in May 2024.

Sustainability Places

Our focus on innovative, lower carbon and more sustainable products and services

Sustainable products

Our focus is on making our products and services even more sustainable.

Some examples of our progress in 2024 include:

- increased sales of products with sustainable attributes from 40% to 48% and sales of Breedon Balance products from 28% to 34% of revenue;
- significant increase in production of warm mix asphalt;
- increased usage of RAP in asphalt production;
- addition of biogenic materials into polymerised and standard bitumens;
- tar bound planings processing to produce foam mix asphalt, offering our customers both cost-saving potential and significant CO_2 savings;
- successful switch to CEM II as the main cement type in many of our ready-mixed concrete plants;
- increased focus on the usage of ground granulated blast-furnace slag to facilitate lower carbon standard concrete mixes;
- supply of concrete containing incinerator bottom ash aggregate to livestream projects in Scotland and England – including the first ever project in England; and
- our BMC division in the US achieved a milestone of delivering over one million cubic yards of high-quality, lower carbon concrete made with the CarbonCure™ solution.

The first Biophalt® trial in Ireland

In October 2024, we were proud to be part of a collaboration to conduct the first Biophalt trial in Ireland – offering a lower carbon asphalt using a plant-based alternative to traditional bitumen that also includes 40% recycled materials.

Click or scan to find out more

1 million cubic yards of CarbonCure™ concrete in the US

Applicable to both precast and ready-mixed, the CarbonCure™ solution injects captured CO_2 directly into concrete while it is being mixed.

Click or scan to find out more

Environmental Product Declarations

As part of our ongoing commitment to data transparency and making it easier for our customers to make informed choices we have continued to develop our EPD offering during 2024.

Following the verification of Hope Cement's EPDs in May 2024, we now have EPDs for all our cement products. Breedon Ireland is working with EcoChain on lifecycle assessments for all their asphalt mixes, aiming for verified EPDs in 2025.

In addition, we have achieved PAS 2080 certification, enabling customers to reduce carbon emissions and costs on their projects.

Sustainability Places

Adapting our operations

We continue to invest in the development of our operations to further enhance our capabilities in making our products more sustainable.

We are achieving this through investment to enable us to use more recycled or secondary materials in our plants, the introduction of new technologies to capture and store carbon and by introducing new materials and additives into our production processes.

We are also developing our systems, data capture and reporting to enable us to calculate the carbon intensity of our products as we look to provide our customers with the sustainability data they need.

During 2024 we developed a process to calculate the carbon intensity for our delivered cementitious and asphalt products. In 2025 we will explore the possibility of allowing customers to access a portal to extract the carbon data on products supplied.

Research, development and innovation

We understand that innovation and an investment in research and development is vital for our business.

Our focus is on enabling the development of new, more sustainable products, processes and services; improving efficiencies, reducing costs and differentiating ourselves from our competitors to enhance our position as an industry leader.

Collaboration and influence

Working in partnership with our supply chain and customers is a key part of our strategy.

Our strong representation on a number of industry committees and associations ensures that we remain informed with the latest developments and are able to contribute to developing policies.

We actively engage with and support research groups and academia, providing expertise and resources on a wide range of research and development projects.

Places performance data table

	2020	2021	2022	2023	**2024**	YOY change
Sustainable concrete and asphalt sales revenue[1] % of total concrete and asphalt revenue	-	25%	37%	40%	**48%**	8ppt
Breedon Balance concrete and asphalt sales revenue[1] % of total concrete and asphalt revenue	-	-	-	28%	**34%**	6ppt
% product sales covered with products holding a valid Environmental Product Declaration	-	-	-	-	**18%**	-
% of products that qualify for credits in sustainable building design and construction certifications e.g. BREEAM	-	-	-	-	**70%**	-

1 Revenues from BMC in 2024 not included

Click or scan to view more Places performance data

Future focus

To build on our successes of 2024, our focus going forward will be to:

- further establish our Breedon Balance range and continue to make progress towards our 2030 target of 50% of our sales to come from this range;
- continue to invest in our production capabilities for more sustainable processes and materials;
- grow our innovation pipeline and embed processes and governance to drive delivery;
- invest in our research and development facilities and capabilities; and
- continue to expand our EPD offering to a wider range of our products.

Sustainability Principles

Principles

Ensuring that we operate responsibly and transparently

Click or scan to find out more about the Principles pillar

Underpinning our Planet, People and Places pillars, our fundamental operating Principles ensure that we operate responsibly through our continuous focus on health and safety, quality, ethics and integrity, governance and stakeholder engagement.

What we said	Progress in 2024
Introduce a new reporting and Integrated Management System platform.	Enhancements to our integrated Breedon Management System, incident investigation, and reporting processes have improved oversight and learning.
Extend BES 6001 certification across more of our concrete sites.	All of our GB and Ireland concrete sites are now certified to BES 6001.
Achieve PAS 2080 Carbon Management accreditation.	Achieved PAS 2080 accreditation for Breedon Trading Limited.
Complete the DMA and prepare for Corporate Sustainability Reporting Directive-aligned reporting.	Initial DMA research conducted and made progress on preparation for relevant emerging reporting requirements.

Sustainability Principles

Keeping our people safe and well

Health and safety

Breedon made significant progress in enhancing its safety culture in 2024, with stronger leadership engagement and a focus on fostering a safer, more resilient working environment. Highlights include:

- roll out of Five Alive rules across the Group; and
- 6% improvement in combined LTIFR.

These efforts have reinforced the Group's commitment to prioritising the wellbeing of its workforce and building a robust safety foundation.

Looking ahead, Breedon will continue to advance its safety agenda by driving cultural change and improving risk management across the business. Through a focus on continuous improvement and strategic leadership, the Group is committed to ensuring sustainable safety enhancements and maintaining a strong focus on protecting employees and contractors.

Safety performance

Breedon's safety performance in 2024 demonstrated improvements in key areas, reflecting a strong focus on safety and leadership.

Our combined LTIFR performance reflects a 6% improvement against 2023. This was due, in part, to a reduction in employee lost time incidents in 2024, however this masks an increase in contractor LTIFR which is an area of focus for us.

74% of our operational sites have certified ISO 45001 health and safety management systems. Strong levels of reporting were maintained throughout the year, reaffirming Breedon's commitment to transparency and ongoing safety enhancements.

We have continued to increase the number of Visible Felt Leadership site visits throughout the year, demonstrating stronger management and leadership engagement in promoting our safety culture.

High potential incidents are those which carried high risk but where the outcome was benign. They provide good learning and improvement opportunities and we have increased our emphasis on reporting them in recent years in order to improve our overall safety outcomes. In 2024 these were significantly reduced, evidence of the effectiveness of our strategy to improve our safety culture.

Health and safety initiatives

In 2024, we launched key initiatives that will continue into 2025 and beyond.

- Breedon's Five Alive rules and the Significant Risk Elimination program have driven a stronger safety culture by focusing on critical behaviours and addressing significant risks.
- Enhancements to our Breedon Management System, incident investigation, and reporting processes have improved oversight and learning.
- Additionally, a renewed focus on occupational health, particularly health surveillance, ensures employee wellbeing remains a priority.

These efforts reflect our commitment to creating safer, healthier workplaces and driving continuous improvement across all aspects of our operations.

Improved safety and performance outcomes at RAF Leeming

Removing the need for technicians to walk around plant taking temperatures or samples

Click or scan to find out more

Sustainability Principles

Ethics and integrity

We aim to operate compliantly, transparently and with integrity, ensuring ethical operations and responsible sourcing. In 2024 a further 5,746 hours was spent by colleagues on training covering anti-bribery and corruption, competition law, whistleblowing, cyber security and modern slavery.

Responsible procurement

In 2024 we strengthened our procurement function, appointing a dedicated Sustainable Supply Chain Manager and two senior Category Managers to support compliance with our sustainable procurement policy, supplier code of conduct, and Modern Slavery Statement.

Highlights this year have been:

- a risk matrix approach to supplier management implemented and a tender to select our supplier pre-qualification partner, Avetta; and
- 400 strategic or high risk suppliers in GB were invited to register with Avetta in December 2024.

By collaborating closely with suppliers, we strengthen relationships and drive continuous improvement, fostering mutual growth. This proactive approach reinforces our commitment to responsible sourcing and ethical procurement.

Promoting reuse through our responsible supply chain

Following a major office refurbishment programme at Breedon's head office, Biffa and the Derby Furniture Alliance ensured that the old furniture was reused rather than recycled or treated as waste.

Click or scan to find out more

More detail on our other focus areas for Principles:

Good governance »100

Stakeholder engagement »96

Principles performance data table

	2020	2021	2022	2023	**2024**	YOY change
Combined LTIFR (employees and contractors) per million hours worked	3.0	3.1	3.1	3.5	**3.3**	(6)%
Combined TIFR (employees and contractors) per million hours worked	18.0	19.8	17.2	17.0	**17.7**	4%
CDP score – Climate Change	-	-	-	B	**A-**	-
CDP score – Water Security	-	-	-	C	**B-**	-
Number of hours employees compliance training	-	-	-	7,356	**5,746**	(1,610)
Supply chain audits completed	-	-	-	-	**14**	-

Click or scan to view more Principles performance data

Future focus

In addition to our ongoing focus around existing targets and strategies, in 2025 we will be focusing more explicitly on:

- the materiality of our focus areas and preparation for relevant emerging reporting requirements ;
- implementing enabling systems and embedding Significant Risk Elimination thinking across the Group to improve our health and safety data and performance;
- ensuring all high-risk suppliers are registered within the Avetta pre-qualification system;
- launching new supplier and payment forms to ensure we capture all the required information for risk assessment and compliance to our supplier code of conduct; and
- conducting a further 34 supplier audits.

Sustainability Non-financial and Sustainability Information Statement

Reporting requirement and key performance information	Relevant policies	Page reference
Environmental matters		
– Our net zero targets were validated by the Science Based Targets initiative (SBTi) – Climate Transition Plan developed – Location-based carbon intensity reduction of 9% in comparison to 2023	**Energy and Carbon** – Outlines our commitment to operating our business in a manner that ultimately eliminates its contribution to global warming. **Environment Policy** – Seeks to protect the environment, prevent pollution, mitigate our environmental impacts on surrounding communities and improve sustainable development. **Circular Economy** – Our commitment to the principles of the circular economy and the responsible use of resources. **Biodiversity Policy** – Our commitment to protect and enhance biodiversity across all our operational sites. **Sustainability Policy** – Our commitment to ensure that our actions and decisions are sustainable, balancing the long-term economic, social and environmental impacts of our activities for the benefit of all our stakeholders.	**More information:** TCFD »59 to 66 **Related principal risks:** Climate change »52 Land and mineral management »53 Competition »54 Laws, regulations and governance »56 Supply chain and input costs »57
Climate-related financial disclosures		
– Reported against the recommendations of the Taskforce on Climate-related Financial Disclosures	**Energy and Carbon Policy** – Outlines our commitment to operating our business in a manner that ultimately eliminates its contribution to global warming.	**More information:** SECR table »75 TCFD »59 to 66 **Related principal risks:** Climate change »52 Laws, regulations and governance »56

Reporting requirement and key performance information	Relevant policies	Page reference
Employees		
– 3.30 combined (employees and contractors) LTIFR per million hours worked – 17.7 combined (employees and contractors) TIFR per million hours worked – 78% employee engagement score/ employees feel proud to work for Breedon – 43% of Board positions held by women	**Business Code of Conduct** – Affirms our commitment to high standards of ethical conduct in all our business dealings. **Health, Safety and Wellbeing Policy** – Our commitment to preventing injuries and work-related ill-health by achieving and maintaining the highest standards of health, safety and wellbeing, through continuous improvement and the promotion and sharing of good practice. **Diversity and Inclusion Policy** – We value and respect the differences that make each person unique and we aim to create an environment where all our colleagues can be themselves, feel valued and respected and able to give their best. **Social Responsibility Policy** – We act in a responsible and ethical manner and are actively and positively present in the communities where we operate.	**More information:** Non-financial KPIs »41 Employee engagement »82 Board composition »102 to 103 **Related principal risks:** People »54 Health and safety »55 Laws, regulations and governance »56
Human rights		
– Continue to train over 1,200 employees to identify signs of modern slavery and human trafficking for which we have a zero tolerance policy – Improved our supplier pre-qualification and audit process and auditing 14 high risk/strategic suppliers in GB	**Anti-slavery Policy** – Outlines Breedon's zero tolerance approach to modern slavery in our business or supply chains. **Modern Slavery Statement 2024** **Supplier Code of Conduct** – Establishes the minimum standards that must be met by any entity that supplies products or services to the Group. **Sustainable Procurement Policy** – We work collaboratively with our suppliers to create a procurement process that not only meets legal requirements but also contributes positively to society and the environment. **Whistleblowing Policy** – We have an independent grievance and whistleblowing process that allows concerns and challenges to be raised (anonymously if needed), without fear of reprisal.	**More information:** Responsible procurement »93 **Related principal risks:** People »54 Laws, regulations and governance »56 Supply chain and input costs »57

Section 172(1) statement

Section 172(1) statement

The Board are fully aware of and understand their duties under the Companies Act 2006 Section 172 and have established a framework for determining those matters within in its remit.

Our Section 172(1) statement identifies our stakeholders, gives examples of key decisions taken by the Board in 2024 and how they were considered in that decision-making process, and reports on how these decisions are connected to our business model and overall corporate strategy.

The directors believe that they have acted in good faith in a way which is likely to promote the success of the Company for the benefit of its members and other stakeholders through the decisions they have taken during 2024.

The likely consequences of any decision in the long term

The interests of the Company's employees

The need to foster business relationships with suppliers, customers and others

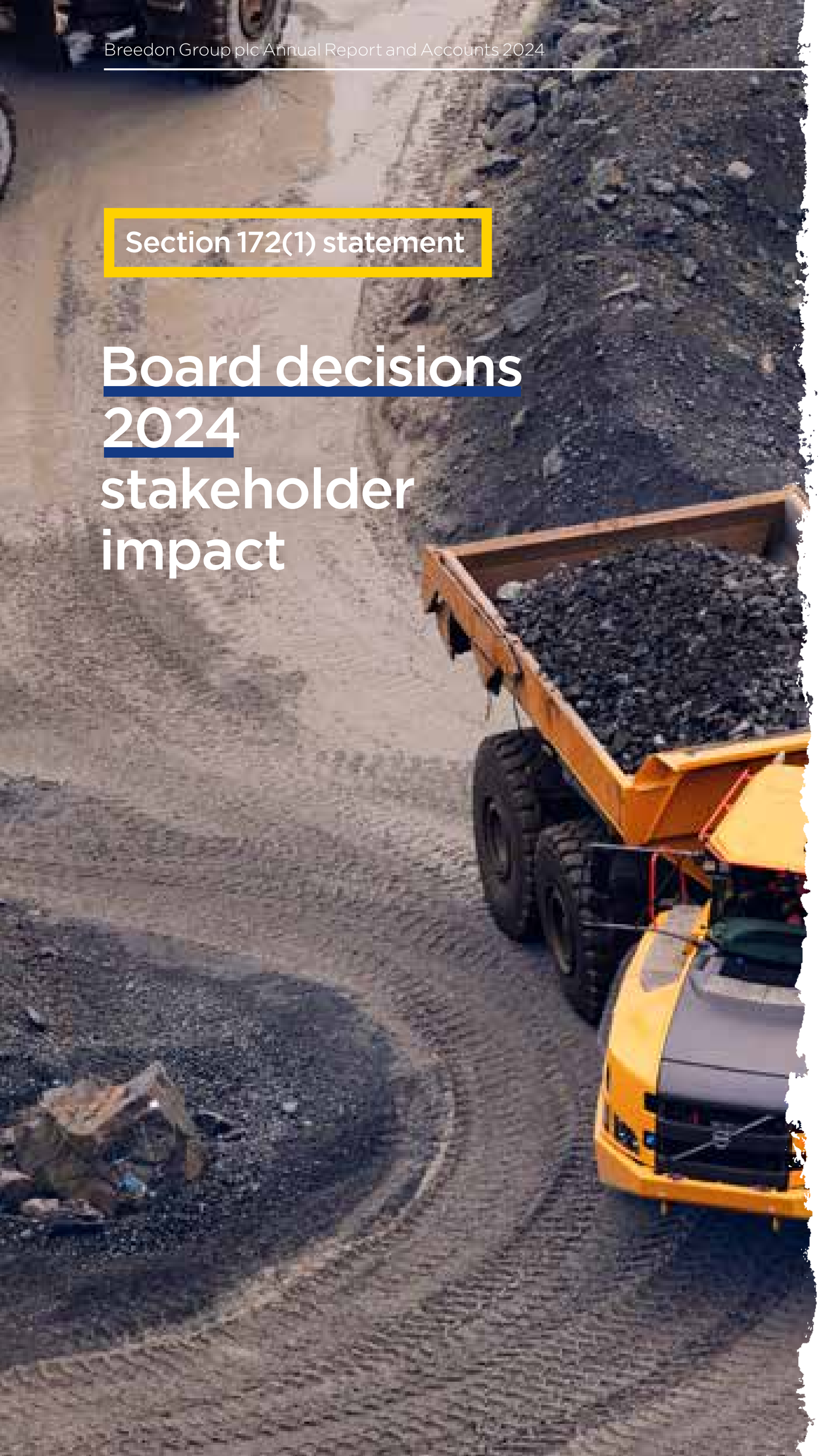
The impact of the Company's operations on the community and the environment

The desirability of the Company maintaining a reputation for high standards of business conduct

The need to act fairly as between members of the Company

Section 172(1) statement

	Colleagues	Customers and suppliers	Communities	Investors and lenders	Regulators, local government, industry associations
Key concerns	– Physical working conditions – Pay and benefits – Communication – Opportunities for development and training – Health, safety and wellbeing – Sustainability	– Product development – Service levels – Sustainability commitments – Product quality – Payment practices – Cost	– Noise – Transportation routes – Health and safety – Environment – Communication – Support for local causes	– Governance – Profitability and return on investment – Sustainability commitments – Dividend policies – Environment – Strategy	– Climate change – Emissions and discharges – Site restoration and aftercare – Health and safety – Logistics practices – Planning compliance
Direct methods of engagement	– Colleague focus groups – Colleague groups and social committees – DNED for Workforce Engagement – Personal development reviews	– In person engagement – Contracts and terms of business – Tender quotations	– Targeted consultations – 360 feedback – Local liaison meetings – Good neighbour plans – Community events – Site tours, open days – School visits	– Capital Markets Event – Site visits and field trips – One-to-one meetings – Group meetings – Investor conferences – Brokers' contacts – AGM and General Meetings	– Regulator visits and meetings – Liaison with local MPs and government offices – Participation in industry associations
In-direct methods of engagement	– Colleague engagement surveys – Intranet, post, emails, newsletters, notices	– Third-party engagement – Website – Industry associations	– Social media – Letters, emails, notices – Websites	– Website – Annual Report and Accounts – Social media	– Mandatory returns and applications – Notices
Value created	Improved engagement with colleagues ensures we develop, motivate and retain our valued workforce while promoting and attracting new colleagues who want to work for us.	Engaging with our customers helps us deliver excellent customer service and build relationships to enable us to get the right product, to the right place, at the right time for the right price. Engaging with our suppliers helps us deliver a sustainable supply chain and circular economy.	Positive engagement with our communities ensures that we understand and take into account their concerns and needs so that we can address these and improve the communities that we live and work in.	Our engagement with investors and lenders ensures that they have a clear understanding of our business and objectives and are prepared to continue with their financial support.	Through our engagement we are able to respond and contribute to sector needs and requirements, deliver on compliance and regulatory standards, and have input in their development.



Stakeholder engagement provides the Board with insight as to what matters most to our stakeholders. The Board values the feedback that this engagement provides, which allows us to build trust, balance interests, needs and concerns, and make better decisions for all those affected.

The Board recognise the critical role stakeholders play in the long-term success of the Company and is committed to building sustainable and resilient relationships with them. Further information about the Board's approach to engagement with our stakeholders is set out on page 96.

Our values and culture, set out on page 108, are key to how Breedon conducts its business and are an integral part of decision-making.

How we have engaged with investors in 2024 can be found on pages 109 to 111.

Evolving strategy

Context

Our strategy has at its core the delivery of profitable growth through the efficient provision of essential materials to structurally-attractive end-markets and the execution of carefully considered acquisitions in target geographies. The Board keeps strategy under review and in 2024 announced an evolution of the Group's strategy, retaining an emphasis on profitable growth underpinned by a focus on the core driving forces of 'Expand' and 'Improve'.

Consideration of S172(1) stakeholders

Whilst day-to-day authority on the delivery of the strategy is delegated to the executive directors and the senior management team, the Board receive regular updates at each meeting on key activities, progress and decisions taken, thus maintaining oversight of the execution of the strategy and how those activities and decisions impact our stakeholders.

Value created

The evolved strategy will concentrate on:

Expand

- balance M&A with organic growth by supplying essential materials to structurally-attractive end-markets that benefit from long-term growth dynamics, ensuring we are well-positioned in high-demand sectors; and

Improve

- replenishing materials, unlocking efficiencies and driving innovation to maximise the assets we own and acquire, ensuring that every operation is optimised for performance and value.

Section 172(1) statement

The acquisition of BMC

Context

The acquisition of BMC was a major strategic move by the Group and the Board were closely involved in all aspects of the transaction; starting with the initial evaluation conducted by the executive team to explore the US as a potential third geographic platform for the Group all the way through to the successful completion of the acquisition and subsequent integration.

Consideration of S172(1) stakeholders

Investors

The Board needed to balance the clear attractiveness of the US market with the consideration that many investors had acquired their shares in Breedon on the basis of the Group being a focused UK and Ireland business. Following our announcement of our intention to explore a third platform the Board closely reviewed investor feedback and requested further analysis of the market opportunity, the nature of the businesses that Breedon might seek to acquire and likely valuations. Due diligence on BMC was conducted by third parties and the Board commissioned an independent report on valuation and financial effects of the transaction.

Communities, customers and suppliers

The acquisition of BMC was not expected to impact Breedon's existing communities, customers and suppliers given that BMC is based in a wholly separate geography; however the Board focused on how BMC engaged with its communities, its reputation in the local market and the sustainability characteristics of the acquired business, including the extent and the quality of the acquired reserves and resources.

Colleagues

A key element of focus for the Board was the extent that there would be a cultural alignment between existing Breedon colleagues and their new BMC colleagues. Independent due diligence was commissioned involving interviews with senior BMC management to discuss how BMC's values aligned with those of Breedon. Following the acquisition there are now opportunities for both Breedon and BMC teams to spend time in and learn from each other's businesses, together with longer-term secondment opportunities.

Value created

The establishment of a third geographic platform has been a key strategic priority for the Group. The acquisition of BMC is intended to be the first stage in the development of a significant US business over time, which will reduce the dependency of the Group on the UK and Irish markets and provides opportunity for future value creation.

US share scheme

Context

The Board ensures that there is a strong focus on the alignment of culture and values across the Group. The Board have implemented an Employee Stock Purchase Plan for US colleagues, similar to that which is currently offered to colleagues in both the UK and Ireland.

Consideration of S172(1) stakeholders

Colleagues

Providing the opportunity for all our employees to save and purchase discounted shares and become shareholders in the wider Group.

Value created

With nearly 600 colleagues in the US, the implementation of a stock purchase plan for our US colleagues, who have come from a previously family-owned business, is instrumental in realising the value of being part of a listed entity.

A stock purchase plan enables colleagues to benefit financially through providing an opportunity to share in the long-term success of the Group.

Section 172(1) statement

Through cycle investment

Context

GB Cement is dependent on rail fleet to deliver product to our cement terminals for onward haulage to internal and external customers in a sustainable way. Targeted investment for the replacement of our old tankers with a long term lease of 54 JPA wagons was provided through thoughtful capital allocation.

Consideration of S172(1) stakeholders

Investors

Consideration given to outright purchase and alternative leasing arrangements for whole-of-life costing with delivery of associated cost reduction.

Communities

Optimisation of logistics and increased efficiencies reducing impact on the environment through a reduction in the number of rail movements.

Customers

Greater reliability, improved performance and service delivery together with efficiency enhancements should bolster our service offering on critical infrastructure projects across the UK.

Suppliers

Increase value add back into the industry with sensors and availability of data analytics to support on safety improvements across the supply chain.

Value created

Carefully targeted investment on the replacement of end-of-life key assets ensures the future success of the Company as a whole. This investment will provide new data-driven insights into wagon safety and performance, operational efficiencies and real time tracking.

Revised carbon targets

Context

The Board and Sustainability Committee have revised carbon emission targets with the aim to achieve a 23.3% reduction in absolute gross scope 1 and 2 emissions, and scope 3 emissions from purchased clinker and cement by 2030. Targets associated with social value and our Breedon Balance products were also rebased.

Consideration of S172(1) stakeholders

Customers

Through engaging with our customers we understand their growing need for lower carbon products.

Communities

A reduction in carbon emissions has a positive impact on the local communities, nature and biodiversity in which they live.

Suppliers

Encouraging our suppliers to provide lower carbon and more sustainable products and use efficient and new technologies.

Colleagues

Employee engagement has demonstrated the importance of sustainability in attracting and retaining talent.

Value created

Operational efficiencies, trials of new equipment and technologies, and increasing use of alternative fuels will accelerate our reduction of carbon use across the Group.

Governance

Corporate governance at a glance

Board overview

As at the date of this report, our Board comprised the Chair, four independent non-executive directors and two executive directors. There is a clear division of responsibilities between the Chair, the SID and the CEO,

Chair

- Ensure the Board is effective in setting and implementing the Group's direction and strategy.
- Oversee the operation of the governance framework.
- Chair the meetings of the Company, Board and Nomination Committee.
- Ensure the Board is effective in all aspects of its role, including its legal, regulatory and shareholder responsibilities.
- Maintain dialogue with the CEO and the Board on important and strategic issues.

Senior Independent Director

- Act as a sounding board for the Chair and other members of the Board.
- Be an alternative point of contact for shareholders.
- Work with the Chair, Board and shareholders to resolve significant issues.
- Obtain a balanced understanding of the issues and concerns of shareholders.
- Lead the performance evaluation of the Chair on behalf of the Board.

Chief Executive Officer

- Oversee the operational day-to-day management of the Group's businesses in line with the strategy and long-term objectives.
- Make decisions affecting the operations, performance and strategy of the Group's businesses, except for matters reserved to the Board or Committees.
- Implement the strategy and long-term objectives, annual budget and operating plan.

Non-executive tenure

Amit Bhatia	8 years, 5 months
Carol Hui, OBE	4 years, 8 months
Pauline Lafferty	3 years, 9 months
Helen Miles	3 years, 11 months
Clive Watson	5 years, 5 months

Independence

Independent	4
Non-independent	3

Meeting attendance

	Board	Audit & Risk	Remuneration	Nomination	Sustainability
Amit Bhatia	6/6	–	–	3/3	3/3
Rob Wood	6/6	–	–	–	–
James Brotherton	6/6	–	–	–	–
Carol Hui, OBE	6/6	4/4	4/4	3/3	3/3
Pauline Lafferty	6/6	4/4	4/4	3/3	3/3
Helen Miles	6/6	4/4	4/4	3/3	3/3
Clive Watson	6/6	4/4	4/4	3/3	3/3

Ethnicity

	White	Ethnic minority
Board	5	2
Audit & Risk	3	1
Remuneration	3	1
Nomination	3	2
Sustainability	3	2

Gender

	Male	Female
Board	4	3
Audit & Risk	1	3
Remuneration	1	3
Nomination	2	3
Sustainability	2	3

Board of directors

Board leadership

Our Board comprises an executive leadership team with extensive knowledge of the international construction materials industry, supported by experienced non-executive directors who bring a wealth of governance disciplines and a breadth of valuable external perspective to our business.

Key

- A Member of the Audit & Risk Committee
- R Member of the Remuneration Committee
- N Member of the Nomination Committee
- S Member of the Sustainability Committee
- Committee chair

Amit Bhatia

Chair of the Board

N S Independent: No

Amit was appointed to the Board in August 2016, appointed Deputy Chairman in April 2018 and Chair in May 2019.

Experience

Amit has over 20 years' corporate finance and private equity experience. He is a founding Partner at Summix Capital, a strategic land and property fund. He was Executive Chairman of Hope Construction Materials until it was acquired by Breedon Group in August 2016 when he joined the Board as a non-executive.

Other positions held

Director, Queens Park Rangers Football Club

Partner at Summix Capital

Managing Director – AyBe Capital Advisers Limited

Rob Wood

Chief Executive Officer

Independent: No

Rob was appointed to the Board in March 2014 as Group Finance Director and took the position of Chief Executive Officer in April 2021.

Experience

Rob has over 20 years' experience in the international building materials industry. He qualified as a chartered accountant with Ernst & Young and subsequently joined Hanson plc where he held a number of senior positions including Finance Director Brick Continental Europe, Finance Director Building Products UK and Chief Financial Officer Australia and Asia Pacific. Following the acquisition of Hanson plc by HeidelbergCement AG, Rob returned to the UK and joined Drax Group plc as Group Financial Controller. During his time at Drax he also spent a period of time as Head of Mergers & Acquisitions.

Other positions held

None

James Brotherton

Chief Financial Officer

Independent: No

James was appointed to the Board in April 2021 as Chief Financial Officer.

Experience

James joined Breedon in January 2021. Previously he was CFO of Tyman plc between 2010 and 2019, prior to which he was Director of Corporate Development. Earlier in his career, James worked in investment banking roles at Citi and HSBC, after qualifying as a chartered accountant at Ernst & Young.

Other positions held

Director, The Quoted Companies Alliance

Member of the Panel on Takeovers and Mergers

Member of the Pre-Emption Group

Skills matrix

Skills matrix	Amit Bhatia	Rob Wood	James Brotherton
Board	✓	✓	✓
Strategy	✓	✓	✓
Sector	✓	✓	✓
ESG	✓	✓	✓
Finance/accounting	✓	✓	✓
Risk/internal control	✓	✓	✓
Legal	✓	✓	✓
Workforce engagement/remuneration	✓	✓	✓
Governance	✓	✓	✓
Listed company	✓	✓	✓
Cyber/technology		✓	✓

Carol Hui, OBE

Non-executive Director

A R N **S** Independent: Yes

Carol was appointed to the Board in May 2020 and as Chair of the Sustainability Committee in January 2022.

Experience

Carol was the Non-executive Chairman at Robert Walters plc, an Executive Board Director at Heathrow Airport Limited and held senior executive positions at large companies including Amey plc and British Gas plc. Previously she was a corporate finance lawyer with Slaughter and May. Carol is an experienced non-executive director having served on varied boards in major infrastructure, real estate, tourism, charities, consultancy and education. She has received numerous legal and business awards throughout her career. Carol received an OBE in 2024 for her services to tourism.

Other positions held:

Non-executive Director, Grainger plc, Chair of Responsible Business Committee

Non-executive Director, Lord Chamberlain's Committee, Royal Household

Board Trustee, Christian Aid

Pauline Lafferty

Non-executive Director

A **R** N S Independent: Yes

Pauline was appointed to the Board and as Chair of the Remuneration Committee in August 2021 and is the Designated Non-executive Director for Workforce Engagement.

Experience

Pauline brings significant experience from an international career spanning manufacturing and supply, executive search and human resources. Since retiring as Chief People Officer at Weir Group plc, where she was responsible for progressing the Group's agenda on all aspects of strategic HR, she has embarked on a non-executive portfolio that includes Chair of the Remuneration Committee for XP Power Limited, Scottish Events Campus Limited and on the Board of Centurion Group. Prior to Weir Group plc, Pauline was a Partner with The Miles Partnership and an Executive Director at Russell Reynolds Associates in the UK and Australia, and Asia Pacific Director of Materials & Supply at Digital Equipment Corporation in Hong Kong.

Other positions held:

Non-executive Director, XP Power Limited, Chair of Remuneration Committee

Helen Miles

Non-executive Director

A R N S Independent: Yes

Helen was appointed to the Board in April 2021 as an independent Non-executive Director.

Experience

Helen brings with her a breadth of operational and commercial experience having worked within regulated businesses together with her broader infrastructure experience developed across telecoms, leisure and banking. As a member of the UK Board, Helen was instrumental in delivering HomeServe's future growth strategy and ensuring a sustainable, customer-focused business. As an experienced finance professional, Helen was previously Chief Financial Officer for Openreach, part of BT Group plc, and has extensive experience of delivering major business transformation across the Group. Prior to BT Group, Helen worked in a variety of sectors and organisations such as Bass Taverns Limited, Barclays Bank plc, and Compass Group plc.

Other positions held:

Chief Financial Officer, Severn Trent plc

Clive Watson

Non-executive Director

A R N S Independent: Yes

Clive was appointed to the Board in September 2019 and became the Senior Independent Director and Chair of the Audit & Risk Committee in April 2020.

Experience

Clive has considerable finance experience, having previously been the Group Finance Director of Spectris plc, Chief Financial Officer and Executive Vice President for business support at Borealis, Group Finance Director at Thorn Lighting Group and held a variety of finance roles at Black & Decker. In 2019, Clive retired as a Non-executive Director of Spirax Sarco Engineering plc, where he was Chair of the Audit Committee and Senior Independent Director.

Other positions held:

Non-executive Director, discoverIE Group plc, Chair of Audit & Risk Committee

Non-executive Director, Kier Group plc, Chair of Risk Management & Audit Committee

Non-executive Director, Trifast plc, Senior Independent Director and Chair of Audit and Risk Committee

Skills matrix

Skills matrix	Carol Hui, OBE	Pauline Lafferty	Helen Miles	Clive Watson
Board	✓	✓	✓	✓
Strategy	✓	✓	✓	✓
Sector	✓		✓	
ESG	✓	✓	✓	✓
Finance/accounting	✓	✓	✓	✓
Risk/internal control	✓	✓	✓	✓
Legal	✓		✓	✓
Workforce engagement/remuneration	✓	✓		✓
Governance	✓	✓	✓	✓
Listed company	✓	✓	✓	✓
Cyber/technology			✓	

Corporate governance statement

The Board continues to support the growth and success of the company, through robust governance practice

2024 has seen Breedon complete its first full year as a main market listed company and the Board have taken time to review and reflect what that means for the Group and its stakeholders. The Board reviewed all governance documentation including Board policies and the various terms of reference. I am pleased to report that following our internal review of Board and Committee performance, we believe that we have continued to support the Group and our colleagues through robust governance practice. For 2025, we have updated our governance documentation following the published FRC Corporate Governance Code and will report formally against the new Code as the requirements come into effect in 2025 and 2026.

Amit Bhatia
Non-executive Chair
5 March 2025

On the Board's mind...

Engaging with colleagues and embedding culture

The Board continues to engage with colleagues through various means. Direct engagement allows the Board to receive first hand feedback and the employee 'Your Say' survey is vital to help the Board understand what Breedon does well and where it can improve. Site visits allow the Board to interact and understand employees views.

The Board acknowledges that these experiences drive culture and are instrumental in achieving a workplace where colleagues feel safe, proud and motivated.

More detail »107

Understanding cyber risks and resilience

The Board is aware of increasing investor focus on board oversight of cyber risk. The Board have added oversight of cyber risk as part of its Schedule of Matters Reserved to the Board and to the Audit & Risk Committee Terms of Reference. The Audit & Risk Committee provide the Board with reassurance of the effectiveness of the Group's cyber risk, policies and procedures.

More detail »56

Chair succession

At the forthcoming AGM, the Board are supporting the re-election of Amit Bhatia as a Director and Chair. Amit will have been on the Board of Breedon Group plc just under 9 years, and therefore during 2025 will have served on the board for more than nine years from the date of his first appointment. The Board considered Amit's tenure as part of succession planning and consulted with shareholders representing over half the issued share capital.

More detail »118

Management succession, talent and inclusion & diversity

The Nomination Committee has built on the foundations of a succession plan that it has been developing over the past few years. The Committee's focus has been on the succession of the executive directors and other members of the Executive Committee. The Committee has received support from the Head of Talent to identify emerging talent that supports the succession plan.

More detail »118

Supporting management with growth through acquisitions

The Board has a strong appetite for growth which was accelerated in the year with the launch of the third platform in the US. The Board considers that BMC is well positioned to grow within the US construction materials market.

More detail »24

Board in action

The Board held six scheduled meetings during the year together with two site visits, a strategy day and Board update calls

Each meeting of the Board and Committees was attended by all respective members. If the Board needs to make decisions in between meetings, it can do so through unanimous approval by email. However, they will only do so in such situations where the matter has been discussed at previous meetings so that directors are fully appraised, have had the opportunity to ask questions and are therefore in a position to make a fully informed decision.

The Board has delegated certain aspects to Board Committees, details of which can be found on pages 112 to 122 and 129 to 146.

The Board held various dinners throughout the year, some of which were exclusively for non-executive directors and some which included the whole Board, the Executive Committee and their leadership teams. No decisions are made at dinners.

These events present the Board with the opportunity to discuss matters impacting the business in an informal manner and provides the opportunity to engage with colleagues outside the workplace setting.

The non-executive directors meet without the executive directors being present either as part of a Committee meeting or prior to each Board meeting. On a regular basis, individual members of the Executive Committee and leadership team are invited to attend to present on strategic or operational matters.

The Board receive regular training during the year including presentations from the business on operational and strategic objectives together with external subject matter experts.

Key topics for the Board

Strategy
- Strategic plan reviewed
- Acquisitions
- US strategy
- External adviser strategy presentations
- Economics update
- Approval of contracts

Financial
- CFO reports on financial performance
- Budgets and forecasts
- Final and interim dividend
- Going Concern and Viability Statement
- Assessment of fair balanced and understandable
- Investor Relations Reports and interactions
- Preliminary Results
- Annual Report and Accounts
- AGM Trading Statement
- Interim Results
- November Trading Statement

Operational
- Presentations on health, safety and wellbeing, employee survey; GB Materials sustainability; GB Materials and Cement
- Board visits to Dagenham and Dowlow
- CEO reports on operational activity
- Modern Slavery Statement

Training
- Cyber Risks
- Directors Duties
- UK Listing Rules
- UK Corporate Governance Code
- Risk Elimination
- Technology

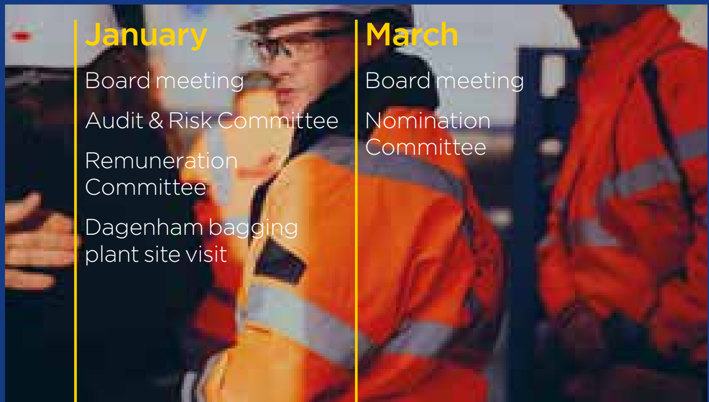
Risk and governance
- Risk appetite and principal risk review
- Board effectiveness review
- Legal and litigation update
- AGM
- Insurance review
- Directors' responsibilities training
- Audit reviews
- Audit issues and judgements
- Whistleblowing reports
- Board succession and dynamics
- Matters Reserved to the Board
- Declaration of Interests
- Board Policies
- Shareholding Guidelines
- External Quality Assurance

People and organisation
- Health, safety and wellbeing reports
- Succession planning
- Talent management
- Diversity and Inclusion Policy
- Gender Pay report
- Employee engagement and culture
- Remuneration, incentives and share awards
- Directors' Remuneration Policy
- New Share Scheme proposals

Sustainability
- Sustainability strategic objectives and targets
- SBTi and net zero commitment
- ESG performance
- Sustainability risks and opportunities
- ESG policies

Board in action

Board activity in 2024



January

Board meeting

Audit & Risk Committee

Remuneration Committee

Dagenham bagging plant site visit

February

Audit & Risk Committee

Remuneration Committee

Sustainability Committee

March

Board meeting

Nomination Committee

April

Board meeting

Remuneration Committee

Annual General Meeting

June

Strategy Day

July

Board meeting

Audit & Risk Committee

September

Board meeting

Nomination Committee

Sustainability Committee

Dowlow quarry site visit

October

Investor consultation with regards the Chair re-election

November

Board meeting

Audit & Risk Committee

Remuneration Committee

Sustainability Committee

Capital Markets Event

December

Board call

Nomination Committee

Culture and colleague engagement

How the Board engaged and assessed culture in 2024

DNED for Workforce Engagement

Three dedicated events took place in the year, where Pauline Lafferty DNED for Workforce Engagement met with colleagues. This year, the engagement plan saw a shift so as to engage with our colleagues that support our business operations, on a number of topics.

Two events took place in April where Pauline met colleagues from support functions including accounts payable, health & safety and logistics and in September with operational colleagues at Dowlow quarry.

The meetings now provide an insight to culture across a wider range of roles at different levels within the Group.

Workforce polices and ways of working

The Board and its Committees reviewed various policies in the year which aim to have a positive impact on colleagues. These policies such as the Diversity and Inclusion Policy, and Health, Safety and Wellbeing are monitored and reviewed annually. There is also in place a range of mandatory e-learning modules, to ensure that colleagues act in a way that supports behaviours that underpin the Company's values.

Informal engagement

The Board have held several dinners or lunches during 2024 where colleagues were invited to participate in discussions with members of the Board in an informal setting. The Board sees these events as an important way to connect with colleagues where no prescribed questions or topics are discussed and therefore allows the flow of information either way not to be dictated.

Engagement Survey

The annual survey is an opportunity for the Board to gain the views of colleagues across the Group. The Board reviews the results of the survey, which enables them to understand how engaged our colleagues are. The data provides the Board with movement from the previous year and how engagement compares to our peers. In 2024 our employee engagement score was 78%.

Board reporting

The Board receive regular reports providing an oversight of culture which recognises the importance and benefits of clear and embraced values and culture to the workplace experience. The Board acknowledge the importance of monitoring culture together with their role to influence culture to ensure that policy, practices and behaviour throughout the entire organisation are aligned with the Group's purpose, values and strategy.

Site Visits

The Board undertook two site visits in the year. The first in January was to the Dagenham bagging plant and was followed later in the year with a visit to Dowlow quarry in September.

The Board embrace the opportunity to undertake site visits to engage with colleagues in their own workplace whilst also observing and gaining an understanding of their roles within the business.

Culture and colleague engagement

The culture of an organisation drives behaviour, and the Board seeks to ensure that the right culture is in place to achieve our goals

Culture is important to the Board

All colleagues are expected to maintain an appropriate standard of conduct in all of their activities, and the directors seek to set the tone for such behaviour through their own actions.

To promote a common culture across the organisation, we have defined a clear purpose and set of values that support the successful delivery of our strategy. Led by the Board and Executive Committee, the Group continues to embed the purpose 'to make a material difference to the lives of our colleagues, customers and communities' to create a workplace where people feel safe, proud and motivated to do their best.

Our purpose is underpinned by our values: keep it simple; make it happen; strive to improve; and show we care. These values were formally introduced at the beginning of 2020 following collaboration across our workforce to ensure that they were relevant to, and resonated with, our people. The values are now an integral part of our ethos and an established way of working together to ensure long-term success.

By supporting these principles, we create a culture of trust, integrity, and accountability that supports growth and success. This is maintained through our leaders, embedding of values and behaviours in all learning interventions and colleague engagement.

Our people are one of our greatest assets and our number one priority remains sending our colleagues Home Safe and Well. The results of our cultural survey in 2024 provided the Board with valuable feedback on what our colleagues thought worked well and the areas that need to be improved.

Breedon remains focused on being a great place to work. At the heart of this is nurturing a culture of respect; valuing colleagues for who they are and the individual experience and perspectives they bring to Breedon. This is achieved by creating a sense of team and investing in colleagues so they have the opportunity to grow, learn and be the best they can be.

Our colleague's wellbeing continues to be paramount, and we have continued to 'show that we care' when it comes to all aspects of health, safety and wellbeing. Support, guidance and training is provided for the physical and mental wellbeing of our colleagues through the Employee Assistance Programme. Access to financial wellbeing webinars are provided covering debt and budgeting, scams and frauds and pensions. The Group provides share schemes for all eligible colleagues to save into together with a holiday purchase scheme for our UK and RoI colleagues. We support colleagues with technical and professional qualifications, funded through our levy and business sponsorship.

Employee engagement »107

Engaging with shareholders

The Board is committed to maintaining regular dialogue with our shareholders and market participants, supporting a comprehensive programme of investor relations activity

Economic driver

We encourage clear and transparent communication to promote a full understanding of Breedon's business model, strategy and end-markets. The programme includes direct Board engagement through the Chief Executive Officer and Chief Financial Officer, with Chair and Senior Independent Director participation upon request. All directors are available to meet with shareholders at our AGM.

The Board receives regular reports providing updates on key market events and share price performance, shareholder engagement and register analysis, analyst forecasts and recommendations, market updates and investor relations activities. Investor and market participant feedback are shared with the Board and contribute to the strategic decisions taken by the Board.

Meeting activity

Through the year we undertook nearly 400 meetings and interactions with institutions and private investors, further extending our engagement with non-holders and non-UK investors. Members of the Board took the opportunity to meet with investors, analysts and shareholders at the Capital Markets Event and the AGM.

The Senior Independent Director commenced engagement with investors in October 2024 regarding the Chair's tenure ahead of the resolution for re-election at the AGM in 2025.

Engaging with shareholders

Top questions

How are end-markets performing?

Our primary markets, infrastructure and housebuilding, are supported over the long-term by structural growth drivers.

In the short-term macroeconomic headwinds and poor weather conditions have presented challenging trading conditions, particularly in GB. Enquiry levels were healthy across all end-markets towards the end of 2024 and volumes stabilised in the second half.

Market review »10

How have volumes and pricing responded to macroeconomic volatility?

Resilient infrastructure spending underpinned aggregates and asphalt volumes. In addition, our deliberate strategy to grow our upstream mineral assets led to increased aggregate volumes in Ireland.

Cement and ready-mixed concrete volumes declined, primarily due to the soft housebuilding market in GB.

Pricing was sustained due to supportive market fundamentals, enabling us to fully recover input costs.

Chief Executive Officer's review and outlook »22
Operating reviews »32

What is your strategy to grow the US business?

In March we entered the US construction materials market with the acquisition of BMC, headquartered in St Louis, Missouri.

In the coming years we will build out our US business, initially within Missouri and the surrounding states. Over time we will aim to diversify the product offering to more closely resemble the wider Group's vertically-integrated model.

Chief Executive Officer's review and outlook »22

What are your priorities for capital deployment?

Our highly cash generative model has multiple routes to growth, undertaking M&A and investment.

To ensure we retain strategic flexibility and a strong balance sheet, our disciplined financial framework prioritises profitable growth and promotes return on invested capital. Excess capital is distributed to shareholders and deployed to reduce debt.

Chief Financial Officer's review »42

Engaging with shareholders

Investor relations activity in 2024

January
Investor site visit (Cloud Hill)

February
Closed period

March
2023 Annual Results

Investor roadshow; London, virtual

JPM Pan-Europe Small and Mid-cap CEO conference

Berenberg UK corporate conference

April
Q1 trading update

AGM

London roadshow

HSBC UK conference

May
Final dividend paid

UBS Pan-Europe Small and Mid-cap conference

Investor site visit (Wickwar)

June
Dublin roadshow

July
2024 interim results

Investor roadshow; London, virtual

September
Investor roadshow; London, virtual

October
Engagement with investors regarding Chair reappointment

Redburn Mid-cap conference

Investor site visit (Wickwar)

November
Ten-month trading update

Capital Markets Event

Goodbody Annual Equity Conference

Interim dividend paid

December
Berenberg European conference

Audit & Risk Committee report

The Audit & Risk Committee continues to focus on ensuring high standards of financial governance and risk management.

Clive Watson
Chair, Audit & Risk Committee

Roles and responsibilities of the Audit & Risk Committee

Click or scan to see the terms of reference

The Committee monitors the integrity of the Group's financial statements and ensures that the interests of shareholders are properly protected in relation to financial reporting, internal control and risk management.

The Committee monitors and reviews the effectiveness of the internal control and risk management framework alongside the wider compliance environment operating within the Group, which includes the Group's whistleblowing arrangements.

The Committee makes recommendations to the Board in respect of the appointment of the external auditor, reviews and monitors their independence and objectivity, and approves their remuneration.

It consults with the external auditor on the scope of their work and reviews all major points arising from the audit.

The Committee oversees the Group's outsourced internal audit function which reports directly to the Committee, and has responsibility for appointing the Head of Internal Audit, approving the annual internal audit plan, reviewing key outputs from internal audit reviews and assessing the performance of the function.

The Committee has relevant financial experience at a senior level as set out in the biographies on pages 102 and 103.

Key activities in 2024

January

- review of cyber security risk; and
- discussion and review of risk disclosures.

February

- review of the Annual Report, including:
  - significant accounting issues and disclosures;
  - Going Concern and Viability;
  - fair, balanced and understandable reporting;
  - risk disclosures;
- discussion of KPMG's findings from the 2023 audit and their independence as external auditors;
- review of solvency position to support final dividend; and
- update on risk management review processes, independent assurance in relation to sustainability KPIs and financial controls framework implementation.

July

- review of the interim financial statements, including interim risk disclosure and interim dividend;
- update on risk management review processes and financial controls framework implementation;
- report received on External Quality Assessment (EQA);
- update on findings of internal control reviews;
- annual review of effectiveness and independence of the external auditor;
- approval of KPMG's external audit engagement letter and 2024 fees; and
- approval of the Fraud Detection and Prevention Policy.

November

- review of external audit plan and strategy for year-end 2024;
- review of non-audit services policy;
- annual review of effectiveness of Group's risk management and internal control framework;
- update on financial controls framework implementation and fraud risk assessment process;
- review of Group key accounting policies;
- update on progress against the internal audit plan and findings of internal control reviews;
- review of terms of reference and internal performance review of the Committee; and
- agreed internal audit plan for the 2025 Internal Audit Cycle.

Audit & Risk Committee report

Significant accounting matters

The Committee considered key accounting issues, judgements and disclosures in relation to the Group's 2024 financial statements, the most significant of which were goodwill impairment testing and restoration provisions.

These key issues were discussed and reviewed with management and the external auditors. The Committee challenged judgements made and sought clarification where necessary.

The Committee received a report from the external auditor on the work they had performed to arrive at their conclusions and discussed in detail all significant findings contained within that report. The information contained in the following table should be considered together with KPMG's independent external audit report on pages 152 to 161 and the accounting policies disclosed in the notes to the financial statements as referenced in the table.

Area of focus	Audit & Risk Committee review	Conclusions
Impairment of goodwill – Key Audit Risk		
See note 9 to the consolidated financial statements	The Group has £534.6m of goodwill arising from acquisitions. This is not amortised but is reviewed for impairment on an annual basis, or more frequently if there are indications that the goodwill may be impaired. The recoverable amounts for each segment to which goodwill has been allocated are calculated by determining the value in use of each segment, based on the net present value of projected cash flows, with the most significant judgements being the forecast financial performance, longer-term growth rates and discount rates. The Committee was presented with a written report from management setting out the basis of the calculation, support for the key assumptions used alongside a sensitivity analysis to quantify the impact of possible changes to those assumptions. This report included detail on the judgements made about the impact of climate change on forecast financial performance in the impairment review, in particular for the Cement operating segment. The Committee discussed these judgements with both management and the external auditor, and considered the appropriateness of the key assumptions and the adequacy of the disclosure provided in note 9 of the consolidated financial statements.	The recoverable amounts of each segment showed significant headroom compared to their carrying value when reasonably possible changes are made to key assumptions. The Committee noted that key judgements were reasonable, with the trading performance in 2024 providing additional comfort over the cash flows used in the review. They confirmed that management continues to utilise an external expert to calculate discount rates. The impact of climate change and the associated disclosures, in particular in respect of the Cement operating segment, was reviewed and considered by the Committee to provide a balanced presentation of the risk of future impairments against a backdrop of significant current uncertainty. The Committee was satisfied that no impairment of goodwill was necessary, and that the disclosures in the financial statements were appropriate.

Audit & Risk Committee report

Area of focus	Audit & Risk Committee review	Conclusions
Restoration provisions – Key Audit Risk		
See notes 16 and 26 to the consolidated financial statements	The Group holds a provision of £99.1m for the future costs of restoring and decommissioning its trading assets. These amounts can be especially significant for the Group's quarries, of which there are over 100 and its two cement plants. The Group conducts an annual process to review the ongoing accuracy and adequacy of these provisions, with the aid of external experts, where appropriate. During the year, the level of provision increased by £7.8m to reflect the impact of the BMC acquisition, as well as higher inflation on the cost of restoration, partially offset by an increase in the rate used to discount these costs. The Committee discussed the output from the annual review of provisions with management and the external auditor.	The Committee noted the impact of inflation on the calculation of restoration provisions during the year. They concluded that provisions were appropriately calculated and fairly stated in the accounts.
Accounting impact of climate change		
See notes 9 and 26 to the consolidated financial statements	Climate change has been identified by the Group as a principal risk, and both the physical and transitional risks posed by climate change could affect accounting judgements made in preparing the financial statements. The Committee was presented with a paper from management which assessed this potential impact, concluding that the judgements made in the impairment of non-current assets were the only area with potential to materially impact the financial statements, as a result of the uncertainty surrounding the costs involved to transition to net zero by 2050. The Committee reviewed this disclosure as a key accounting judgement in the financial statements.	The Committee was satisfied that the potential impact of climate change had been appropriately considered in preparing the financial statements, and that the disclosure fairly reflected the nature of the risk and judgements made by management.

Area of focus	Audit & Risk Committee review	Conclusions
Identification of non-underlying items		
See note 3 to the consolidated financial statements	The identification and presentation of certain items as non-underlying on the face of the consolidated income statement requires management to apply judgement in identifying and appropriately disclosing these items. In 2024, total non-underlying items before interest and tax were £24.1m (2023: £10.5m), being primarily the amortisation of acquired intangible assets and acquisition costs associated with the purchase of BMC. The Committee considered the nature of the items which were presented as non-underlying and the associated disclosures in the notes to the financial statements.	The Committee was satisfied that the non-underlying items identified by management were appropriately disclosed and that this presentation provides stakeholders with useful additional understanding of business performance by reflecting the way in which the business is managed. They noted that the nature of such items was consistent over time and were clearly disclosed in the accounts with reconciliations provided to statutory measures.
Acquisition accounting for intangible assets and goodwill – Key Audit Risk		
See note 25 to the consolidated financial statements	During the year, the Group completed the acquisition of the four entities for a combined consideration of £196.7m. Management performed a fair value exercise for each of the acquisitions in which intangible assets were identified, along with mineral reserves and resources they were all fair valued and assigned a useful economic life, over which the assets will be amortised. The Audit & Risk Committee reviewed and discussed, with both management and the external auditor, a paper prepared by management setting out the process followed to identify the intangible assets, the basis of the fair value of these assets and the mineral reserves and resources as well as the assigned useful economic lives.	The Committee was satisfied that the intangible assets and mineral reserves and resources identified as part of the acquisitions are appropriate and have been accounted for in line with the applicable accounting standards. They noted that the assumptions used in the valuation of the assets were determined on a consistent basis to historical acquisitions.

Audit & Risk Committee report

Area of focus	Audit & Risk Committee review	Conclusions
Alternative Performance Measures		
See note 27 to the consolidated financial statements	The Group utilises a number of Alternative Performance Measures in response to demand from its shareholders. Care is required to ensure that the use of these measures is compatible with the Group's obligation to prepare an Annual Report which is fair, balanced and understandable. In particular, these measures should be calculated on a consistent and transparent basis over time and given no more prominence than related statutory measures. The Committee reviewed the use and presentation of these measures throughout the Annual Report, alongside the full reconciliations back to statutory measures provided in note 27 to the consolidated financial statements.	The Committee was satisfied the use of Alternative Performance Measures enhances the reporting of the Group by providing additional information that is useful to users of the accounts. They further concluded that these Alternative Performance Measures were consistently calculated and have been presented fairly together with full reconciliations alongside the relevant statutory measures.
Going Concern and Viability		
See note 1 to the consolidated financial statements and the Viability Statement on page 67	At each reporting date the Group assesses whether it remains appropriate to prepare accounts on a Going Concern basis and makes a statement on its longer-term viability as part of its risk reporting. The Committee reviewed and considered a paper setting out why management believe that the Group remains a Going Concern. This included details of available facilities, the profit and cash generation of the Group and a sensitivity analysis in the form of a 'severe but plausible' downside scenario. Going Concern was also discussed with the external auditor. The Viability Statement was reviewed, alongside a supporting paper from management, incorporating both a base case and downside scenario covering the three-year period of the statement.	The Committee recommended to the Board the use of the Going Concern assumption and approved the Viability Statement. They noted that following the strong levels of profit and cash generation, the risks facing the Group have continued to reduce since 2020. The Committee was satisfied that the disclosure in the basis of preparation note to the financial statements included all factors relevant to users of the accounts.

Financial Reporting Council review of report and accounts

The FRC carried out a review of the Group's Annual Report for the year ended 31 December 2023. No significant questions or queries were raised, and the Group took into consideration the FRC recommendations when preparing this Annual Report. The Committee notes that the FRC's review does not provide assurance that the Annual Report is correct in all material respects as the FRC's role is not to verify information provided, but to consider compliance with reporting requirements.

Fair, balanced and understandable assessment

The Committee reviewed the Annual Report and was able to confirm to the Board that the Committee considered the Annual Report and Accounts, taken as a whole, was fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's performance, business model and strategy.

External auditor

The external auditor, KPMG, has an independent reporting line to the Committee and attended all Committee meetings held in 2024. At these meetings, the Committee met KPMG without the executive directors being present to provide a forum to raise any matters of concern in confidence.

The Committee discussed and agreed the scope of the audit plan with KPMG, and subsequently reviewed their findings, covering the control environment in the Group, key accounting matters and mandatory communications.

The Committee considers the effectiveness of KPMG's audit on an annual basis, including consideration of the standard of KPMG's formal communication around audit strategy and findings, ad hoc engagements throughout the year and the feedback which is provided by management following an internal survey of relevant stakeholders.

Audit & Risk Committee report

The Committee noted that the FRC's Audit Quality Review (AQR) team completed an inspection of KPMG's audit work on the financial statements for the year ended 31 December 2023. The Committee discussed the outcome with KPMG and agreed the actions that would be taken in order to address the findings raised.

The Committee remains satisfied with the quality of the audit provided by KPMG and that they remain objective and independent.

KPMG, either directly or via KPMG Channel Islands Limited, has acted as auditor to the Group since its formation in 2008, with the audit last subject to a full competitive tender in 2019.

KPMG did not provide any non-audit services during the year.

Internal audit

RSM continue to provide an outsourced internal audit function to the Group. They are independent of management and the Head of Internal Audit, provided by RSM, reports directly to the Chair of the Committee.

The 2024 internal audit plan was completed in line with the plan approved by the Committee, which received reports from RSM on the outcome of those reviews and regular updates on actions taken in addressing issues previously identified.

RSM attended the Audit & Risk Committee meetings held during the year. At these meetings, the Committee met RSM without the executive directors being present to provide a forum to raise any matters of concern in confidence.

The internal audit plan for 2025 has been approved and includes reviews covering our newly acquired BMC business in the US and General IT controls alongside a range of other financial and non-financial processes.

During the year, the Committee engaged the Chartered Institute of Internal Auditors to undertake an EQA of the Group's internal audit arrangements. The review concluded that the outsourced internal audit service was effective and conforms to the International Professional Practices Framework. Recommendations arising from the review have either been addressed or are expected to be addressed during 2025.

Therefore, the Committee concluded that it was satisfied with the work performed by RSM and that the internal audit function remains effective.

Risk management and internal control

The Audit & Risk Committee monitors the effectiveness of the Group's risk management and internal control systems, through the following processes:

— **The Executive team:**

- reports to the Board on changes in the business and external environment which present significant risks;
- provides the Board with monthly trading and financial information and comparison versus KPIs;
- regularly informs the Board on changes to the competitive landscape; and
- performs a review at least twice a year of the principal risks and mitigations identified by management through the risk management processes.

— **The Audit & Risk Committee:**

- receives regular reports on significant legal, ethical, compliance and insurance matters from the Group General Counsel, including summaries of any reports received through the Group's whistleblowing hotline;
- approves the Group risk management and internal control framework, which sets out the governance, risk assessment policies and processes, for their review and approval;
- receives formal reporting from the Group Head of Risk and Control on the risk review processes followed and the outcome of the formal risk reviews which form the basis of the principal and emerging risks reporting;
- reviews progress updates from the Group Head of Risk and Control covering control remediation actions, progress against the internal audit plan and reviews both the financial controls framework implementation and risk management activities;
- receives an update on the outcomes from the annual self-certification process for our key financial controls against the agreed minimum standards, as defined in the Breedon Financial Controls Manual, and is provided a summary of the results of the second line testing performed;
- reviews reports from RSM concerning the design, implementation and operating effectiveness of internal controls across the Group's operations, including IT and cyber security controls. This reporting covers both the scope and findings of reviews, actions agreed with management as well as the progress made by management to address any actions;

Audit & Risk Committee report

- receives regular updates from KPMG, which includes findings on risk and internal controls arising from their work. Subsequent updates on issues identified by KPMG are reported to the Audit & Risk Committee;
- receives significant financial accounting policies for their review and approval;
- receives updates from the Head of Risk and Control and the Group Head of Information Security regarding the development of the Group Fraud Risk Management and the Information and Security governance frameworks; and
- receives updates from the Head of Risk and Control on the work performed to prepare for the changes to the Corporate Governance Code Provision 29 in relation to 'material controls'.

The Committee completed its annual review of the effectiveness of the Group's internal control and risk management framework, concluding that this remained effective.

Whistleblowing

The Group has adopted a whistleblowing policy which, together with our confidential whistleblowing helpline, gives colleagues or any other third party the means to raise concerns in confidence and, if they wish, anonymously.

The Committee regularly reviews reports on notifications received and ensures that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action.

Committee effectiveness

The Committee believes that it has been effective in 2024. An external evaluation of the Board and Committee performance was undertaken in 2024 and an internal performance review of the Committee was carried out in 2024 (see page 119).

The Chartered Institute of Internal Auditors undertook an EQA review and reported to the Committee at their meeting in July 2024.

The Audit & Risk Committee was Chaired by Clive Watson for all meetings in the year, was quorate for all four meetings it held and was supported by the Group Financial Officer, Group Financial Controller and the Head of Risk and Control. The Committee were available to talk to shareholders at the AGM in 2024.

The composition, skills and experience of the Audit & Risk Committee can be found on pages 102 and 103.

Areas of focus for 2025

The following areas will be key areas of focus heading into 2025 including:

- implementation of the recommendations arising from the Committee effectiveness review undertaken during the year;
- development of the assurance plan in respect of the Group's material operational, reporting and compliance controls and associated assurance plan in preparation for the Corporate Governance Code Provision 29; and
- further development of the Group Fraud Risk Management framework.

Clive Watson
Chair, Audit & Risk Committee
5 March 2025

Nomination Committee report

The Nomination Committee ensures that the Board and the Executive Committee have the necessary skills and experience to be effective and bring sufficient challenge to lead a successful organisation.

Amit Bhatia
Chair, Nomination Committee

Roles and responsibilities of the Nomination Committee

Click or scan to see the terms of reference

Review of 2024

During the year the Nomination Committee was Chaired by Amit Bhatia except when discussions regarding his independence and potential extension were held. The Committee was quorate for all three meetings it held and was supported by the Group People Director and Head of Talent.

Succession planning was the focus for the Committee during 2024, in respect of both the Board and that of the Executive Committee.

Two non-executives directors, Helen Miles and Pauline Lafferty completed their first three-year term in office during 2024 and the Nomination Committee, following review, recommended their re-appointment for a second three-year term. The Committee felt that both non-executive directors continued to provide the Board with a combination of skills, experience and knowledge and that each director continued to contribute effectively to the long-term success of the Company.

The Committee considers all recommendations on appointment or reappointment of directors in line with the Board's Diversity and Inclusion Policy regarding diversity, inclusion and equal opportunity, and tenure, together with any skills gaps identified.

The Committee, as part of its succession planning, continued to keep under review the position regarding the Chair not being independent on appointment (as per Provision 9 of the Code). The Board remain of the opinion that the Chair's non-independence is not a hindrance to his involvement on the Board, but an asset to other shareholders, due to his experience, commitment and passion for the business.

The Committee also considered the tenure of the Chair (as per Provision 19 of the Code). Amit Bhatia was appointed Chair in May 2019, three years after his initial appointment to the Board. Given the recent acquisition of BMC, the wish to grow the third platform in the US and the move of the Company to the FTSE 250, the SID sought formal engagement with shareholders representing over half of our issued share capital where recognition of his exceptional period of strong growth and good track record was expressed. In light of this, together with the Chair's extensive strategic knowledge and expertise within the sector, the Committee and the Board believe it is in the best interests of all shareholders to extend the Chair's term but do not envisage this extension to last longer than three years.

The Committee reviews all Board roles in relation to succession and whilst in agreement that Amit should remain as Chair, the committee will continue to work on succession in the best interests of the Company and shareholders.

Key activities in 2024

March

- recommended the reappointment of Helen Miles and Pauline Lafferty for a further three-year term each.

September

- approved the Board Diversity and Inclusion Policy;
- reviewed succession plans for the Board and the Executive Committee;
- reviewed the structure, size and composition of the Board; and
- discussed on-going proposals regarding the Chair succession plans and opened consultation with investors.

December

- workshop held on succession planning and talent management for the Executive Committee and their direct reports.

Amit did not Chair any part of the meetings that his extension was being considered and evaluated and removed himself from all such discussions.

Compliance with the UK Corporate Governance Code »123

Nomination Committee report

The succession pipeline for the Executive Committee and its direct reports continues to be a discussion item for the Committee. Following a talent management presentation in 2023, the Nomination Committee have considered the Executive Committee succession plan and held a dedicated workshop to review the wider talent strategy and talent priorities for 2025. The Nomination Committee keeps under review the size and composition of the Board including its skills, experience and knowledge of its directors. The external Board Performance Review, which took place in 2023, concluded that the composition of the Board did provide a broad range of business and functional skills. The Committee took this into consideration when recommending the reappointment of the two directors at the end of their three-year terms and also in supporting all directors in their re-election at the AGM in 2025.

Composition, skills and experience of the Nomination Committee »102

Board Performance

The external Board Performance Review which took place in 2023, identified three main areas for the Board and the Nomination Committee to consider. The Board and the Nomination Committee have monitored progress of the three main areas together with some areas where other suggestions had made. The table below indicates the progress against the considerations identified in 2023.

The Board and each of its Committees undertook an internal review of its performance during 2024. Each director considered their own skills and performance and made an assessment against criteria which concluded that they continued to contribute effectively. They also considered how the Board and the Committees had performed and concluded that they were effective. The results were shared with each Committee and the annual review did not highlight any contradictions to performance, composition or diversity.

Diversity and inclusion

The Nomination Committee keeps the composition of the Board, and its diversity, under close review and in 2024 re-approved a Board Diversity and Inclusion Policy which supports the UKLR targets on diversity and inclusion.

As at 31 December 2024, 43% of Board directors were women and two Board directors have a minority ethnic background. The Committee considers the wider benefits of diversity to include age, gender, ethnicity, educational profile and socioeconomic background.

All appointments to the Board are made on the basis of merit, having regard to diversity to allow contribution from a range of views, insights, perspectives and opinions together with the skills, experience, independence and knowledge it can bring to Board decision-making and effectiveness.

The Board confirms that as at 31 December 2024, it complied with UKLR 6.6.6R(9)(a)(i) with the target of at least 40% of the Board directors being women and UKLR 6.6.6R(9)(a)(iii) at least one individual on its board of directors from a minority ethnic background.

The Board did not comply with UKLR 6.6.6R(9)(a)(ii) that at least one senior Board position was held by a women. The Board aspires to meet the target of having at least one senior Board position held by a woman. The Board are pleased to report that the role of Chair of both the Remuneration Committee and Sustainability Committee were held by a woman. The Nomination Committee will review annually as part of its succession plans, the progress on meeting the targets of the UKLR.

Main areas for consideration from the 2023 External Board Performance	Board and Nomination Committee progression of the considerations
Further develop the Board's strategic role	Strategy day held with an annual date set for forthcoming years – see page 24 of the Strategic report for more details of the Board's long-term strategy.
Continue the development of the assurance framework	EQA undertaken of the internal audit function with all the findings accepted – see page 116 of the Audit & Risk Committee report.
Deepen the Board's contact within the organisation	The Board undertook various contacts with the organisation and employees – see pages 105 and 106 in Board in Action.

UKLR target	Position as at 31 December 2024	Outcome	Observation
At least 40% of Board directors are women	43%	Achieved	Three Board directors were women
At least one senior Board position* held by a woman	0	Not met	No senior Board positions were held by women
At least one Board director from a minority ethnic background	29%	Achieved	Two Board directors were from a minority ethnic background

* Chair, Chief Executive Officer, Senior Independent Director or Chief Financial Officer.

Nomination Committee report

The following tables set out the information that a listed company must include in its annual financial report under UKLR 6.6R(10), and the format in which it must be set out.

	Number of Board Members	% on the Board	Number of Senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	% of Executive Management
Men	4	57	4	8	89
Women	3	43	0	1	11
Not specified/prefer not to say	0	0	0	0	0

	Number of Board Members	% on the Board	Number of Senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	% of Executive Management
White British or other White, including minority-white groups	5	71	3	9	100
Mixed/Multiple Ethnic Groups	0	0	0	0	0
Asian/Asian British	2	29	1	0	0
Black/African/Caribbean/Black British	0	0	0	0	0
Other ethnic group, including Arab	0	0	0	0	0
Not specified/prefer not to say	0	0	0	0	0

In February 2022 the FTSE Women Leaders Review announced its gender diversity targets for FTSE 350 companies. Their target is for women to comprise 40% of all FTSE 350 boards by the end of 2025 and 40% of leadership teams to be women by the end of 2025 (leadership team is defined as the Executive Committee and their direct reports).

At 31 December 2024, the Board was represented by 43% women and for our leadership team this was 22%.

All colleagues are asked to provide the Group with information regarding their gender and ethnicity when they join. If provided, the gender and ethnicity information for colleagues is entered into the Group's HR Information System. Colleagues can update this information at any time during their employment and are periodically reminded to provide their gender and ethnicity information.

The Board are asked to provide the same information to the Company Secretary which is confirmed on a regular basis.

Colleagues and the Board are able to self-identify as either male, female or 'other'. For ethnicity, they are asked to self-identify based on the Office for National Statistics ethnicity categories.

Focus for 2025

The Committee will discuss the re-appointment of Clive Watson as he approaches the end of his second three-year term in September 2025.

The Nomination Committee will review and explore the succession plan for future non-executive membership of the Board together with consideration of succession and talent management for the Executive Committee and their direct reports.

In line with the adoption of the Board Diversity and Inclusion Policy, the Committee will support the Board on its journey to increase diversity with the objective of meeting the UKLR target of at least one senior Board position to be held by a woman.

Amit Bhatia
Chair, Nomination Committee
5 March 2025

Sustainability Committee report

The Sustainability Committee continues to support the Board in providing oversight of our sustainability impact and climate-related responsibilities.

Carol Hui, OBE
Chair, Sustainability Committee

Roles and responsibilities of the Sustainability Committee

Click or scan to see the terms of reference

Review of 2024

The Committee has continued to develop and monitor the Board's corporate sustainability targets and key performance indicators. During 2024 the Committee received reports on sustainability performance at every meeting to ensure positive progress against the objectives was met.

As we were on track to exceed our 2030 sustainability targets, the Committee agreed rebased targets in the year, which were shared with investors at the Capital Markets Event in November. These are:

- achieve a 23.3% reduction in absolute gross scope 1 and 2 emissions and scope 3 emissions from purchased cement and clinker by 2030;
- generate £500m of cumulative social value by 2030; and
- 50% of our concrete, asphalt, block, brick and tile sales revenue to be specifically from sales of Breedon Balance products by 2030.

During the year the Committee received reports and reviewed sustainability governance at both Board level and within the businesses. The Committee reviewed the environmental impact and sustainability of the Group's operations particularly in relation to those activities where the Company has its most significant climate-related and environmental impacts.

The Sustainability Committee, on behalf of the Board, reviewed and recommended approval of the climate-related disclosures for the 2023 Annual Report and approved a suite of Group-wide sustainability policies. The Committee also reviewed the sustainability risks and opportunities at every meeting as part of monitoring the Sustainability Risk Register.

The Committee received presentations from two businesses within the Group as part of the Committee's knowledge-building to ensure that its work had the most impact and to understand the sustainability priorities in those businesses.

The Committee has received reports at all meetings on stakeholder engagement and has interacted with employees with regards to sustainability. Aligned with the Company's promotion of socially responsible values and standards, the Sustainability Committee has continued to support engagement with both external stakeholders and colleagues on key sustainability topics.

Sustainability report »69

Throughout the year the Sustainability Committee was chaired by Carol Hui, with membership comprising of a majority of independent non-executive directors as required by the Committee's terms of reference. The meetings in the year were attended by the Group Sustainability Director, Group People Director and the Head of Health, Safety and Wellbeing who all have a standing invitation to attend,

The Committee have made recommendations on its terms of reference and has reviewed the Committee's performance in the year, concluding that it has been effective.

The Committee was quorate for all three meetings it held in 2024 and members were available to speak to shareholders at the AGM in 2024.

Composition, skills and experience of the Sustainability Committee »102

Sustainability Committee report

Key activities in 2024

February

- monitored 2023 progress performance and agreed objectives for 2024;
- reviewed risks and opportunities;
- recommended STIP and PSP linked sustainability target for Remuneration Committee;
- received report on stakeholder engagement and communications;
- Annual Report disclosures agreed;
- agreed suite of ESG Policies; and
- received a presentation on Breedon Cement's sustainability priorities.

September

- received H1 update on objectives progress;
- reviewed risks and opportunities;
- received report on stakeholder engagement and communications; and
- received a presentation on GB Materials sustainability priorities.

November

- reviewed and agreed focus areas for the Committee for 2025;
- review of sustainability management and governance within the Group;
- recommended revised terms of reference for adoption by the Board;
- internal review of Committee performance reviewed;
- received report on progress against objectives;
- reviewed risks and opportunities; and
- received the report on stakeholder engagement and communications.

Focus for 2025

The Sustainability Committee will continue to maintain a close understanding of the business and its sustainability priorities by inviting business colleagues to present and discuss sustainability issues. External experts will provide guidance and shared learning on those sustainability issues that impact Breedon.

Following an exercise to assess the most material areas of impact that the Group has on the economy, environment and stakeholders, the Sustainability Committee will review priorities for the Committee's focus, which it will undertake going forward.

Carol Hui, OBE
Chair, Sustainability Committee
5 March 2025

Compliance statement against the Code

Compliance statement against the Code

The Board is pleased to report that they applied the principles and complied with all provisions of the Code in 2024 with the exception of Provision 9 Chair independence.

Provision 9

Amit Bhatia was not deemed to be independent upon his appointment as Chair.

The Code recommends that a chair should meet the independence criteria set out in the Code on appointment. Amit is not considered to have been independent on appointment to the Board, having been initially appointed as the representative of Abicad Holding Limited, a significant Breedon shareholder pursuant to the terms of a relationship agreement in force at the time of his appointment as Chair.

Accordingly, although Amit is no longer a representative of Abicad Holding Limited, he is not considered to have been independent on appointment to the Board.

Provision 19

The Board will not comply with Provision 19 during 2025.

At the forthcoming AGM, the Board are supporting the re-election of Amit Bhatia as a director and the Chair. Amit will have been on the Board of Breedon Group plc just under nine years, and therefore during 2025 will have served on the Board for more than this time from the date of his first appointment. This will mean that the Board will no longer comply with Provision 19 of the Code. Provision 19 states that "the chair should not remain in post beyond nine years from the date of their first appointment to the Board. To facilitate effective succession planning and the development of a diverse board, this period can be extended for a limited time, particularly in those cases where the chair was an existing non-executive director on appointment."

Amit was appointed Chair in May 2019 and although on the Board for nearly nine years, he will have only held the role of Chair for a little over six years at the time of the AGM in 2025. Amit was appointed as executive Chair of Hope Construction Materials in 2013, then the UK's largest independent building materials business before it was acquired by the Group in August 2016 (which is when he joined the Breedon Board).

Amit continues to be a high calibre Chair. He has an in-depth knowledge of Breedon and the industry having been involved in the business and sector through his prior executive chair role at Hope and his experience while at Breedon. His interests, as a major shareholder of Breedon, are significantly aligned with our independent shareholders, and he has an important role to oversee the development of our US business following our entry into that market earlier in 2024. Amit brings extensive knowledge of the sector and expertise with regards to strategy, together with an exceptional period of strong growth and a good track record whilst Chair.

During the latter part of 2024, the SID sought formal engagement with shareholders representing over half of our issued share capital where recognition of his experience, commitment and passion for Breedon was expressed. After detailed Board discussions, led by the SID and subsequent careful consideration, the Board believes it is in the best interests of all shareholders to extend Amit's term as director and Chair, particularly at such an important time in our growth. The Board does not envision this extension to last longer than three years therefore will be supporting the annual re-election of Amit up to the AGM being held in 2028.

The Board continue to have a high regard for Amit as Chair and note that whilst technically he is non-independent under the provisions of the Code, in his capacity as Chair he acts at all times as if he were independent. Amit consistently demonstrates clear and objective thought, reflecting his strategic and entrepreneurial approach. He actively promotes constructive challenge and engagement by the Board with the executive directors, the management team and the business.

The Nomination Committee will continue to review all board roles in relation to succession and whilst in agreement that Amit should remain as Chair, the Nomination Committee will continue to work on succession in the best interests of the Company and shareholders.

Compliance statement against the Code

Application	Compliance
1 Board leadership and Company purpose	
The Board has collective responsibility for the long-term success of the Company. The Board holds an annual strategy day together with strategic discussions at every meeting through a robust decision-making process. Long-term strategy, divisional strategies and a progressive dividend policy are all considerations of the Board in generating value for shareholders. The Group's strategy and business model and details of the governance arrangements in place which contribute to the delivery of our strategy can be found in our Annual Report. The Board is responsible for leading and governing the Company and has overall authority for the management and conduct of its business, strategy and development. The Board is also responsible for ensuring the maintenance of a sound system of internal controls and risk management (including financial, operational and compliance controls) and for reviewing the overall effectiveness of systems in place as well as for the approval of any changes to the capital, corporate and/or management structure of the Company. The Board has a governance framework in place which includes the directors, board committees, an executive committee and a formal schedule of those matters that are reserved to the Board and is satisfied that during 2024 its responsibilities were met. We have an approved Board Conflicts of Interest Policy and Related Party Transactions Policy.	**Principle 1A** **Provision 1** Managing our risks and opportunities »48 to 66 Business model »16 to 21 Governance report »100 to 150
The Schedule of Matters Reserved for the Board specifies that the Board is responsible for ensuring that its culture and values are aligned to the Group's purpose, long-term strategy and objectives. Procedures for the regulation of Board conduct are detailed in individual appointment letters. The Annual Report sets out the activities taken by the Board in respect of monitoring culture and its approach to investing in and rewarding its workforce. To promote a common culture across the organisation, the Board defined a clear purpose and set of values that support the successful delivery of our strategy: Expand and Improve. Led by the Board and Executive Committee, the purpose 'to make a material difference to the lives of our colleagues, customers and communities' to create a workplace where people feel safe, proud and motivated to do their best. The values at the heart of our business: keep it simple; make it happen; strive to improve; and show you care, will drive the performance of the business, motivating and engaging colleagues, building customer loyalty and strengthening our relationship with local communities.	**Principle 1B** **Provision 2** Monitoring culture »107 and 108 Directors' Remuneration report »129 to 146

Application	Compliance
1 Board leadership and Company purpose	
The Board set and monitor the strategy for the Group, holding management to account on their delivery of the agreed strategy. This is assisted by a robust internal control and risk management framework, which is overseen by the Audit & Risk Committee. The Annual Report sets out how resources have been used to meet our strategy for the Group and those of the individual businesses. The Board has identified five strategic risks: acquisitions and material capital projects, climate change, markets, land and mineral management, and people, all of which are detailed in the Annual Report.	**Principle 1C** **Provision 1** Managing our risks and opportunities »48 to 66 CEO review and strategy »22 to 31 Operating reviews »32 to 39
The Board regularly receives and considers updates on the views of shareholders through reports from its brokers and directors following shareholder engagement. The Head of Investor Relations reports and analyst notes are reviewed to maintain a broad understanding of varying investor views. The Board, including the Chair and the Committee Chairs, engage with shareholders at the AGM, and in 2024 the SID consulted with shareholders with regards to the proposed extension of the Chair's term in office beyond nine years. A number of directors attended the Capital Markets event in November where they were able to talk to investors. At the AGM in 2024 there were no resolutions where 20% of the vote had been cast against a Board recommendation. The results are published on our website following our AGM. The Board has appointed Pauline Lafferty as DNED for Workforce Engagement and during 2024 she has undertaken both face-to-face and virtual sessions across businesses.	**Principle 1D** **Provision 3** Engaging with shareholders »109 to 111 **Provision 4** No AGM votes below 80% **Provision 5** S172(1) Statement »95 to 99 Engaging with our workforce »107 and 108

Compliance statement against the Code

Application	Compliance
1 Board leadership and Company purpose	
Group-wide policies are reviewed regularly and are accessible to all employees. The Board undertakes an annual engagement survey with all employees with the results being reviewed by the Board to ensure that a supportive and inclusive culture is in place. The Board engages directly with the workforce through site visits and through the DNED responsible for workforce engagement. The Group has in place a Whistleblowing Policy for any employee to raise concerns. The policy provides for a confidential process for notification and the arrangement for independent investigation to take place. The policy is monitored by the Audit & Risk Committee and overseen by the Board. The Board has a Conflicts of Interest Policy and all directors declare any potential interest at meetings and provides a list of all external directorships together with any third-party relationships. If a director has any concern regarding the operation of the Board then any such concerns will be minuted in the Board minutes. During the year, the Board determined that there were no relationships that posed any actual or potential conflict.	**Principle 1E** **Provision 6:** Engaging with our workforce »107 and 108 **Provision 7:** Board of Directors »102 and 103 **Provision 8:** Director appointment letters »138 Board Conflicts of Interest Policy
2 Division of responsibilities	
The Chair was not independent on appointment. The Chair does not represent a significant shareholder, however he is a Closely Associated Person of a significant shareholder. The Board is of the opinion that the Chair has acted at all times as if he were independent and demonstrates clear and objective thought. The Chair sets the Board's agenda and the Board is provided with clear, regular and timely information on the financial performance of the businesses within the Group, and of the Group as a whole. In addition, other trading reports, contract performance and market reports and data, including reports on personnel-related matters such as health and safety and wellbeing issues, are provided. The Board has approved a Schedule of Matters Reserved for the Board.	**Principle 2F** **Provision 9:** Board of Directors »102 and 103 Board in action »105 and 106

Application	Compliance
2 Division of responsibilities	
All non-executive directors (excluding the Chair) have been identified by the Board as independent. The Board has a majority of independent directors. No changes to the composition of the Board occurred during the year. There is a clear division of responsibilities between the Chair, Senior Independent Officer and Chief Executive Officer. Each Board Committee has Terms of Reference agreed by the Board which sets out the role and responsibilities of that Committee. The Chair encourages and facilitates each directors contribution to ensure that no one individual can dominate its proceedings. All directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational. The Senior Independent Director undertakes an evaluation of the Chair annually and the Board undertakes an external validation of its performance every three years. There are clear responsibilities to ensure appropriate decision-making with delegations in place through the terms of reference for each Board Committee.	**Principle 2G** **Provisions 10, 11 & 12:** Board of Directors »102 and 103 **Provision 14:** Division of responsibilities »101 Corporate governance at a glance »101
All non-executive directors have letters of appointment which detail their responsibilities of the role and time expectations. The Chair holds regular sessions with the non-executive directors without executive directors being present. The Nomination Committee, which is constituted of non-executive directors, has the responsibility for recommending to the Board any appointments or removal of directors. The duties of the Board are detailed in our Schedule of Matters Reserved for the Board, which aligns to the requirements of this Principle and includes the key role of appointing and removing executive directors. Each non-executive director's letter of appointment sets out the commitments expected to discharge their duties. Executive directors are prohibited from taking more than one additional listed directorship, with none of the executive directors holding any such positions during the year. All directors undergo an induction on appointment, and training and development is provided throughout the year.	**Principle 2H** **Provision 13:** Nomination Committee report »118 to 120 **Provision 15:** Letters of appointment »138 Schedule of Matters Reserved for the Board Board of Directors »102 and 103 Nomination Committee report »118 to 120

Compliance statement against the Code

Application	Compliance
2 Division of responsibilities	
The Group General Counsel has been appointed by the Board as Company Secretary to act as a trusted advisor to the Board and its Committees, and ensures there are appropriate interactions between senior management and the non-executive directors. He is responsible for advising the Board on all governance matters and all directors have access to him for advice. The Matters Reserved for the Board states that only the Board can appoint or remove the Company Secretary.	**Principle 2I** **Provision 16:** Schedule of Matters Reserved for the Board
3 Composition, succession and evaluation	
The Board has established a Nomination Committee to which it delegates certain responsibilities. The majority of the membership of the Committee are independent non-executive directors. The Chair of the Board is Chair of the Committee, however the terms of reference set out the process for another member to Chair the meeting when dealing with the Chair's successor. The Chair was not independent on appointment and is reaching nine years tenure on the Board. The SID chaired parts of the Nomination Committee meeting when discussions have taken place regarding Chair succession. The Nomination Committee reviews succession plans for the Board and senior executives together with talent management strategies. The Board has a Diversity and Inclusion Policy which is detailed in the Annual Report. All directors are subject to re-election as per the Company's Articles of Association (the 'Articles') and the supporting reasons for each directors re-election are set out in the Notice of Meeting.	**Principle 3J** **Provision 17:** Nomination Committee report »118 to 120 Diversity reporting »119 and 120 **Provision 18:** Notice of Meeting

Application	Compliance
3 Composition, succession and evaluation	
The current composition of the Board comprises various skills, knowledge and experience that the Nomination Committee considers is requisite for the Board to discharge its responsibilities effectively. At 31 December 2024, the tenure of the Board consisted of one non-executive director in their third term (Chair), two in their second term (SID and Chair of Sustainability), with the remaining two in their second three-year term. During 2024 the Chair had not been in post beyond nine year. The composition and performance of the Board, and the skills and experience of each director, are regularly evaluated, to ensure that they best fit the evolution of the Group's business. The Nomination Committee regularly reviews the succession plan to ensure that when seeking to recommend new members to the Board, consideration of a range of relevant matters including the diversity of its composition is given. The Board considers that each of the directors brings a senior level of experience and judgement to bear on issues of operations, finance, strategy, performance, governance and standards of conduct. Directors are given regular access to the Group's operations and personnel as and when required. Non-executive directors have a wealth and breadth of experience gained from their appointments on other boards.	**Principle 3K** **Provision 19:** Board of directors »102 and 103 **Provision 20:** Nomination Committee report »118 to 120
The Board regularly reviews its own effectiveness and the Chair is in regular contact with each member of the Board to ensure that any concerns are identified and acted upon. The SID undertakes an annual performance review of the Chair gaining feedback from the other members of the Board. The Board carries out an externally facilitated Board Performance Review every three years and welcomes input as part of the process from stakeholders outside of the Board. The Board also conducts an internal review of its effectiveness during the intervening period. The Board is committed to actioning any suggestions or recommendations that are made to improve its effectiveness. The Board undertook an external Board performance review in 2023, the outcome and progress made in 2024 can be found in this Annual Report. An internal Board and Committee performance evaluation was undertaken in 2024. The Board considers and reviews the requirement for continued professional development and each director is encouraged to reflect on their own individual needs. The Board is provided with development opportunities inside and outside the boardroom on a wide range of areas.	**Principle 3L** **Provisions 21 and 22:** Board performance review »119 Board in action »105 and 106 **Provision 23:** Nomination Committee report »118 to 120 Diversity reporting »119 and 120

Compliance statement against the Code

Application	Compliance
4 Audit, risk and internal control	
The Board has established an Audit & Risk Committee. Membership solely consists of non-executive directors. Two members have recent and relevant financial experience and the Committee as a whole has competence relevant to the sector. The Chair of the Board is not a member. Terms of reference have been approved which complies fully with the roles and responsibilities set out in the Code. The Audit & Risk Committee manages the relationship with the internal and external audit functions on behalf of the Board satisfying itself of their independence and effectiveness. On an annual basis, the Committee considers reports on the effectiveness of both the internal and external audit functions which is carried out through assessments in which both the Group and the audit functions contribute. The Committee has evaluated and considers that the external auditor is independent and is compliant with the Committee's policy on the provision of non-audit services. The Committee also has oversight of the Risk and Control function within the Group together with the finance function. The Committee is responsible for reviewing the internal financial controls and risk management systems in order to ensure the integrity of the financial and narrative statements. The Audit & Risk Committee has an approved policy on the supply of non-audit services. The Statement of Directors' Responsibilities, Going Concern and Viability Statements are contained within the Annual Report and are approved by the Board.	**Principle 4M** **Provisions 24 and 26:** Audit & Risk Committee report »112 to 117 **Provision 25:** Audit & Risk Committee report »112 to 117 Viability Statement »67 and 68 Statement of Directors' Responsibilities »150
The Audit & Risk Committee provides advice to the Board as to whether it considers the Annual Report, taken as a whole, to be fair, balanced and understandable, and provides information necessary for shareholders to assess the Company's position, performance, business model and strategy. This responsibility of the Board is presented and confirmed by the Board in the Annual Report. The Annual Report contains disclosures that the Board considers it appropriate to adopt the Going Concern basis of accounting and how it has assessed the prospects of the Company. The Viability Statement confirms that the directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall. The Statement of Directors' Responsibilities provides details of the director's responsibility for preparing the Annual Report.	**Principle 4N** **Provisions 25 and 27:** Audit & Risk Committee report »112 to 117 **Provisions 30 and 31:** Financial statements »162 to 209 Viability Statement »67 and 68

Application	Compliance
4 Audit, risk and internal control	
The Board is ultimately responsible for the internal control framework including risk management and internal controls, and for ensuring robust systems are in place for the assessment of principal risks and the emerging risks faced by the Company. The Board conducts an annual assessment of those risks, together with monitoring the risk management and internal controls and confirms that it has done so in the Annual Report. The procedures that the Board has in place to identify emerging risks and how these are being managed or mitigated are disclosed in the Annual Report. The Audit & Risk Committee supports the Board with their responsibility. In compliance with provision 28 of the Code, the Board confirms that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity.	**Principle 4O** **Provisions 28 and 29:** Managing our risks and opportunities »48 to 66 Audit & Risk Committee report »112 to 117

Application	Compliance
5 Remuneration	
The Board has established a Remuneration Committee consisting of independent non-executive directors and a Chair who has the requisite experience as set out in the Code. The Remuneration Committee assists in fulfilling the Board's oversight responsibilities relating to the Directors' Remuneration Policy (the 'Policy' or the '2024 Policy') and practices and is responsible for the formalisation of all elements of remuneration for the Chair, the executive directors, and the Executive Committee. The Remuneration Committee reviews workforce remuneration and relation policies and the alignment of those incentives and rewards with the culture of the Group. The policies are aligned to our purpose and values and are designed to support the Company's long-term strategic aims.	**Principle 5P** **Provisions 32 and 33:** Terms of reference Directors' Remuneration report »129 to 146

Compliance statement against the Code

Application	Compliance
5 Remuneration	
The Remuneration Committee has established remuneration schemes that promote long-term shareholding by executive directors that support alignment with long-term shareholder interests, with share awards subject to a total vesting and holding period and post-employment shareholding requirements. The Policy will next be put to shareholders for approval no later than the 2027 AGM, following last approval being sought in 2024. The 2024 Policy is aligned with the Company's culture to drive behaviours consistent with Company strategy and purpose and values, which aims to attract, retain and motivate successfully without paying more than is necessary. Pension contribution rates for executive directors are aligned to those available to the workforce. A proportion of remuneration is performance-related with any such elements structured so as to be transparent, stretching and rigorously applied which do not reward poor performance. Details of all directors service agreements and letters of appointment are detailed in the Annual Report. Both executive directors have a contract notice period of one year, whether given by the individual or the Company. The Board's overriding approach to payments for loss of office is to act in shareholders' interests. Non-executive remuneration remains the responsibility of the Board, as specified in the Schedule of Matters to be Reserved for the Board and does not include share options or any performance-related elements.	**Principle 5Q** **Provision 34:** Directors' Remuneration report »139 **Provisions 36, 37, 38, 39:** Directors' Remuneration report »134 to 138 **Provisions 40 and 41:** Directors' Remuneration report »129 to 146
The Remuneration Committee consists of only independent non-executive directors and a Chair who has the requisite experience as set out in the Code. The Remuneration Committee is supported by an external consultant who provides independent advice and benchmarking and is identified in the Annual Report. Policies are in place to override formulaic outcomes and provide provisions for the Remuneration Committee to recover or withhold sums or share awards. A summary of the Policy can be found in the Annual Report.	**Principle 5R** **Provision 35:** Directors' Remuneration report »143 **Provision 37:** Directors' Remuneration Policy »134 to 137

Directors' Remuneration report

1 Annual statement

"2024 saw the implementation of our first Directors' Remuneration Policy as a Main Market company. This Policy is designed to support our strategy to deliver a long-term sustainable performance for the benefit of our stakeholders.

Pauline Lafferty
Chair, Remuneration Committee

Roles and responsibilities of the Remuneration Committee

Click or scan to see the terms of reference

This report is comprised of four sections

2024 business performance

£1,576.3m
Revenue

28.1p
Basic Earnings Per Share

£269.9m
Underlying EBITDA

78%
Colleague engagement score

Dear shareholder

I am delighted to introduce this Directors' Remuneration report for 2024, the first full financial year for Breedon as a Main Market company. 2024 was a significant year for the Committee, with the adoption of our first Directors' Remuneration Policy which received c.97% support by shareholders at the 2024 AGM. We are grateful for the constructive feedback received when we consulted with our investors on the Policy and look forward to continued engagement.

2024 business performance

We have delivered a resilient performance in 2024 despite challenging external factors. Revenue grew 6% to £1,576.3m and we delivered an Underlying EBITDA of £269.9 m and Underlying EBIT of £173.7m.

Our acquisition during the year of BMC in the US has had a positive impact on our performance and we continued to add bolt-on acquisitions during the year. Exceptional cost management across the Group has played a part in our performance and has mitigated the effect of reduced volumes in a challenging market.

We made excellent progress on our strategic objectives this year and at our Capital Markets Event in November we launched the next iteration of our strategy, Breedon 3.0.

It is our people who make Breedon unique and help us every day to achieve great results. We have maintained very strong Engagement Survey results again this year with 78% of our colleagues telling us they are proud to work for Breedon and 84% are motivated to do their best work for Breedon.

Directors' Remuneration report Annual statement

2024 remuneration outcomes

Annual bonus

Consistent with the approach taken in previous years, 75% of the 2024 annual bonus was based on a sliding scale of Underlying EBIT targets and 25% on a range of strategic and sustainability objectives.

The range set for Underlying EBIT was based on outperforming a stretching budget, with full payout requiring outperformance of market consensus at the time targets were set. The Committee also increased the Underlying EBIT range during the year to reflect the positive impact of the BMC acquisition. The delivery of adjusted[1] Underlying EBIT of £174.7m in 2024 falls between the target and maximum of the bonus range, warranting 62.6% payout of the financial element of the bonus. Excellent progress towards our corporate objectives in 2024 resulted in a payout of 100% of maximum for this element.

The overall bonus payout for 2024 was therefore 108% of base salary, of which one-third will be deferred in shares for two years.

1 For details of the adjustments made for performance measurements purposes see page 140.

The Committee considered carefully whether the annual bonus outcome was consistent with the underlying performance of the business. On balance, the Committee agreed the bonus outcome was a fair reflection of performance, considering the strong Group financial performance set out above and the excellent progress made on strategic and ESG priorities. As a result, no discretion was applied in the Committee's approval of the outcome.

2022 PSP

Vesting of the 2022 PSP awards was based 50% on Breedon's TSR against the FTSE 250 over the three-year performance period ending 31 December 2024 and 50% on EPS performance in 2024. Breedon's TSR over the period was above the median of the benchmark, warranting 28.5% vesting of this element. The 2024 adjusted[2] EPS outturn of 34.5p was between target and maximum, warranting 25% vesting of this element. Therefore, 53.5% of the 2022 PSP award will vest in April 2025. The Committee believes the PSP outcome is a fair reflection of overall performance over the performance period in the context of a challenging macroeconomic environment and applied no discretion in the determination of the outcome.

2 The Pillar Two adjustment increased the Underlying Diluted EPS for performance measurement purposes by 0.2p to 34.5p.

Annual bonus outcome 2024

	Threshold 10% payout	Maximum 100% payout	Weighting	% of maximum achieved	% of bonus achieved
EBIT[1]	£154.7m	£183m			
	£174.7m		75%	62.6%	47%
Corporate objectives	Fully met		25%	100%	25%
Overall, bonuses of 108.0% of salary became payable to executive directors					

Performance share plan outcome 2022 cycle

	Threshold 25% payout	Maximum 100% payout	Weighting	% of maximum achieved	% of PSP vesting
EPS[2]	33.25p	37.00p			
	34.5p		50%	50%	25%
TSR vs FTSE 250	Median	Upper quartile			
	61st percentile		50%	57%	28.5%
Overall 53.5% of the 2022 PSP will vest to the executive directors					

The Committee also considered the vesting value of the 2022 PSP awards in relation to investor guidance around windfall gains. 2022 PSP awards were granted in April 2022 using a share price of 402.0p, while the average share price over Q4 2024 used to calculate the single figure of remuneration (see page 139) was 444.8p. The Committee reviewed a number of relevant perspectives in its deliberations, concluding that the gain through share price appreciation for this award reflects strong business performance and is not indicative of any windfall gains. The Committee will review again this decision at the time of vesting in April 2025.

2024 PSP

Awards were granted to the executive directors under the PSP in April 2024, with vesting linked to EPS, TSR and, for the first time, carbon reduction. The TSR performance condition is consistent with prior awards, with full vesting requiring Breedon to deliver upper quartile TSR when compared to the FTSE 250. The EPS range was set to be challenging in the context of Breedon's growth ambitions, and the carbon reduction range was set to build on Breedon's previous significant progress in reducing carbon emissions.

Full details of the targets are disclosed »142

Directors' Remuneration report Annual statement

Senior management and wider workforce

The Committee sets remuneration for senior executives, and during the year received updates on colleague remuneration, policies and practices across the Group, enabling the Committee to stay alert to trends and themes for the wider workforce. Pay increases for the wider workforce in 2024 were set to 4.0%. The executive directors and Executive Committee received the same level of increase.

Through the BMC acquisition in 2024, we welcomed a number of colleagues to Breedon's workforce in the US. The Committee has therefore spent time during the year in understanding in more depth competitive practices in that talent market, including the differences in structures and philosophy between that market and Europe. As BMC is further integrated into Breedon, through its overarching remit to govern pay practices across the Group, the Committee will keep under review the structure of remuneration across the workforce to ensure it aligns with our stated principles of competitiveness and supporting our shared culture and values.

As the DNED for Workforce Engagement, I attended a number of focus groups in 2024 with colleagues across our UK and Ireland businesses and discussed a wide range of topics.

Our Group-wide engagement survey 'Your Say' ran in November 2024 and for the first time included our BMC colleagues. We are delighted with both participation from our colleagues (75%) and our overall engagement score (78%).

Key activities in 2024

January

- measures and targets for the 2024 annual bonus;
- all-employee share plans;
- policy review – conclusion of shareholder consultation;
- Executive Committee remuneration review; and
- 2024 PSP structure.

February

- base salary changes for the executive directors and Executive Committee for 2024 in the context of workforce increases;
- annual bonus outcomes for 2023;
- approval of the 2021 PSP award vesting; and
- shareholding guidelines.

April

- a review of US remuneration following the BMC acquisition;
- a review and increase to bonus targets following the BMC acquisition; and
- approval of the grant of the 2024 PSP awards.

November

- the Committee's terms of reference;
- a review of the effectiveness of the Committee and its independent advisers;
- a review of workforce arrangements including US;
- interim performance update on incentives; and
- market update.

Directors' Remuneration report Annual statement

Looking forward to 2025

2025 will be the second year of our three-year Policy which the Committee will implement as follows:

Salary

The Committee supports the principle that executive director salary increases should be in line with or below those granted to the rest of the workforce. However, in reviewing executive director salaries this year, we believe that circumstances justify a departure from this norm for 2025. Recognising Rob Wood's continued strong performance and contribution in 2024 and his leadership of a Group which continues to evolve in scale, complexity and geographical reach, the Committee determined to increase his salary by 4.7% to £700,000 per annum from 1 April 2025.

In its review of James Brotherton's salary, the Committee noted that when James was appointed in 2021, his salary was set lower than his predecessor with the Committee agreeing to review the matter regularly as he developed in his role. Since then, James has performed at the highest level and made a significant contribution to the success of the business. The scope of his responsibilities has recently broadened to include leadership of the delivery of our digitalisation roadmap, and the complexity of the role has increased materially following the acquisition of BMC in 2024. In light of this, we believe that a salary increase of 7.3% to £485,000 per annum is fair, appropriate and commensurate with the levels of pay for an executive of his calibre at companies of comparable size and complexity to Breedon.

The average workforce salary increase is yet to be agreed.

Benefits and pension

There has been no change to the benefits provision. Pension contribution rates remain in line with the general workforce contribution offering of 5% of salary.

Annual bonus

The annual bonus opportunity for both executive directors will continue to be 150% of base salary and based 75% on underlying profitability and 25% on corporate objectives including ESG. Consistent with the Group's approach to migrate its primary operating profit metric from Underlying EBIT to Underlying EBITDA, for 2025 the financial element of the annual bonus will be determined by the Group's Underlying EBITDA performance. The Underlying EBITDA measure will remain subject to a moderator to reflect actual capital employed in the business versus budget, and a quality of earnings assessment will apply. The targets and objectives are considered to be commercially sensitive and will be disclosed in the 2025 remuneration report.

PSP

The Committee intends to make awards with a face value of 200% of salary to the CEO and 175% of salary to the CFO. The Committee has considered the prevailing share price and considers these award levels to be appropriate.

Consistent with the approach taken in 2024, EPS and relative TSR will continue to apply with weightings of 42.5% each. The remaining 15% will be based on a carbon reduction metric, which reflects our environmental ambitions. The performance ranges set for these metrics are detailed on page 146.

Concluding remarks

In accordance with the regulatory requirements for UK Main Market companies, we will be required to submit a new Policy to shareholders for approval by no later than the 2027 AGM. In the meantime, the Committee will continue to monitor developments in market practices and investor attitudes around senior executive pay, to ensure the 2024 Policy is fit-for-purpose, robust and competitive. In particular, the Committee will focus on ensuring the remuneration structure reinforces Breedon's growth ambitions, through our choice of variable pay structures, incentive mix, performance measure selection and target ranges. The Committee continues to place great importance on ensuring that there is a clear link between pay and performance, including a focus on culture, adherence to the Group's risk framework, and that remuneration outcomes are reflective of this wider context.

I hope you find this report to be a comprehensive account of the Committee's activities and the decisions we have made during the year. I shall be available at the upcoming AGM to answer any questions about the work of the Remuneration Committee, and thank you again for your continued support of Breedon.

Pauline Lafferty
Chair, Remuneration Committee
5 March 2025

Directors' Remuneration report

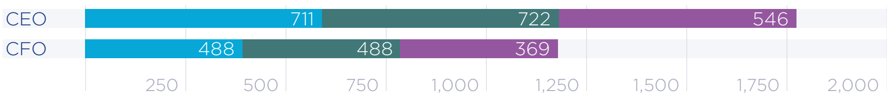
2 Remuneration at a glance

Our pay principles

- Clear and simple
- Attracts, retains and motivates
- Competitive but not excessive
- Clear focus on performance-related pay
- Aligned with shareholders and other stakeholders
- Supports our culture and values
- Promotes good governance

2024 Executive director remuneration

Actual pay delivered for 2024 £'000



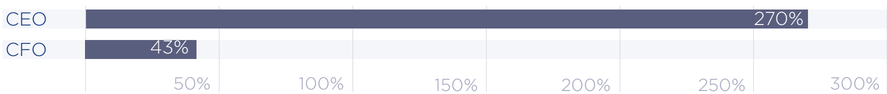
Annual bonus outcome

	Threshold 10% payout	Maximum 100% payout	Weighting	Achieved	Payout
EBIT	£154.7m	£183m	75%	62.6%	47%
	£174.7m				
Corporate objectives	Fully met		25%	100%	25%
					Total 72%

Performance share plan outcome 2022 cycle

	Threshold 25% payout	Maximum 100% payout	Weighting	Achieved	Payout
EPS	33.25p	37.00p	50%	50%	25.0%
	34.5p				
TSR vs FTSE 250	Median	Upper quartile	50%	57%	28.5%
	61st percentile				
					Total 53.5%

Shareholding % of salary



2025 Executive director remuneration

	CEO	CFO	2025	2026	2027	2028	2029
Fixed pay							
Salary	**£700k** (+4.7%)	**£485k** (+7.3%)					
Benefits	Private medical insurance, medical screening, car allowance						
Pension	5% of salary, in line with the workforce						
Annual bonus							
Opportunity	**150% of salary**	**150% of salary**					
Measures	– 75% — Adjusted Underlying EBITDA (with moderator to reflect actual capital employed versus budget) – 25% — Key strategic/sustainability objectives		One-year performance period Two-thirds of bonus earned is paid in 2026 One-third is deferred in shares for two years				
Deferral	One-third of any bonus earned, for two years						
Performance share plan							
Opportunity	**200% of salary**	**175% of salary**					
Measures	– 42.5% — EPS – 42.5% — TSR vs FTSE 250 excl investment trusts – 15% — Carbon reduction		Three-year performance period Two-year holding period on any vested shares				
Cycle	Three-year performance period plus two-year hold						

Shareholding requirements

Level	**200% of salary**
Details	Retain half of any vested share awards (net of tax) until guideline is achieved. Remains in force for two years post-cessation

Directors' Remuneration report

3 Directors' Remuneration Policy

Our Directors' Remuneration Policy was approved by shareholders at the AGM on 24 April 2024 and will continue to apply for the 2025 financial year.

Click or scan here to see a full copy of the Policy approved in 2024

Summary Policy table for directors

The table below sets out the main components of the Policy.

Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions
Base salary			
To provide a competitive base salary reflective of the particular skills, calibre and experience of an individual.	Normally reviewed annually or where there is a significant change of responsibilities. Typically take effect from 1 April.	No maximum salary, although increases will normally be broadly in line with those awarded to the wider workforce. Increases above this level may be awarded to take into account individual circumstances.	Any increase in base salary is only implemented after careful consideration of individual contribution and performance.
Benefits			
To provide market competitive, cost effective benefits to assist with retention and recruitment.	May include private medical insurance, life assurance, car allowance, executive medical screening and any other benefits which are introduced for the wider workforce. May also include certain relocation, travel and/or incidental expenses as appropriate.	There is no predetermined maximum.	Not performance related.
Pension			
To provide employees with long-term savings to allow for retirement planning.	Includes participation in a defined contribution pension plan or a cash supplement in lieu of pension up to the same value, or a mixture of both.	Aligned with the wider workforce pension contribution (5% of base salary).	Not performance related.

Directors' Remuneration report Directors' Remuneration Policy

Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions
Annual bonus			
Rewards achievement of annual financial and business targets aligned with the Group's KPIs. Bonus deferral encourages long-term shareholding, supports retention and discourages excessive risk taking.	Subject to the achievement of performance targets and with payment at the Committee's discretion. Two-thirds payable in cash and one-third deferred in shares for two years. Malus and clawback provisions apply.	150% of base salary.	Financial measures will normally determine the majority of the bonus opportunity and the balance may be based on non-financial, strategic, personal and/or ESG-related objectives. The Committee has discretion to adjust the formulaic outcome taking account of any relevant factors.
Performance Share Plan			
To drive superior performance of the Group and delivery of the Group's long-term objectives, aid retention and align directors' interests with those of the Company's shareholders.	Share awards granted in the form of nil or nominal cost options or conditional awards. Vested awards are subject to a two-year holding period. Dividend accrual applies. Malus and clawback provisions apply.	200% of salary for the CEO and 175% of salary for other directors.	Vesting subject to the satisfaction of performance conditions, typically measured over a period of at least three years. Measures could include, but are not limited to, EPS, relative TSR or sustainability-based measures. The Committee has the flexibility to vary the mix of measures or to introduce new measures for future awards. The Committee has discretion to alter the vesting outcome taking account of any relevant factors.
All-employee share schemes			
Encourages colleague share ownership and therefore increase alignment with shareholders.	Sharesave schemes are open to all colleagues of the Group. The Company may introduce other all-employee schemes, if appropriate.	Limits set by HMRC from time to time.	Not performance related.

Directors' Remuneration report Directors' Remuneration Policy

Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions
Shareholding guidelines			
Encourages executive directors to build a meaningful shareholding in the Group.	At least half of any share awards vesting (post-tax) must be retained until the required holding is reached. Shares owned outright count towards the in-employment guideline as do unvested deferred bonus shares and vested PSP awards, which remain unexercised on a net of tax basis.	During employment: 200% of salary guideline applies. Post-employment: the holding requirement is the lower of the shareholding at cessation and 200% of salary, and applies for two years.	Not performance related.
Chair and non-executive directors' fees			
To attract high-calibre individuals and appropriately reflect knowledge, skills and experience.	Fees reviewed annually, taking into account time commitment and contribution. The Chair is paid an all-inclusive fee for all Board responsibilities. Non-executive directors receive a basic fee and additional fees for further responsibilities.	No maximum fee level or rate of increase, but account is taken of market movements and ongoing time commitments.	Not performance related.

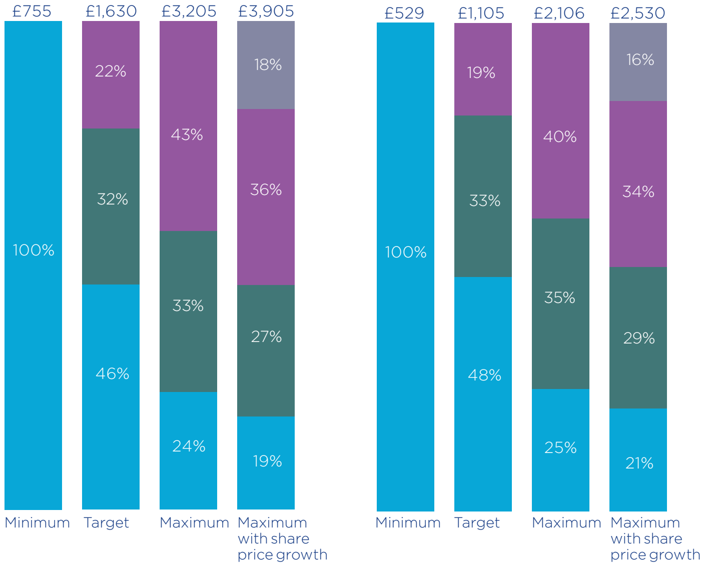
Directors' Remuneration report Directors' Remuneration Policy

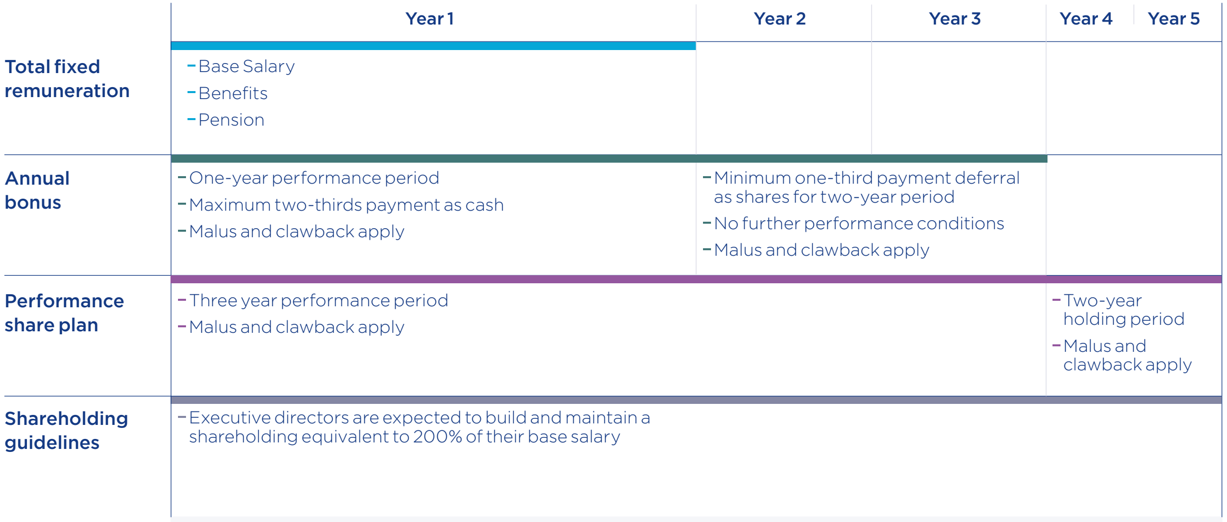
Illustration of the application of the Policy

Total fixed remuneration | Annual bonus | Performance share plan | Share price growth

CEO
(£'000)

CFO
(£'000)





The balance between fixed and variable 'at risk' elements of remuneration changes with performance. Our Policy results in a significant proportion of remuneration received by executive directors being dependent on Company performance. The charts above illustrate how the Policy would function for minimum, on-target and maximum performance for each executive director in 2025.

Assumptions for the chart:

- Benefits estimated at the value shown in the single total figure of remuneration table for 2024.
- On-target: bonus achieved at 50% of the maximum opportunity, and the PSP is valued at 25% of the face value at grant.
- Maximum: full bonus achieved and PSP vesting in full i.e. bonus payouts of 150% of salary, and PSP award values of 200% and 175% of salary for the CEO and CFO respectively.
- Share price appreciation of 50% has been assumed for the PSP awards under the final 'maximum with growth' scenario (no share price appreciation has been assumed for the first three sections).
- Amounts relating to all-employee share schemes have, for simplicity, been excluded from the charts.

Directors' Remuneration report Directors' Remuneration Policy

Service agreements/letters of appointment and loss of office

Each director has a service agreement or letter of appointment with the Company as follows:

Director	Service agreements/ letters of appointment and loss of office	Date of contract/ letter of appointment following Admission	Notice period: From the director	Notice period: From the Company
Executive directors				
Rob Wood	27 February 2014	10 May 2023	12 months	12 months
James Brotherton	17 November 2020	10 May 2023	12 months	12 months
Non-executive directors				
Amit Bhatia	1 August 2016	26 April 2023	–	–
Carol Hui, OBE	3 March 2020	26 April 2023	–	–
Pauline Lafferty	17 June 2021	26 April 2023	–	–
Helen Miles	18 November 2020	26 April 2023	–	–
Clive Watson	24 July 2019	26 April 2023	–	–

The non-executive directors, Pauline Lafferty and Helen Miles, entered into new letters of appointment in 2024.

In line with the expectations of the UK Corporate Governance Code, all directors submit themselves for re-election annually at the AGM.

Directors' Remuneration report

4 Annual report on remuneration

This section of the report has been prepared in accordance with Part 3 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and UKLR 6.6.6R. The Directors' Remuneration report, comprising the Annual Statement to shareholders by the Remuneration Committee Chair and the Annual report on remuneration will be put to a to a single advisory shareholder vote at the AGM on 29 April 2025.

This part of the report is comprised of five sections:

4A Remuneration for 2024

Single total figure of directors' remuneration (audited)

The total remuneration of the directors for the year ended 31 December 2024 and the prior year is shown in the table below:

	Salary/fees £'000		Benefits[1] £'000		Pension[2] £'000		Fixed pay Sub-total £'000		Annual bonus[3] £'000		PSP awards vesting[4] £'000		Variable pay Sub-total £'000		Total £'000	
Director	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Executive directors																
Rob Wood	**662**	636	**20**	20	**29**	28	**711**	684	**722**	799	**546**	349	**1,268**	1,148	**1,979**	1,832
James Brotherton	**448**	430	**20**	20	**20**	19	**488**	469	**488**	541	**369**	202	**857**	743	**1,345**	1,212
Non-executive directors																
Amit Bhatia	**219**	183	**–**	–	**–**	–	**219**	183	**–**	–	**–**	–	**–**	–	**219**	183
Carol Hui, OBE	**70**	64	**–**	–	**–**	–	**70**	64	**–**	–	**–**	–	**–**	–	**70**	64
Pauline Lafferty	**77**	69	**–**	–	**–**	–	**77**	69	**–**	–	**–**	–	**–**	–	**77**	69
Helen Miles	**59**	54	**–**	–	**–**	–	**59**	54	**–**	–	**–**	–	**–**	–	**59**	54
Clive Watson	**81**	74	**–**	–	**–**	–	**81**	74	**–**	–	**–**	–	**–**	–	**81**	74

1 Benefits paid to Rob Wood and James Brotherton comprise the provision of private medical insurance and a car allowance.

2 Rob Wood and James Brotherton received a salary supplement in lieu of a contribution to a pension arrangement.

3 Further information in relation to the bonuses payable to Rob Wood and James Brotherton is given on pages 140 and 141 and these bonuses were earned pursuant to the terms of the 2024 annual bonus scheme.

4 Both executive directors were granted PSP awards on 11 April 2022 which are due to vest at 53.5% on 11 April 2025. As the vesting date falls after the remuneration report is signed off, the value of these awards has been estimated using the three-month average share price to 31 December 2024 (444.8p). The actual value of these awards at the point of vesting will be set out in the 2025 Directors' Remuneration report. The 2023 PSP figures have been updated to reflect the actual share price on the date of vesting (374.0p and the value of accrued dividends during the vesting period).

Directors' Remuneration report Annual report on remuneration

4A Remuneration for 2024

Annual bonus for the year ended 31 December 2024 (audited)

The annual bonus opportunity for each executive director was 150% of base salary. The 2024 annual bonus was based on the achievement of stretching Underlying EBIT targets for 75% with the remaining 25% based on corporate objectives. The Underlying EBIT range was set around the budget for the year, and was subsequently increased to reflect the impact of the BMC acquisition. At the time of setting the Underlying EBIT range, the stretch level of performance required a 7% out-performance of market consensus.

Underlying EBIT (75% of the total bonus)

Threshold level of Underlying EBIT (10% payout) £m	Target level of Underlying EBIT (50% payout) £m	Maximum level of Underlying EBIT £m	Adjusted Underlying EBIT £m[1]	Bonus earned (percentage of maximum) %
154.7	171.9	183.0	174.7	62.6

1 After the application of the capital employed moderator and the exchange rate translation

The rules of the annual bonus scheme provide that the actual level of Underlying EBIT achieved is subject to a capital moderator which reinforces working capital discipline and is based on applying a capital charge to excess working capital, and conversely a capital credit for a reduction in working capital. In 2024 the impact of the capital moderator on the Underlying EBIT achieved was to increase EBIT by c.£0.6m based on working capital being lower than had been budgeted as increases in capital employed from acquisition of businesses were fully offset by a stronger than budgeted working capital performance. In 2024 it was determined by the Committee that, for performance measurement purposes, BMC earnings for 2024 would be translated to sterling at an exchange rate of US dollar 1.26:GBP, consistent with the rate of exchange on the date of acquisition. Accordingly, Underlying EBIT was increased for performance measurement purposes by a further £0.4 m to recognise the different exchange rates used (1.29) for the reporting period.

In overseeing the bonus outcome, the Committee examines whether the formulaic calculation for the Underlying EBIT metric is justifiable and explainable in the context of overall business performance, particularly focusing on the impact of one-off events. The Committee concluded from its review that the formulaic outcome against the Underlying EBIT targets reflected the underlying performance of the Group in the year.

Corporate objectives (25% of the total bonus)

Objectives	Assessment
Strategic themes	
Strategy — refresh the Group Strategy and clarity on third Platform.	Breedon 3.0 evolved strategy was approved by the Board and presented at the Capital Markets Event in November. BMC acquisition completed and integration in line with the acquisition plan.
Customer — maintain and/or improve NPS across all divisions.	Target for 2024 was to maintain or improve against weighted average NPS score of 63 for 2023. This target was exceeded with a weighted NPS score of 67.
Mineral reserves — planning applications/planning consents secured for key mineral reserves.	Target for replenishment of mineral reserves in 2024 exceeded extraction with 36.2mT minerals secured during the year.
Digitalisation — roadmap for the delivery of our five-year technology strategy.	Five-year technology roadmap developed by newly appointed CIO and approved by the Board with key delivery priorities set for 2025.
Sustainability 2030 target	
Planet — Progress the Peak Cluster project alongside continuation of research into emerging technologies and cement innovation.	Good progress made towards FEED on the Peak Cluster decarbonisation project. A number of significant research and innovation projects and initiatives commenced.
People — demonstrate the positive impact to 25,000 people by the end of 2024.	27,268 people positively impacted during 2024.
Places — percentage of concrete and asphalt sales revenue to be from products with enhanced sustainability attributes by the end of 2024.	Sales of products with more sustainable attributes rose from 40% to 48% in 2024 exceeding the target of 42%.

The objectives made up 25% of the total bonus for the CEO and CFO. The Committee determined that excellent progress had been made against each of the objectives and targets and this resulted in a payout of 100%.

The table above provides disclosure of the objectives against each area and actual performance.

Directors' Remuneration report Annual report on remuneration

4A Remuneration for 2024

Overall the bonus outcome for the year, taking into account financial performance and the delivery of corporate objectives, was 72% of maximum. The overall bonus for the period was as follows:

	Maximum bonus opportunity (% of salary)	Bonus payout (% of maximum)	Bonus earned (£'000)	Payable in cash	Portion to be deferred in shares for 2 years
Rob Wood	150%	72%	722	481	241
James Brotherton	150%	72%	488	325	163

The Remuneration Committee believes these outcomes fairly reflect the performance of the business over the 2024 financial year and therefore no adjustment is required to the formulaic outcomes. In arriving at this conclusion, the Committee recognised the resilient performance delivered in 2024 in a very challenging macroeconomic environment. The Committee also considered progress on strategic delivery and sustainability objectives delivered during the year.

2022 PSP vesting outcome in respect of performance to 31 December 2024 (audited)

Awards were granted under the PSP on 11 April 2022, with vesting subject to two performance conditions, each with an equal weighting – Underlying Diluted EPS growth and relative TSR against the constituents of the FTSE 250 (excluding investment trusts).

The performance period for both measures ended on 31 December 2024 and the awards will become exercisable on the third anniversary of grant subject to continued service. These awards are subject to a two-year holding period.

	Threshold (25% vesting)	Maximum (100% vesting)	Actual	Vesting (% of maximum)
Relative TSR (50%)	Median rank (12)% TSR	Upper quartile rank 20.5% TSR	1.0% TSR, above median ranking	57%
EPS (50%)[1 2]	33.25p	37.0p or higher	34.5p	50%

1 The EPS targets were adjusted for the one-for-five share consolidation undertaken as part of the move to the Main Market.

2 The Pillar Two adjustment increased Underlying Diluted EPS for performance measurement purposes by 0.2p to 34.5p (see page 130).

The EPS performance over the period was such that this part of the award will vest at 50%. For TSR, the Company ranked above median of the comparator group and therefore 57% of this award will vest. As such, 53.5% of the awards will vest on 11 April 2025.

	Number of PSP awards granted '000	Performance outcome %	Number of awards vesting '000	Value due to share price appreciation £'000	PSP single total figure value £'000
Rob Wood	229	53.5%	123	53	546
James Brotherton	155	53.5%	83	36	369

The value of these awards as set out in the above table is based on the average three-month share price to 31 December 2024 of 444.8p.

The Committee believes the vesting outcome is a fair reflection of performance over the three-year period and therefore no discretion has been applied to amend the formulaic outcomes. In addition, the Committee is satisfied that no windfall gains have arisen but this will be subject to a final assessment at vesting.

2021 PSP vesting

The PSP awards granted on 23 April 2021 vested at 50% on 23 April 2024. In the 2024 Annual Report, an estimated vesting value was provided based on the three-month average share price to 31 December 2023 (337.5p). The prior year PSP values in the single figure table have been updated to reflect the actual share price on the date of vesting (374.0p) and the value of accrued dividends during the vesting period.

Payments to former directors (audited)

There were no payments to former directors during the year.

Payments for loss of office (audited)

There were no payments for loss of office during the year.

Directors' Remuneration report Annual report on remuneration

4B Directors' share ownership and share interests

Share awards granted in 2024 (audited)

The table below provides details of PSP awards made to executive directors on 25 April 2024.

Director	Type of award	Percentage of salary Basis of award	Number of shares under award[1] '000	Face value of award[1] £'000	Percentage vesting at threshold	End of performance period
Rob Wood	Conditional shares	200%	367	1,337	25%	31 Dec 2026
James Brotherton	Conditional shares	175%	217	791	25%	31 Dec 2026

1 The number of awards was based on a share price of 364.5pp being the middle market closing price on the dealing day prior to grant.

The vesting of the above awards is subject to the achievement of three performance conditions, measured independently.

	Performance measure, weighting and targets range		
Percentage of award that vests	Adjusted underlying diluted FY26 EPS 42.5% weighting	TSR vs FTSE250 excl. IT 42.5% weighting	Core carbon intensity reduction 15% weighting
0%	Less than 37.50p	Below Median TSR	Less than 4.95%
25%	37.50p	Median TSR	4.95%
50%	40.40p	n/a	6.60%
100%	44.44p	Upper quartile TSR	8.25%

Outstanding PSP and SAYE awards (audited)

PSP

			Movements in the year				
	Year of award	Awards held as at 1 Jan 2024 '000	Granted '000	Vested[1] '000	Lapsed[1] '000	Awards held as at 31 Dec 2024 '000	Vesting date
Rob Wood	2021	172	–	93	86	0	April 2024
	2022	229	–	–	–	229	April 2025
	2023	272	-	–	–	272	April 2026
	2024	-	367	–	–	367	April 2027
Total		**673**	**367**	**93**	**86**	**868**	
James Brotherton	2021	100	–	54	50	0	April 2024
	2022	155	–	–	–	155	April 2025
	2023	184	-	–	–	184	April 2026
	2024	-	217	–	–	217	April 2027
Total		**439**	**217**	**54**	**50**	**556**	

1 2021 PSP – additional dividend shares of 7,477 for Rob Wood and 4,334 for James Brotherton accrued on vested shares.

SAYE

	Shares under option '000	Option date	Maturity date	Option price	Term (months)	Options matured during the year '000
Rob Wood	10	1 May 2024	1 June 2029	316p	60	11
James Brotherton	8	1 April 2021	1 May 2026	356p	60	Nil

Directors' Remuneration report Annual report on remuneration

4B Directors' share ownership and share interests

Beneficial interests (audited)

The share interests of each director as at 31 December 2024 (together with interests held by connected persons) are set out in the table below. To align executive directors with the interests of shareholders, the Committee has implemented shareholding guidelines for executive directors and key senior colleagues. The guidelines require that executive directors build up and maintain an interest in the ordinary shares of the Company that is 200% of their annual base salary and retain half of any vested share awards (net of any taxes due) until this guideline is met.

Shareholdings for directors who have held office during the year ended 31 December 2024 are set out as a percentage of salary or fees in the table below.

	No. of shares owned outright (inc. connected persons) 31 Dec 2024 '000	No. of shares owned outright (inc. connected persons) 31 Dec 2023 '000	Vested but unexercised share awards	Unvested shares subject to performance conditions '000	SAYE Options held '000	Shareholding as a % of salary as at 31 Dec 2024[1]	Shareholding guidelines (200% of salary) met?
Executive directors							
Rob Wood	405	344	0	868	10	270%	Yes
James Brotherton	44	15	0	556	8	43%	No
Non-executive directors							
Amit Bhatia[2]	100	100	–	–	–	–	–
Carol Hui, OBE	4	4	–	–	–	–	–
Pauline Lafferty	0	0	–	–	–	–	–
Helen Miles	0	0	–	–	–	–	–
Clive Watson	40	39	–	–	–	–	–

1 Includes the value of beneficially owned shares and any vested but unexercised share awards on a net of tax basis.

2 Amit Bhatia is recognised by the Board as being a person closely associated with Abicad Holdings Limited. Abicad Holdings Limited currently holds 65,554,894 ordinary shares in the Company.

Executive directors are expected to build and maintain a shareholding equivalent to 200% of their base salary. There was no change in the interests set out above between 31 December 2024 and 5 March 2025.

4C Remuneration Committee membership, governance and voting

Independent advisers

The Committee takes account of information from both internal and independent sources, including FIT Remuneration Consultants LLP (FIT) who acted as the Committee's independent adviser during 2024. Following a tender process, the Committee appointed Ellason LLP (Ellason) as adviser towards the end of the year.

FIT and Ellason are members of the Remuneration Consultants' Group and comply with its Code of Conduct, which sets out guidelines to ensure that their advice is independent and free of undue influence. The Committee reviews the performance and independence of its advisers on an annual basis, and was satisfied that FIT and Ellason's advice was independent and objective. Breedon incurred fees of £132,531 excluding VAT during 2024 relating to Committee advice. FIT and Ellason billed on a time and materials basis and did not provide any other services (other than share plan implementation advice in the case of FIT) to Breedon during 2024.

Shareholder voting

Breedon submitted the Directors' Remuneration report and Directors' Remuneration Policy for shareholder votes at the AGM held on 24 April 2024. The vote on the Remuneration report was advisory while the vote on the Policy was binding, with each resolution receiving the following support.

	Directors' Remuneration report (2024)		Directors' Remuneration Policy (2024)	
	Total number of votes	% of votes cast	Total number of votes	% of votes cast
For	**260,481,429**	**95.03**	**265,756,165**	**96.95**
Against	**13,626,682**	**4.97**	**8,353,190**	**3.05**
Total votes cast (for and against)	**274,131,711**	**100**	**274,131,822**	**100**
Votes withheld	**23,711**	**–**	**22,467**	**–**

Directors' Remuneration report Annual report on remuneration

4D Pay comparison

Percentage change in directors' remuneration versus employee pay

The table below shows the percentage changes in base salary or fees, taxable benefits and annual bonus of each director in the financial year ended 31 December 2024 together with the approximate comparative average figures for those employees who were employed for a full 12 months in the UK. This section of the employee population (comprising approximately 2,900 individuals across a number of levels) is considered to be the most appropriate group for comparison purposes, as its remuneration is controlled by the Group and is subject to similar external market forces as those that relate to the executive directors' remuneration. This disclosure will build up over time to show five years' worth of data.

	Salary/Fees		Benefits		Annual bonus	
	2024	2023[2]	**2024**	2023[2]	**2024**	2023
Rob Wood	**4.1%**	5.1%	**(3.6)%**	(2.5)%	**(9.7)%**	6.3%
James Brotherton	**4.1%**	4.4%	**0.0%**	(4.3)%	**(9.7)%**	6.3%
Amit Bhatia	**19.5%**	4.4%	**–**	–	**–**	–
Carol Hui, OBE	**10.5%**	4.4%	**–**	–	**–**	–
Pauline Lafferty	**12.5%**	3.4%	**–**	–	**–**	–
Helen Miles	**9.0%**	4.4%	**–**	–	**–**	–
Clive Watson	**9.6%**	3.2%	**–**	–	**–**	–
Workforce average[1]	**5.2%**	6.6%	**(6.2)%**	1.0%	**(16.5)%**	9.6%

1 The salaries for part time employees have been pro-rated to full time equivalents. Weekly paid employees have been excluded from the report as the pay conditions are different from those employees who are monthly paid making comparison misleading.

2 2023 numbers have been restated based on actual rather than rounded values and this methodology has been applied in 2024.

CEO pay ratio

In line with the reporting regulations, set out below is the ratio of CEO pay compared to the pay of UK full-time equivalent colleagues of the Group for the financial year ended 31 December 2024. This disclosure for Breedon will continue to build up to ten years' worth of data over time. We expect the pay ratio to vary from year to year, driven largely by variability in incentive outcomes for the CEO, which will significantly outweigh any other general employee pay changes at Breedon. The CEO single total figure remuneration of £1,978,861 is used in the table below. The Committee will monitor the CEO pay ratio over time to check that it appears reasonable and is consistent with the Company's wider policies on colleague pay, reward and progression. We have chosen to use Option A in calculating the ratios, which is a calculation based on the pay of all UK employees on a full-time equivalent basis, as this option is considered to be more statistically robust. The ratios are based on total pay and benefits inclusive of short-term and long-term incentives applicable for the respective financial year (1 January to 31 December). The reference employees at the 25th, 50th and 75th percentile have been determined by reference to pay and taxable benefits as at 31 December 2024.

	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024	**Option A**	**57.3:1**	**47.5:1**	**36.9:1**
2023	Option A	51.8:1	43.1:1	33.8:1

The Committee is satisfied that the resulting figures are reasonable and are appropriately representative for the purposes of the CEO pay ratio calculations.

Set out in the table below is the base salary and total pay and benefits for each of the percentiles.

	CEO	25th percentile	Median	75th percentile
Salary	£661,995	£28,673	£33,963	£42,015
Total pay and benefits	£1,978,861	£34,550	£41,666	£53,565

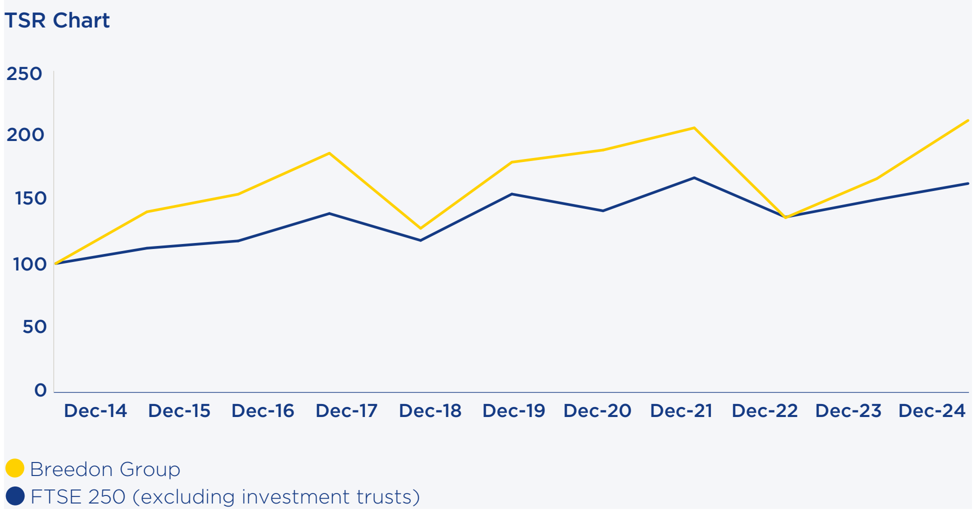
Directors' Remuneration report Annual report on remuneration

4D Pay comparison

Total shareholder return performance graph and CEO total pay

The following graph illustrates the total return, in terms of share price growth and dividends on a notional investment of £100 in Breedon over the last ten years relative to the FTSE 250 Index (excluding investment trusts).

This index was chosen by the Committee as Breedon is a constituent of the index and it provides an indicator of general UK market performance for companies of a broadly similar size.



Source: Bloomberg

The total remuneration figures, including annual bonus and vested PSP awards (shown as a percentage of the maximum that could have been achieved) for the CEO for each of the last eight financial years are shown in the table below.

Year	CEO	CEO single figure of total remuneration £'000	Annual bonus payout against maximum opportunity %	PSP vesting rates %
2024	Rob Wood	1,979	72.0	53.5
2023	Rob Wood	1,832	99.5	50.0
2022	Rob Wood	1,868	97.8	100.0
2021	Rob Wood[1]	1,722	100.0	70.8
2021	Pat Ward[2]	1,210	100.0	70.8
2020	Pat Ward	1,444	100.0	0
2019	Pat Ward	2,076	82.6	61.9
2018	Pat Ward	1,334	60.5	83.5
2017	Pat Ward	1,056	67.1	100

1 Total remuneration for Rob Wood including the period 1 January 2021 to 31 March 2021 when he served as Group Finance Director.

2 Pat Ward's remuneration above is for the period ended 31 March 2021 when he retired from the Board.

Relative importance of the spend on pay

The following table shows the Company's actual spend on pay for all Group colleagues relative to dividends:

	2024 £m	2023 £m	% change %
Staff costs[1]	**246.6**	208.3	18
Dividends[2]	**48.1**	37.3	29

1 Note 5 of the consolidated financial statements.

2 Dividend paid to Breedon Group shareholders.

Directors' Remuneration report Annual report on remuneration

4E Implementation of Policy in 2025

Base salaries

As explained in the annual statement on page 132, the changes to base salary effective from 1 April 2025 will be as follows:

- Chief Executive Officer: £700,000 (2024: £668,382)
- Chief Financial Officer: £485,000 (2024: £452,109)

Non-executive directors' fees

The fee for the non-executive chair for 2025 is £238,000 (2024: £230,000).

The fees payable to the non-executive directors for 2025 are:

- basic fee of £62,000 (2024: £60,000);
- an additional fee for holding the office of Senior Independent Director of £10,900;
- an additional fee for chairing the Audit & Risk, Remuneration or Sustainability Committees of £13,000; and
- an additional fee of £7,800 to the Designated Non-executive Director for Workforce Engagement.

Annual bonus

For 2025, the executive directors will have the opportunity to earn a bonus of up to 150% of salary. The bonus will be subject to stretching performance conditions based on Underlying EBITDA (75%) and corporate objectives (25%). Financial performance will continue to incorporate a capital employed moderator designed to incentivise a strong balance sheet and cash management and penalise poor performance in these areas. In addition, a 'Quality of Earnings' assessment will apply in determining the financial bonus outcome. This subjective assessment of earnings would consider – in the round – whether the Underlying EBITDA outcome is reasonable taking into account other financial indicators, and assurance from the Audit & Risk Committee.

The performance targets contain confidential information and so are not disclosed on a prospective basis. The Committee intends to disclose the targets, and performance against them, in the 2025 Annual Report.

PSP awards

For 2025, it is anticipated that the CEO will receive an award with a face value of 200% of base salary and the CFO will receive an award of 175% of salary.

The awards will vest subject to the satisfaction of stretching performance conditions assessed over the three-year period ending 31 December 2027. These measures and weightings will be EPS 42.5%, relative TSR 42.5% and carbon reduction 15% as detailed in the table below.

	Performance measure, weighting and targets range		
Percentage of award that vests	**Adjusted underlying diluted FY27 EPS** 42.5% weighting	**TSR vs FTSE250 excl. IT** 42.5% weighting	**Core carbon intensity reduction** 15.0% weighting
0%	Less than 38.00p	Below Median TSR	Less than 4.87%
25%	38.00p	Median TSR	4.87%
50%	41.00p	n/a	6.50%
100%	47.00p	Upper quartile TSR	8.13%

Pauline Lafferty
Chair, Remuneration Committee
5 March 2025

Directors' report

The directors present their report, together with the audited financial statements, for the year ended 31 December 2024.

The Directors' report for the year ended 31 December 2024 is presented and includes sections of the Annual Report incorporated by reference. This includes the Governance report set out on pages 101 to 150 and, accordingly, should be read as part of this report and, as permitted by legislation, some of the matters required to be included in the Directors' report have instead been included in the Strategic report on pages 01 to 99, as the Board considers them to be of strategic importance. Specifically, these are:

- pages 10 to 47 provide detailed information relating to a review of the market, our business model, strategy, business operations, future developments and the results and financial position for the year ended 31 December 2024;
- details of the Company's policy on addressing the principal risks and uncertainties facing the Company, which are set out in the Strategic report on pages 48 to 66;
- information as to the Group's greenhouse gas emissions for the year ended 31 December 2024, which can be found on page 75;
- Section 172(1) Statement, which is set out on pages 95 to 99;
- how we have engaged with our colleagues and stakeholders on pages 106 to 111; and
- business relationships on pages 01 to 39, 88 to 90, and 95 to 99.

Disclosures required under UKLR 6.6.6R

The information required to be disclosed in accordance with UKLR 6.6.6R of the Financial Conduct Authority's UK Listing Rules can be located in the following pages of this Annual Report:

(3) Details of long-term incentive schemes – pages 134 and 137; and

(1) (2) (4) to (13) Not applicable.

The Strategic report and the Directors' report together form the Management report for the purposes of the Disclosure Guidance and Transparency Rules (DTR) 4.1.8R.

Principal activities

The principal activities of the Company are the quarrying of aggregates and manufacture and sale of construction materials and building products in GB, Ireland and the US, including cement, asphalt and ready-mixed concrete, and specialist building products together with the delivery of surfacing solutions as a further route to market for our construction materials. Details of our UK subsidiaries together with those outside of the UK can be found on pages 207 to 209.

Dividends

The Company paid an interim dividend on 1 November 2024 of 4.5p per share to holders of ordinary shares of £0.01 who were on the register as at 27 September 2024. A final dividend of 10.0p per share will be proposed for shareholder approval at the AGM on 29 April 2025. If approved, the final dividend will be paid on 16 May 2025 to shareholders on the Register of Members on 4 April 2025.

Annual General Meeting

The Annual General Meeting of the Company will be held at Pinnacle House, Breedon Quarry, Breedon on the Hill, DE73 8AP on 29 April 2025 at 2.00pm.

The formal notice convening the AGM, together with explanatory notes on the resolutions contained therein, is included in the separate circular accompanying this document and which is available on the Company's website.

Click or scan code to find out more

Directors' report

Substantial shareholdings

The Company is aware that, as at 17 February 2025, the interests of shareholders holding 3% or more of the issued share capital of the Company were as shown in the table below:

	Number	%
Abicad Holding Limited	65,554,894	19.08
Blackrock	30,700,135	8.93
Columbia Threadneedle Investments	19,296,874	5.62
Lansdowne Partners	17,590,345	5.12
Vanguard Group	14,745,980	4.29
MFS Investment Management	12,650,669	3.68
Man GLG	10,985,349	3.20

Capital structure

Details of the Company's issued share capital and of the movements during the year are shown in note 17 to the consolidated financial statements. The Company has one class of ordinary share which carries no right to fixed income. Each share carries the right to one vote at General Meetings of the Company. There are no restrictions on the transfer of shares, which are both governed by the general provisions of the Articles and prevailing legislation.

The directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. The Chair is recognised by the Board as being a Person Closely Associated with Abicad Holding Limited. There are no persons holding shares carrying special rights regarding control of the Company.

Details of employee share schemes are set out in note 18 to the consolidated financial statements. No person has any special rights of control over the Company's share capital.

The Company did not purchase or acquire any of its own shares in the financial year to 31 December 2024.

Under the Articles, the directors have authority to allot ordinary shares, subject to the aggregate nominal amount limit set at the General Meeting held on 24 April 2024 of £1,132,685.69. Shareholders granted the Company authority to purchase up to an aggregate of 33,980,570 of its own shares. No shares have been purchased to date under this authority and therefore at 31 December 2024 the authority remained outstanding. Both authorities expire at the conclusion of the AGM to be held in 2025 or on 23 July 2025 (whichever is sooner) and a resolution to renew the authorities will be put to shareholders at the forthcoming AGM. At 31 December 2024 the Company held no shares in treasury.

With regard to the appointment and replacement of directors, the Company is governed by its Articles, the UK Corporate Governance Code, the Companies Act 2006 and related legislation. Each director stands for election or re-election annually by shareholders at each AGM.

The Articles may be amended by Special Resolution of the shareholders.

Change of control

There are no significant agreements that take effect, alter or terminate on change of control of the Company following a takeover. However, there are a number of agreements that take effect after, or terminate upon, a change of control of the Company, such as commercial contracts, bank loan agreements, property lease arrangements and employee share plans. None of these are considered to be significant in terms of their likely impact on the business of the Group as a whole. No agreements exist with the Company and its directors or employees for compensation for loss of office or employment that occurs because of a takeover bid.

Directors

Biographical details of the directors serving during the year and as at 31 December 2024 can be found on pages 102 to 103 and details of their service contracts are given in the Directors' Remuneration report on page 138. The beneficial and non-beneficial interests of the directors and their connected persons in the shares of the Company at 31 December 2024 and as at the date of this report are disclosed in the Directors' Remuneration report on page 143.

As set out in the Notice of Meeting, all the directors will retire at this year's AGM and submit themselves for re-election by shareholders. All directors took part in the internal Board performance review in 2024.

Indemnity provisions

The Company maintains Directors' and Officers' liability insurance in respect of legal action that might be brought against its Directors and Officers. The Company has granted an indemnity in favour of its directors against certain liabilities that may be incurred as a result of their being in office to the extent permitted by Section 234 of the Companies Act 2006. The Company has not issued any qualifying pension scheme indemnity provisions.

Directors' report

Colleagues

The Group recognises the importance of colleague involvement in the operation and development of its business units, which are given autonomy, within a Group policy and structure, to enable management to be fully accountable for their own actions and gain maximum benefit from local knowledge. Colleagues are informed by regular consultation, intranet, and internal newsletters of the progress of both their own business units and the Group as a whole.

The Group is committed to providing equal opportunities for individuals in all aspects of employment. It considers the skills and aptitudes of disabled persons in recruitment, career development, training and promotion. If existing colleagues become disabled, every effort is made to retain them, and retraining is arranged wherever possible.

How the Board has engaged with employees can be found on pages 107 and 108 and provides details of how information has been provided to them and how their involvement has been encouraged. The Section 172(1) Statement sets out how the Board has had regard to employees interests and is set out on pages 95 to 99.

Research & Development

Innovation is a key part of the Breedon culture and its future, from the development of lower carbon cements, to utilising recycled materials in products and from adopting new production methods to utilising additives that enhance the product lifecycle. Activities of the Group with regards to research and development can be found on pages 72 to 80.

Political contributions

The Group did not make any contributions to political parties during the current or the previous year.

Financial instruments

Details of the Group's financial instruments are set out in note 19 of the consolidated financial statements.

Sustainability

The Board considers sustainability to be of strategic importance and as such relevant information is contained in the Strategic report on pages 69 to 94 together with our TCFD disclosures on pages 59 to 66.

Going Concern

The directors have continued to adopt the Going Concern basis in preparing the financial statements (see note 1 to the consolidated financial statements.

Business relationships

The directors have regard to foster business relationships with key stakeholders including suppliers and customers. How engagement has taken place and how the effect of that regard influenced decisions taken by the directors during the financial year can be found in the Board's Section 172(1) Statement on pages 95 to 99 of the Strategic report.

Risk management and internal control

The Board is responsible for the Group's system of risk management and continues to develop policies and procedures that reflect the nature and scale of the Group's business. Further details of the key areas of risk to the business identified by the Board are included on pages 48 to 58 and the report of the Board's Audit & Risk Committee, which details the internal control framework can be found on pages 116 and 117. The Group's operational key performance indicators are shown on pages 40 and 41.

Disclosure of information to auditor

The directors who hold office at the date of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all steps that he or she ought to have taken to make himself or herself 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.

Auditor

KPMG LLP has expressed willingness to continue in office and a resolution to re-appoint KPMG LLP will be proposed at the forthcoming AGM.

Events after the reporting period

These have been disclosed within note 28 of the consolidated financial statements.

By order of the Board

Amit Bhatia
Non-executive Chair
5 March 2025

Rob Wood
Chief Executive Officer

Statement of directors' responsibilities

Responsibility statement of the directors in respect of the annual report and financial statements

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, and reliable and, in respect of the parent Company financial statements only, prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are responsible for preparing a Strategic report, Directors' report, Directors' Remuneration report and Corporate Governance statement that complies with that law and those regulations.

In accordance with Disclosure Guidance and Transparency Rule (DTR) 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We 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 and performance, business model and strategy.

Rob Wood
Chief Executive Officer
5 March 2025

James Brotherton
Chief Financial Officer

Consolidated financial statements

Independent Auditor's report

Independent auditor's report to the members of Breedon Group plc

1 Our opinion is unmodified

We have audited the financial statements of Breedon Group plc ("the Company") for the year ended 31 December 2024 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company balance sheet, the company statement of changes in equity, and the related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosures Framework ; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit & Risk Committee.

We were first appointed as auditor by the directors on 21 July 2023. The period of total uninterrupted engagement is for the two financial years ended 31 December 2024. Prior to that we were also auditor to the Group's previous parent company, but which, as it was listed on AIM, was not a public-interest entity. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality: Group financial statements as a whole		£6.25m (2023:£6.25m) 5.0% (2023: 4.7%) of Group profit before tax
Coverage		86% of Group revenue
Key audit matters		**vs 2023**
Recurring risks	Recoverability of goodwill allocated to Cement	◀▶
	Restoration and decommissioning provision within the GB segment	◀▶
	Recoverability of parent company receivable	◀▶
New	Valuation of intangibles within acquisitions	▲

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Independent Auditor's report

	The risk	Our response
Recoverability of goodwill allocated to Cement (£159.5 million; 2023: £162.1 million) Refer to page 113 (Audit & Risk Committee report), page 169 (accounting policy) and page 179 (financial disclosures).	**Forecast-based assessment** Goodwill related to the Cement group of CGUs and the estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cashflows. In addition, the Group has set medium and long term targets to reduce carbon emissions. Demand for cement could be impacted by the price increases needed to recover these costs, substitute products becoming available or longer-term changes in consumer behaviour. The future cashflows are also dependent on the continued availability of limestone resources over the remaining life of the asset base and are subject to obtaining incremental planning permissions for quarries and plants. The effect of these matters is that, as part of our risk assessment, we determined that the value in use of the Cement group of CGUs had a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the consolidated financial statements as a whole, and possibly many times that amount. In conducting our final audit work we concluded that reasonably possible changes in the assumptions would not be expected to result in a material change to the carrying value of goodwill in the next financial year.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: — Our sector experience: Assess whether the assumptions used, including those relating to the levels of capital expenditure required to meet the Group's climate change commitments, reflect our knowledge of the business and industry, including known or probable changes in the business environment and the impact of climate change. We used our climate change professionals to assist us in challenging management's assumptions around transition costs; — Historical comparisons: Consider the historical forecasting accuracy, by comparing previously forecast cash flows to actual results achieved; — Benchmarking assumptions: Challenge, using observable market data including available sources for comparable companies, the key inputs used in the group's calculation of the discount rate and growth rate; — Sensitivity analysis: Perform our own sensitivity analysis over the reasonably possible combination of changes in the forecasts on the assumptions noted above; — Comparing valuations: Comparing the sum of the discounted cash flows to the Group's market capitalisation to assess the reasonableness of those cashflows; and — Assessing disclosures: Assess whether the Group's disclosures regarding the sensitivity of the outcome of the impairment assessment to changes in key assumptions, specifically those relating to climate change, reflected the risks inherent in the recoverable amount of goodwill. **Our results** We found the Group's conclusion that there is no impairment of goodwill allocated to Cement to be acceptable (2023 result: acceptable).

Independent Auditor's report

	The risk	Our response
Restoration and decommissioning provision within the GB segment (Total restoration provision £99.1 million, of which a substantial proportion relates to the GB segment; 2023: £91.3 million) Refer to page 114 (Audit & Risk Committee report), page 170 (accounting policy) and page 183 (financial disclosures).	**Subjective estimate:** The calculation of restoration and decommissioning provisions requires the Group to estimate the quantum and timing of future costs to restore and decommission sites. These assumptions are inherently difficult to forecast and small changes in assumption of certain costs could have a significant effect of the estimation of the provision. These calculations also require the Group to determine an appropriate rate to discount future costs to their net present value. Inflation and discount rates are subject to change and could impact significantly on the calculation. There is limited restoration and decommissioning activity and historical precedent against which to benchmark estimates of future costs. The effect of these matters is that, as part of our risk assessment, we determined that restoration and decommissioning provisions have a high degree of estimation uncertainty, with a potential range of outcomes greater than our materiality for the financial statements as a whole. The financial statements (note 26) disclose the sensitivity estimated by the Group.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: – Assessing experience of external experts: Evaluate the competence and independence of external experts appointed by the Group to determine an estimate of restoration and decommissioning costs; – Challenging assumptions and inputs: Challenge the consistency of the assumptions used by the Group in generating the estimated costs of restoration and decommissioning and agree a sample of costs to external sources; – Benchmarking assumptions: Challenge the inflation and discount rates by comparing them to externally observable data, including available sources for comparable companies; – Test of details: Evaluate a sample of underlying planning consents to assess the possible timing of the obligations with respect to restoration and decommissioning costs; and – Assessing disclosures: Assess the adequacy of the Group's disclosures about the sensitivity of changes in key assumptions reflected in the risk inherent in the estimation of the liability. **Our results** We found the level of restoration and decommissioning provision recognised for the GB segment to be acceptable (2023 result: acceptable).

Independent Auditor's report

	The risk	Our response
Valuation of intangibles within the BMC acquisition (£109.9 million; 2023: not applicable) Refer to page 114 (Audit & Risk Committee report), page 169 (accounting policy) and page 193 (financial disclosures).	**Forecast based valuation:** The Group has acquired the BMC business during the year which has led to the recognition of £109.9m of acquired intangible assets. These intangible assets are initially measured at fair value as part of the purchase price allocation. In determining the fair value of acquired intangible assets, management is required to adopt an appropriate valuation methodology and make significant judgements and estimates including those relating to the forecast cash flows and the discount rate. Performing audit procedures to evaluate the appropriateness and the reasonableness of these judgements and estimates required a high degree of auditor judgement and an increased extent of effort, including the need to involve our valuation specialists. We therefore determined that valuation of intangibles within the BMC acquisition to be a key audit matter.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: — Methodology choice: With the assistance of our own valuation specialists, assess the appropriateness of the methodology used in the valuation models by considering if it was in accordance with relevant accounting standards. — Our valuation expertise: With the assistance of our own valuation specialists, challenge the appropriateness of the key assumptions underlying the intangible valuation, including the forecast cash flows and the discount rate; — Benchmarking assumptions: Compare the Group's assumptions for key inputs, such as revenue growth rates and customer attrition rates, to externally derived data and to other similar acquisitions; and — Forecasting accuracy: Challenge management on the reasonableness of assumptions for revenue growth rates and customer attrition rates by comparing to post acquisition performance. **Our results** We found the balance of intangible assets recognised for the BMC acquisition to be acceptable (2023: not applicable).
Recoverability of parent Company receivable (£554.9 million; 2023: £507.5 million) Refer to page 112 (Audit & Risk Committee report), page 201 (accounting policy) and page 203 (financial disclosures).	**Low risk, high value:** The amount of the parent Company's intragroup receivable with the intermediate holding company for the rest of the Group's subsidiaries represents over 99% of the parent Company's assets. Its recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to its materiality in the context of the parent Company financial statements this is considered to be the area that had the greatest effect on our overall parent Company audit.	We performed the tests below rather than seeking to rely on any of the parent Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: — Tests of detail: For the intermediate holding company the intragroup receivable is with, evaluate the likely risk of default with reference to the parent Company's definition of default and forecasts of future profitability. — Assessing subsidiary audits : Assess the work performed by us and component auditors on that sample of subsidiaries, and consider the results of that work, on those subsidiaries' profits, net assets and the likely risk of default on the intragroup balance. **Our results** We found the intragroup receivable balance to be acceptable (2023: acceptable).

Independent Auditor's report

3 Our application of materiality and an overview of the scope of our audit

Our application of materiality

Materiality for the Group financial statements as a whole was set at £6.25m (2023: £6.25m) determined with reference to a benchmark of Group profit before tax of £125.4m (2023: £134.4m), of which it represents 5.0% (2023: 4.7%).

Materiality for the parent Company financial statements as a whole was set at £5.5m (2023: £6.0m), determined with reference to a benchmark of Company total assets, of which it represents 1.0% (2023: 1.2%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

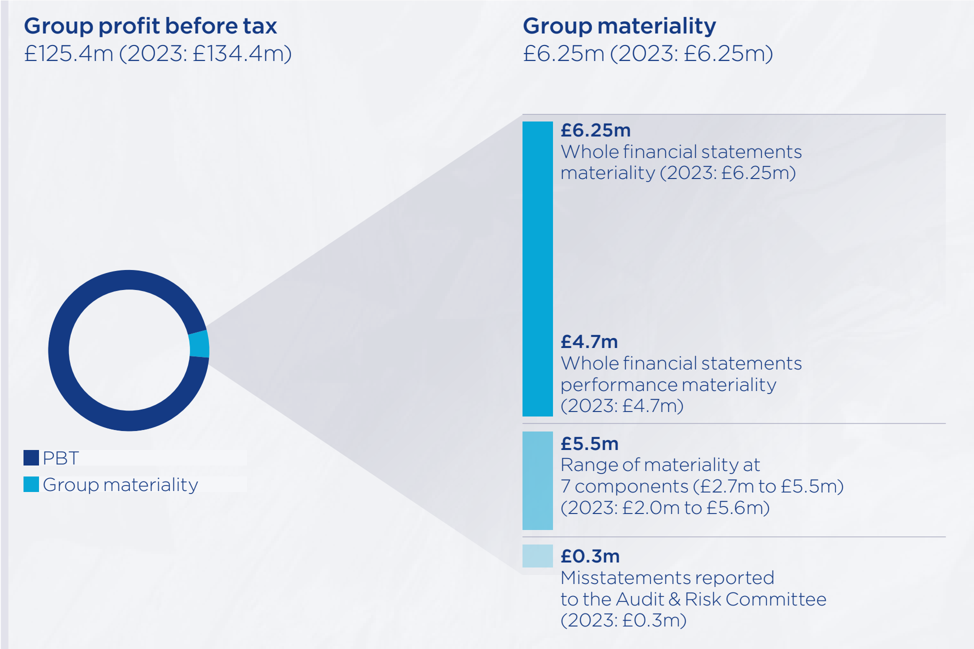
Performance materiality was set at 75% (2023: 75%) of materiality for the financial statements as a whole, which equates to £4.7m (2023: £4.7m) for the Group and £4.1m (2023: £4.5m) for the parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit & Risk Committee any corrected or uncorrected identified misstatements exceeding £0.3m (2023: £0.3m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Overview of the scope of our audit

This year, we applied the revised group auditing standard in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement ("RMMs"). Similarly, the group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed (centrally and/or at component level) and how these procedures are executed and supervised. As a result, we assess scoping and coverage in a different way and comparisons to prior period coverage figures are not meaningful. In this report we provide an indication of scope coverage on the new basis.



We performed risk assessment procedures to determine which of the Group's components are likely to include RMMs to the Group financial statements and which procedures to perform at these components to address those risks.

In total, we identified 33 components, having considered our evaluation of the Group's operational structure, the existence of common information systems, the existence of common risk profile across entities, and our ability to perform audit procedures centrally.

Of those, we identified two quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

Independent Auditor's report

3 Our application of materiality and an overview of the scope of our audit continued

Additionally, having considered qualitative and quantitative factors, we selected four components with accounts contributing to the specific RMMs of the Group financial statements.

Accordingly, we performed audit procedures on six components, of which we involved component auditors in performing the audit work on two components. We also performed the audit of the parent Company.

We set the component materialities, ranging from £2.7m to £5.5m having regard to the mix of size and risk profile of the Group across the components.

Our audit procedures covered 85% of Group revenue. We performed audit procedures in relation to components that accounted for 85% of Group profit before tax and 88% of Group total assets.

For the remaining components for which we performed no audit procedures, no component represented more than 6% of Group total revenue or Group total assets, or more than 9% of Group profit before tax. We performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

Impact of controls on our group audit

We identified the main centralised financial reporting, sales, and purchases IT systems and the separate financial reporting system used by one in-scope component as being relevant to the audit of the Group.

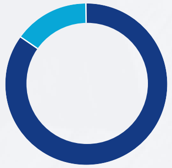
On this audit we take a predominantly substantive approach due to control findings identified in previous years and the current year in relation to the IT environment and manual journal entries, as well as our belief that for this audit a substantive audit approach is the most efficient and effective approach for gaining the appropriate audit evidence.

We adopted a data-oriented approach to auditing revenue and journals for two in-scope components by performing data and analytics routines. Given that we did not plan to rely on IT controls in our audit, a direct testing approach was used over the completeness and reliability of data used in these routines. In other areas of the audit, and in our audit of revenue for the other in-scope components, we planned and performed additional substantive testing rather than relying on controls.

Our audit procedures covered the following percentage of Group revenue:

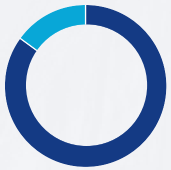
We performed audit procedures in relation to components that accounted for the following percentages of Group profit before tax and Group total assets:

Group revenue



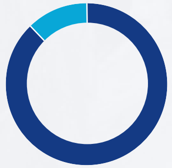
85%
(2023: 91%)

Group profit before tax



85%
(2023: 88%)

Group total assets



88%
(2023: 91%)

Group auditor oversight

As part of establishing the overall Group audit strategy and plan, we conducted the risk assessment and planning discussion meetings with component auditors to discuss Group audit risks relevant to the components.

We visited one component auditor in the US to assess the audit risks and strategy. Video and telephone conference meetings were also held with this component auditor and others that were not physically visited. At these visits and meetings, the results of the planning procedures and further audit procedures communicated to us were discussed in more detail, and any further work required by us was then performed by the component auditors.

We inspected the work performed by the component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed, with a particular focus on significant risks and other areas of focus, including revenue and receivables, cost of sales and creditors, and inventory.

Independent Auditor's report

4 The impact of climate change in our audit

In planning our audit, we considered the potential impacts of climate change on the Group's business and its financial statements.

The Group has set out its targets to achieve a 23.3% reduction in absolute gross scope 1 and 2 emissions, and scope 3 emissions from purchased clinker and cement compared to a 2022 baseline.

However, whilst the Group has set targets to be carbon neutral by 2050, the gross cost of this transition, how the demand for cement might be impacted by the price increases needed to recover these costs, the possibility of substitute products becoming available and the longer term changes in customer behaviour are not yet known. To the extent there are known implications, these have been reflected in the financial statements in accordance with IFRS requirements and have been considered in our audit as set out in our key audit matter on the recoverability of goodwill allocated to the Cement cash generating unit. It is therefore possible that the future carrying amounts of assets will be impacted due to the outcome of these judgements and estimates as the Group responds to its climate change targets.

Our key audit matter on the recoverability of goodwill allocated to the Cement cash generating unit explains how we have assessed the Group's climate related assumptions and relevant disclosures in arriving at our audit conclusions. This included holding discussions with our own climate change professionals to challenge our risk assessment.

We have also read the Group's disclosure of climate related information in the Strategic report of the Annual Report and compared this to our knowledge gained from our financial statement audit work which includes the disclosures as recommended by the TCFD on page 59 to 66 of the Annual Report.

5 Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and parent Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and parent Company's available financial resources over this period was the ability of the Group to comply with debt covenants.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

We considered whether the going concern disclosure in note 1 to the consolidated financial statements and note 1 to the parent Company financial statements gives a full and accurate description of the assessment of going concern.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- the related statement under the Listing Rules set out on page 67 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Independent Auditor's report

6 Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of directors and other management as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for 'whistleblowing', as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading Board, Audit & Risk Committee and Remuneration Committee minutes;
- considering remuneration incentive schemes and performance targets for management and the directors;
- using analytical procedures to identify any unusual or unexpected relationships; and
- considering the existence of significant unusual transactions.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group auditor to component auditors of relevant fraud risks identified at the Group level and requesting component auditors performing procedures at the component level to report to the Group auditor any identified fraud risk factors or identified or suspected instances of fraud.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements, such as the valuation of goodwill.

On this audit we do not believe there is a fraud risk related to revenue recognition because product revenue recognition is straightforward and contract revenue contains limited management judgement, therefore limiting the opportunity to commit a material fraud. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These include journal entries to external revenue with a corresponding entry to an unrelated account;
- incorporating an element of unpredictability in our audit procedures; and
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to component auditors of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the Group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation.

We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and certain aspects of company legislation recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent Auditor's report

6 Fraud and breaches of laws and regulations – ability to detect continued

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7 We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and Directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration report

In our opinion the part of the Directors' Remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the Viability Statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the compliance against the Code section on page 123 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the managing of risk disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on page 67 under the UK Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

Independent Auditor's report

7 We have nothing to report on the other information in the Annual Report continued

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit & Risk Committee, including the significant issues that the Audit & Risk Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review. We have nothing to report in this respect.

8 We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

9 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 150, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements

10 The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Anna Barrell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

5 March 2025

Consolidated income statement

For the year ended 31 December 2024

	Note	2024 Underlying £m	2024 Non-underlying[1] £m	2024 Total £m	2023 Underlying £m	2023 Non-underlying[1] £m	2023 Total £m
Revenue	2	**1,576.3**	**–**	**1,576.3**	1,487.5	–	1,487.5
Operating expenses	3, 4	**(1,406.1)**	**(24.1)**	**(1,430.2)**	(1,333.9)	(10.5)	(1,344.4)
Group operating profit		**170.2**	**(24.1)**	**146.1**	153.6	(10.5)	143.1
Share of profit of associate and joint ventures	10	**3.5**	**–**	**3.5**	2.6	–	2.6
Profit from operations	2	**173.7**	**(24.1)**	**149.6**	156.2	(10.5)	145.7
Financial income	6	**1.2**	**–**	**1.2**	2.6	–	2.6
Financial expense	3, 6	**(24.1)**	**(1.3)**	**(25.4)**	(13.9)	–	(13.9)
Profit before taxation		**150.8**	**(25.4)**	**125.4**	144.9	(10.5)	134.4
Tax at effective rate	3, 7	**(32.7)**	**3.6**	**(29.1)**	(30.2)	1.4	(28.8)
Taxation		**(32.7)**	**3.6**	**(29.1)**	(30.2)	1.4	(28.8)
Profit for the year		**118.1**	**(21.8)**	**96.3**	114.7	(9.1)	105.6
Attributable to:							
Breedon Group shareholders		**118.0**	**(21.8)**	**96.2**	114.6	(9.1)	105.5
Non-controlling interests		**0.1**	**–**	**0.1**	0.1	–	0.1
Profit for the year		**118.1**	**(21.8)**	**96.3**	114.7	(9.1)	105.6

1 Non-underlying items represent acquisition-related expenses, property gains or losses, redundancy and reorganisation costs, amortisation of acquired intangibles, unamortised banking arrangement fee and related tax items. The prior year also included the costs associated with the Group's move from the AIM to Main Market.

Earnings per share

	Note	2024	2023
Basic	23	**28.1p**	31.1p
Diluted	23	**28.0p**	31.0p

Underlying earnings per share are shown in note 23.

Dividends in respect of the year

	Note	2024	2023
Dividend per share	17	**14.5p**	13.5p

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Profit for the year		**96.3**	105.6
Other comprehensive (expense)/income			
Items which may be reclassified subsequently to profit and loss:			
Foreign exchange differences on translation of foreign operations, net of hedging		**(6.0)**	(4.1)
Effective portion of changes in fair value of cash flow hedges		**0.8**	(0.7)
Taxation on items taken directly to other comprehensive income	7	**–**	0.1
Other comprehensive expense for the year		**(5.2)**	(4.7)
Total comprehensive income for the year		**91.1**	100.9
Total comprehensive income for the year is attributable to:			
Breedon Group shareholders		**91.0**	100.8
Non-controlling interests		**0.1**	0.1
		91.1	100.9

Consolidated statement of financial position

At 31 December 2024

	Note	2024 £m	2023 £m
Non-current assets			
Property, plant and equipment	8	**939.1**	817.2
Right-of-use assets	20	**46.5**	45.1
Intangible assets	9	**686.3**	520.2
Investment in associate and joint ventures	10	**15.0**	14.5
Trade and other receivables	13	**–**	0.9
Total non-current assets		**1,686.9**	1,397.9
Current assets			
Inventories	12	**135.7**	120.1
Trade and other receivables	13	**261.0**	227.9
Current tax receivable		**1.5**	–
Cash and cash equivalents	14	**28.9**	126.9
Total current assets		**427.1**	474.9
Total assets		**2,114.0**	1,872.8
Current liabilities			
Interest-bearing loans and borrowings	14	**(8.7)**	(8.1)
Trade and other payables	15	**(283.6)**	(278.6)
Current tax payable		**–**	(0.1)
Provisions	16	**(30.0)**	(8.8)
Total current liabilities		**(322.3)**	(295.6)
Non-current liabilities			
Interest-bearing loans and borrowings	14	**(425.5)**	(288.7)
Provisions	16	**(91.4)**	(85.8)
Deferred tax liabilities	11	**(104.2)**	(92.0)
Total non-current liabilities		**(621.1)**	(466.5)
Total liabilities		**(943.4)**	(762.1)
Net assets		**1,170.6**	1,110.7

	Note	2024 £m	2023 £m
Equity attributable to Breedon Group shareholders			
Share capital	17	**3.4**	3.4
Share premium	17	**2.0**	0.7
Hedging reserve	17	**0.3**	(0.5)
Translation reserve	17	**(9.7)**	(3.7)
Merger reserve	17	**92.7**	80.5
Retained earnings		**1,081.5**	1,030.0
Total equity attributable to Breedon Group shareholders		**1,170.2**	1,110.4
Non-controlling interests		**0.4**	0.3
Total equity		**1,170.6**	1,110.7

These financial statements were approved by the Board of Directors on 5 March 2025 and were signed on its behalf by:

Rob Wood
Chief Executive Officer

James Brotherton
Chief Financial Officer

Consolidated statement of changes in equity

For the year ended 31 December 2024

	Note	Share capital £m	Share premium £m	Stated capital £m	Hedging reserve £m	Translation reserve £m	Merger reserve £m	Retained earnings £m	Attributable to Breedon Group shareholders £m	Non-controlling interests £m	Total equity £m
Balance at 1 January 2023		–	–	555.0	0.1	0.4	–	488.0	**1,043.5**	0.3	**1,043.8**
Shares issued	17	–	0.7	–	–	–	–	–	**0.7**	–	**0.7**
Corporate reorganisation		474.5	–	(555.0)	–	–	80.5	–	**–**	–	**–**
Capital reduction	17	(471.1)	–	–	–	–	–	471.1	**–**	–	**–**
Transfer to non-controlling interests	17	–	–	–	–	–	–	(0.2)	**(0.2)**	0.2	**–**
Dividends paid	17	–	–	–	–	–	–	(37.3)	**(37.3)**	(0.3)	**(37.6)**
Total comprehensive income for the year		–	–	–	(0.6)	(4.1)	–	105.5	**100.8**	0.1	**100.9**
Share-based payments[1]	18	–	–	–	–	–	–	2.9	**2.9**	–	**2.9**
Balance at 31 December 2023		3.4	0.7	–	(0.5)	(3.7)	80.5	1,030.0	**1,110.4**	0.3	**1,110.7**
Shares issued	17	–	1.3	–	–	–	12.2	–	**13.5**	–	**13.5**
Transfer to non-controlling interests	17	–	–	–	–	–	–	(0.2)	**(0.2)**	0.2	**–**
Dividends paid	17	–	–	–	–	–	–	(48.1)	**(48.1)**	(0.2)	**(48.3)**
Total comprehensive income for the year		–	–	–	0.8	(6.0)	–	96.2	**91.0**	0.1	**91.1**
Share-based payments[1]	18	–	–	–	–	–	–	3.6	**3.6**	–	**3.6**
Balance at 31 December 2024		**3.4**	**2.0**	**–**	**0.3**	**(9.7)**	**92.7**	**1,081.5**	**1,170.2**	**0.4**	**1,170.6**

1 Share-based payments are shown inclusive of deferred tax recognised in equity.

Consolidated statement of cash flows

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Cash flows from operating activities			
Profit for the year		**96.3**	105.6
Adjustments for:			
Depreciation and mineral depletion	4	**99.7**	88.7
Amortisation	9	**12.5**	6.0
Financial income	6	**(1.2)**	(2.6)
Financial expense	6	**25.4**	13.9
Share of profit of associate and joint ventures	10	**(3.5)**	(2.6)
Gain on sale of property, plant and equipment	4	**(1.7)**	(1.4)
Share-based payments	5	**3.3**	3.0
Taxation	7	**29.1**	28.8
Operating cash flows before changes in working capital and provisions		**259.9**	239.4
(Increase) in inventories		**(8.4)**	(24.6)
Decrease/(increase) in trade and other receivables		**10.5**	(1.0)
(Decrease)/increase in trade and other payables		**(15.6)**	8.8
(Decrease)/increase in provisions		**(3.1)**	8.3
Cash generated from operating activities		**243.3**	230.9
Interest paid		**(15.9)**	(6.8)
Interest element of lease payments		**(2.9)**	(2.3)
Interest received		**1.2**	2.6
Income taxes paid		**(24.0)**	(32.5)
Net cash from operating activities		**201.7**	191.9
Cash flows used in investing activities			
Acquisition of businesses	25	**(173.6)**	(18.8)
Dividends from associate and joint ventures	10	**3.0**	1.8
Purchase of property, plant and equipment	8	**(131.3)**	(106.8)
Proceeds from sale of property, plant and equipment		**5.7**	3.4
Net cash used in investing activities		**(296.2)**	(120.4)

	Note	2024 £m	2023 £m
Cash flows used in financing activities			
Dividends paid	17	**(48.3)**	(37.6)
Proceeds from the issue of shares (net of costs)	17	**1.3**	0.7
Proceeds from interest-bearing loans (net of costs)		**357.4**	–
Repayment of interest-bearing loans		**(304.0)**	(0.9)
Revolving Credit Facility extension costs	14	**–**	(0.7)
Repayment of lease obligations		**(9.4)**	(8.1)
Net cash used in financing activities		**(3.0)**	(46.6)
Net (decrease)/increase in cash and cash equivalents		**(97.5)**	24.9
Cash and cash equivalents at 1 January		**126.9**	101.7
Foreign exchange differences		**(0.5)**	0.3
Cash and cash equivalents at 31 December		**28.9**	126.9

Notes to the consolidated financial statements

1 Accounting policies

The principal activities of the Group are the quarrying of aggregates together with manufacture and sale of construction materials and building products, including cement, asphalt and ready-mixed concrete, together with related activities in GB, Ireland and the US.

Breedon Group plc (the 'Company') is a company domiciled in England. The address of the Company's registered office is Pinnacle House, Breedon Quarry, Breedon on the Hill, Derby, England, DE73 8AP.

Basis of preparation

These financial statements consolidate the results of the Company and subsidiary undertakings, and equity accounts for the Group's interests in its associate and joint ventures (collectively 'the Group').

Applicable laws and accounting standards

These financial statements have been prepared in accordance with UK-adopted international accounting standards. The consolidated financial statements have been prepared under the historical cost convention except for the revaluation to fair value of certain financial instruments. The accounting policies set out below have, unless otherwise stated, been applied consistently throughout the year.

Presentation currency

These financial statements are presented in sterling. All financial information presented has been rounded to the nearest £0.1m.

Basis of consolidation

Subsidiary undertakings are entities controlled by the Group. Control exists when the Group is exposed to or has rights to variable returns from its investment and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

The Group considers an entity to be a subsidiary undertaking when the Group has control over the entity. Ordinarily this is when the Group holds more than 50% of the shares and voting rights. Subsidiary undertakings are consolidated in accordance with IFRS 10.

Associates are those entities in which the Group holds more than 20% of the shares and voting rights and has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control, requiring unanimous consent of the owners for strategic financial and operating decisions.

Going Concern

These financial statements are prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The Group meets day-to-day working capital and other funding requirements through banking facilities, which include an overdraft facility. Longer-term debt financing is accessed through the Group's USPP loan note programme. The facilities comprise a £400m multi-currency RCF, which runs to July 2028 and £250m of USPP loan notes with maturities between 2028 and 2036. Further details of these facilities are provided in note 14 to the financial statements.

In 2024, the Group comfortably met all covenants and other terms of its borrowing agreements. The Group has continued its track record of profitability and cash generation, with an overall profit before taxation of £125.4m and net cash from operating activities of £201.7m.

The Group has prepared cash flow forecasts for a period of 12 months from the date of signing these financial statements, which show a sustained trend of profitability, cash generation and retained covenant headroom, even under a 'severe but plausible' downside scenario of forecast cash flows.

The base case assumes a trading performance delivered in line with market consensus over the forecast period, while the downside scenario models a 5%-10% reduction in revenues, which the Group believes is a severe sensitivity relative to likely outcomes and historic experience.

As at 31 December 2024, the Group had cash balances of £28.9m and undrawn banking facilities in excess of £250m. At the date of this report, the Group's liquidity has increased by c. £80m as a result of the issuance of additional notes under its USPP programme. Following the acquisition discussed in note 28, the level of undrawn facilities will reduce to c. £150m, which is expected to provide sufficient available funds for the Group to discharge its liabilities as they fall due.

Consequently, the directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Notes to the consolidated financial statements

1 Accounting policies continued

The Group's financial statements includes the Group's share of the total comprehensive income of its associate and joint ventures, on an equity accounted basis, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an associate or joint venture, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate or joint venture.

Accounting estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates, and for management to exercise judgement in the process of applying the Group's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 26.

New IFRS Standards and Interpretations adopted in the year

The Group adopted amendments to IAS1, IAS 7, IFRS 7 and IFRS 16 from 1 January 2024. The adoption of these standards has not had a material impact on the financial statements.

New IFRS Standards and Interpretations not adopted

At the date on which these financial statements were authorised, there were no Standards, Interpretations and Amendments which had been issued but were not effective for the year ended 31 December 2024 that are expected to have a material impact on the Group's financial statements in the future.

Foreign exchange

Foreign exchange transactions

Transactions in foreign currencies are recorded at the spot rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the balance sheet date, with all currency translation differences recognised within the consolidated income statement, except for those monetary items that provide an effective hedge for a net investment in a foreign operation.

Foreign exchange translation

The consolidated financial statements are presented in sterling, which is the presentational currency of the Group. The individual financial statements of the Group's subsidiaries and joint ventures with a functional currency other than sterling are translated into sterling according to IAS 21.

Results and cash flows are translated monthly using average monthly exchange rates. Accumulated assets and liabilities are translated using the closing rates at the reporting date and equity is translated at historic exchange rates.

The resulting translation differences are recognised in the consolidated statement of comprehensive income until the subsidiary is disposed of. Goodwill and fair value adjustments arising on acquisition of a foreign operation are regarded as assets and liabilities of the foreign operation and are translated accordingly.

Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. The principal financial assets and liabilities of the Group are as follows:

Trade receivables and trade payables

Trade receivables and trade payables are initially recognised at fair value and are then stated at amortised cost.

Contract assets and liabilities

Contract assets, presented within trade and other receivables, primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on surfacing contracts. The contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities, presented within trade and other payables, primarily relate to the advance consideration received from customers on these contracts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, including bank deposits and money-market funds with original maturities of three months or less. For the purposes of the consolidated statement of cash flows, bank overdrafts are included in cash and cash equivalents as they are an integral part of the Group's cash management.

Bank and other borrowings

Interest-bearing bank loans, overdrafts and other loans, including USPP loan notes, are recognised initially at fair value less attributable transaction costs.

All borrowings are subsequently stated at amortised cost with the difference between initial net proceeds and redemption value recognised in the consolidated income statement over the period to redemption on an effective interest basis.

Derivative financial instruments

The majority of the Group's strategic hedging programme is delivered using executory contracts to forward purchase commodities for our own use. The cost is recognised in the consolidated income statement at the agreed forward rates on receipt of the underlying items.

Notes to the consolidated financial statements

1 Accounting policies continued

Derivative financial instruments continued

The Group uses financial instruments to manage financial risks associated with the Group's underlying business activities and the financing of those activities.

The Group does not undertake any trading in financial instruments.

Derivatives are initially recognised at fair value and subsequently remeasured in future periods at fair value. The gain or loss on remeasurement is recognised immediately in profit or loss, unless a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability.

In this instance the effective part of any gain or loss is recognised in the consolidated statement of comprehensive income and in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the consolidated income statement.

Amounts recorded in the hedging reserve are subsequently reclassified to the consolidated income statement when the expense for the hedged transaction is actually recognised.

To qualify for hedge accounting, the hedging relationship must meet several conditions with respect to documentation, probability of occurrence, hedge effectiveness and reliability of measurement.

At the inception of the transaction, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking the hedge transaction.

This process includes linking all derivatives designated as hedges to specific assets and liabilities or to specific firm commitments or forecast transactions.

The Group documents an assessment, at hedge inception and on an annual basis, as to whether the derivatives that are used in hedging transactions have been, and are likely to continue to be, effective in offsetting changes in fair value or cash flows of hedged items.

Mineral reserves and resources

Mineral reserves and resources are stated at cost, including both the purchase price and costs incurred to gain access to the reserves, including costs of planning and initial site development. The value of mineral reserves and resources recognised as a result of business combinations is based on the fair value at the point of acquisition.

Mineral assets are depreciated using a physical unit-of-production method, over the commercial life of the quarry.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of assets, in order to write off the cost or deemed cost of assets.

The estimated useful lives are as follows:

– Freehold buildings	50 years
– Fixtures and fittings	up to 10 years
– Office equipment	up to 5 years
– Fixed plant	up to 35 years
– Loose plant and machinery	up to 10 years
– Motor vehicles	up to 10 years

No depreciation is provided on freehold land.

Business combinations, intangible assets and goodwill

The Group measures goodwill as the fair value of the purchase consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the fair value of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Fair value adjustments are always considered to be provisional at the first reporting date after the acquisition.

Goodwill arising on the acquisition of subsidiary undertakings is recognised as an asset in the consolidated statement of financial position and is subject to an annual impairment review.

Other intangible assets that are acquired by the Group as part of a business combination are stated at cost less accumulated amortisation and impairment losses.

Cost reflects management's judgement of the fair value of the individual intangible asset calculated by reference to the net present value of future economic benefits accruing to the Group from the utilisation of the asset, discounted at an appropriate rate. Cash flow projections are based on management's estimate of economic and market conditions, as well as operating margins, capital expenditure, customer attrition rates and working capital requirements. Other intangibles arising on the acquisition of associated undertakings are included within the carrying value of the investment.

Amortisation is based on the estimated useful economic lives of the assets concerned, which is considered by the directors to be a period of up to 20 years.

The Group measures non-controlling interests at a proportionate share of the recognised amount of the identifiable net assets at the acquisition date.

Where the Group has entered into put options relating to a minority shareholding as part of a transaction, the Group applies the 'anticipated acquisition' method to account for the put liability and does not recognise a separate non-controlling interest within reserves. Subsequent changes in the value of the put liability are recognised within equity.

Notes to the consolidated financial statements

1 Accounting policies continued

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than goodwill, inventories and deferred tax assets (see separate accounting policies), are reviewed at each reporting date to determine whether there is any indication of impairment; including an assessment of any indication of impairment arising as a result of climate change.

Impairment reviews are undertaken at the level of each significant cash-generating unit, which is no larger than an operating segment as defined by IFRS 8. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of the value in use and the fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial and contract assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECLs.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

In the case of manufactured inventories and work in progress, cost includes an apportionment of overheads, including mineral depletion where relevant. The level of overheads included in the cost of inventory is based on normal operating capacity.

Net realisable value is determined with reference to sales prices less cost to sell and, in the case of obsolete stock, on an excess stock model of sales relative to inventories held.

Emissions rights

The Group is required to purchase carbon emissions credits to settle liabilities under both EU and UK ETS. Assets and liabilities arising in respect of emission rights are presented on a net basis in the consolidated financial statements.

Where an emissions credit is received for nil cost, these are initially measured at a nominal value of zero and an emissions liability is recognised only in circumstances where emissions have exceeded the allowance for a scheme, from the perspective of the Group as a whole, and will require the purchase of additional allowances to settle an emissions liability.

Emission credits purchased for consideration are measured at cost using the first-in first-out principle and presented within inventories where the net value is in excess of emissions liabilities.

Retirement benefits

The Group does not operate any defined benefit plans. Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated income statement as incurred.

Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a present legal or constructive obligation, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The Group provides for the costs of decommissioning and restoration where an obligation arises to comply with contractual, environmental, planning and other legislation.

The initial cost of creating provisions on commencement of operations is included in property, plant and equipment and depreciated over the life of the plant.

Changes in the measurement of a previously capitalised provision that result from changes in the estimated timing or amount of cash outflows are added to, or deducted from, the cost of the related asset unless a deduction would reduce the asset to below zero.

Notes to the consolidated financial statements

1 Accounting policies continued

Provisions continued

All other changes are recognised in the consolidated income statement, including incremental extraction of minerals which increase the level of restoration provisions and any decreases in liability in excess of the carrying amount of a capitalised asset.

All provisions are discounted to their present value at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Revenue

Group revenue arises from the sale of goods and surfacing. IFRS 15 requires revenue to be recognised in line with a principles-based five-step model. This requires the Group to identify its performance obligations, determine the transaction price applicable to each of these performance obligations and then to select an appropriate method for the timing of revenue recognition, reflecting the substance of the performance obligation, being either recognition at a point in time or over time.

Revenue from sale of goods

The majority of the Group's revenue is derived from the sale of physical goods to customers. Depending on whether the goods are delivered to or collected by the customer, the contract contains either one performance obligation which is satisfied at the point of collection, or two performance obligations which are satisfied simultaneously at the point of delivery.

The transaction price for this revenue is the amount which can be invoiced to the customer once the performance obligations are fulfilled, reduced to reflect provisions recognised for returns, trade discounts and rebates. Where the Group offers discounts or volume rebates, the variable element of revenue is based on the most likely amount of consideration that the Group believes will be received. This value excludes items collected on behalf of third parties, such as sales taxes.

For all sales of goods, revenue is recognised at a point in time, being the point that the goods are transferred to the customer.

Revenue from surfacing

The majority of surfacing revenue comprises short-term performance obligations to supply and lay materials. Other surfacing revenue can contain more than one performance obligation dependent on the nature of the contract.

The transaction price is calculated as consideration specified by the contract, adjusted to reflect provisions recognised for returns, trade discounts and rebates.

Where the agreement with a customer provides for elements of variable consideration, these values are included in the calculation of the transaction price only to the extent that it is deemed 'highly probable' that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Where the transaction price is allocated between multiple performance obligations, this typically reflects the allocation of value to each performance obligation agreed with the end customer, unless this does not reflect the economic substance.

Surfacing performance obligations are satisfied over time, so surfacing revenue is typically recognised on an output basis, being volume of product laid.

Warranties and customer claims

The Group provides assurance type warranties over the specification of products but does not provide extended warranties or maintenance services in contracts with customers. Claims with customers may arise in the usual course of business. Both customer claims and warranties are accounted for under IAS 37.

Financial income and expense

Financial income and expense comprise interest payable, finance charges, lease interest, interest receivable on funds invested, and gains and losses on related hedging instruments that are recognised in the consolidated income statement.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated income statement except to the extent that income tax relates to items recognised directly in equity.

Current tax is the expected tax payable on the taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated income statement because taxable profit excludes items of income or expense that are not taxable or deductible.

The Group's liability for current tax is calculated using tax rates enacted or substantively enacted at the reporting date and includes any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is provided in full using the statement of financial position liability method and represents the tax expected to be payable or recoverable on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Notes to the consolidated financial statements

1 Accounting policies continued

Deferred tax continued

The following temporary differences are not provided for:

- goodwill not deductible for tax purposes;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Leases

Right-of-use assets and liabilities are recognised for any arrangements meeting the definition of a lease set out in IFRS 16.

Right-of-use assets are measured at cost, comprising the initial amount of the lease liability adjusted for any lease prepayments, plus any initial direct costs incurred, less any lease incentives received. Right-of-use assets are then depreciated using the straight-line method from the start of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities are presented within interest-bearing loans and borrowings. They are measured at the present value of future lease payments, discounted at a rate which reflects both the Group's incremental borrowing rate, adjusted for the time value of money, and the nature of the leased asset.

The Group has elected to take advantage of the practical expedients, permitted by IFRS 16, not to recognise lease assets and liabilities in respect of short-term and low-value leases. Charges recognised in the consolidated income statement in respect of these leases are not significant to the Group.

Share-based transactions

Equity-settled share-based payments to directors, key employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is expensed, with a corresponding increase in equity, on a straight-line basis over the period that the employees become unconditionally entitled to the awards.

At each reporting date, the Group revises the amount recognised as an expense to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with market-based performance conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where a share-based payment is net-settled by withholding a specified portion of the shares to meet statutory obligations, the arrangement is accounted for as an equity-settled share-based payment in its entirety.

Dividends

Dividends are recognised as a liability in the financial statements in the period in which they are declared by the Company and, in respect of final dividends, approved by shareholders.

Alternative performance measures

The following non-GAAP performance measures have been used in the financial statements:

	Non-GAAP performance measure	Note ref
i.	Underlying Earnings Before Interest and Tax (EBIT)	27
ii.	Underlying Earnings Before Interest and Tax, Depreciation and Amortisation (EBITDA)	27
iii.	Underlying EBIT and EBITDA margin	27
iv.	Like-for-like Underlying EBIT and EBITDA	27
v.	Like-for-like revenue	27
vi.	Adjusted Underlying Basic & Diluted Earnings per Share (EPS)	23
vii.	Free Cash Flow	27
viii.	Free Cash Flow conversion	27
ix.	Return on invested capital	27
x.	Covenant Leverage	27
xi.	Net Debt	14
xii.	Net Debt (excluding IFRS 16)	14

Management uses these terms as they believe these measures allow an understanding of the Group's underlying business performance. These alternative performance measures are well understood by investors and analysts, are consistent with the Group's historic communication with investors and reflect the way in which the business is managed.

Notes to the consolidated financial statements

2 Segmental analysis

The Group's activities comprise the following reportable segments:

- **Great Britain:** our construction materials and surfacing businesses in Great Britain.
- **Ireland:** our construction materials and surfacing businesses on the Island of Ireland.
- **United States:** our construction materials businesses in the United States of America, acquired during the year (note 25).
- **Cement:** our cementitious operations in Great Britain and the Republic of Ireland.

A description of the activities of each segment is included on pages 32 to 39.

Income statement

	2024		2023	
	Revenue £m	**Underlying EBITDA[1] £m**	Revenue £m	Underlying EBITDA[1] £m
Great Britain	**997.4**	**131.9**	1,033.8	138.6
Ireland	**233.4**	**41.5**	235.5	35.9
United States	**132.5**	**24.8**	–	–
Cement	**309.2**	**88.2**	331.2	84.5
Central administration	**–**	**(16.5)**	–	(16.7)
Eliminations	**(96.2)**	**–**	(113.0)	–
Total	**1,576.3**	**269.9**	1,487.5	242.3
Reconciliation to statutory profit				
Underlying EBITDA as above		**269.9**		242.3
Depreciation and mineral depletion		**(99.7)**		(88.7)
Underlying Group operating profit		**170.2**		153.6
– Great Britain		**78.5**		86.4
– Ireland		**33.6**		29.0
– United States		**16.4**		–
– Cement		**58.5**		55.2
– Central administration		**(16.8)**		(17.0)
Underlying Group operating profit		**170.2**		153.6
Share of profit of associate and joint ventures		**3.5**		2.6
Underlying profit from operations (EBIT)		**173.7**		156.2
Non-underlying items (note 3)		**(24.1)**		(10.5)
Profit from operations		**149.6**		145.7

1 Underlying EBITDA is earnings before interest, tax, depreciation and mineral depletion, amortisation, non-underlying items (note 3) and before our share of profit of associate and joint ventures.

Disaggregation of revenue from contracts with the customers

Analysis of revenue by geographic location of end-market

The primary geographic markets for all Group revenues for the purpose of IFRS 15 are the UK, Republic of Ireland (RoI) and United States. In line with the requirements of IFRS 8, this is analysed by individual countries as follows:

	2024 £m	2023 £m
United Kingdom	**1,251.0**	1,296.8
Republic of Ireland	**190.1**	188.1
United States	**132.5**	–
Other	**2.7**	2.6
	1,576.3	1,487.5

Analysis of revenue by major products and service lines by segment

	2024 £m	2023 £m
Sale of goods		
Great Britain	**797.9**	855.8
Ireland	**106.9**	96.5
United States	**132.5**	–
Cement	**309.2**	331.2
Eliminations	**(96.2)**	(113.0)
	1,250.3	1,170.5
Surfacing		
Great Britain	**199.5**	178.0
Ireland	**126.5**	139.0
	326.0	317.0
	1,576.3	1,487.5

Eliminations primarily comprise sales from Cement to the Great Britain and Ireland segments.

Timing of revenue recognition

Sale of goods revenue relates to products for which revenue is recognised at a point in time as the product is transferred to the customer. Surfacing revenues are accounted for as products and services for which revenue is recognised over time.

Notes to the consolidated financial statements

2 Segmental analysis continued

Statement of financial position

	2024		2023	
	Total assets £m	Total liabilities £m	Total assets £m	Total liabilities £m
Great Britain	**940.7**	**(233.8)**	920.6	(238.3)
Ireland	**269.4**	**(38.1)**	282.8	(40.6)
United States	**303.5**	**(32.7)**	–	–
Cement	**567.0**	**(75.9)**	539.2	(73.8)
Central administration	**3.0**	**(24.5)**	3.3	(20.5)
Total operations	**2,083.6**	**(405.0)**	1,745.9	(373.2)
Current tax	**1.5**	**–**	–	(0.1)
Deferred tax	**–**	**(104.2)**	–	(92.0)
Net Debt	**28.9**	**(434.2)**	126.9	(296.8)
Total Group	**2,114.0**	**(943.4)**	1,872.8	(762.1)
Net assets		**1,170.6**		1,110.7

GB total assets include £13.8m (2023: £13.4m) and Cement total assets include £1.2m (2023: £1.1m) in respect of investments in associate and joint ventures.

Geographic location of non-current assets

	2024 £m	2023 £m
United Kingdom	**1,068.0**	1,074.6
Republic of Ireland	**362.3**	323.3
United States	**256.6**	–
	1,686.9	1,397.9

Analysis of depreciation, amortisation and capital expenditure

	Depreciation and mineral depletion £m	Amortisation of intangible assets £m	Additions to property, plant and equipment £m
2024			
Great Britain	**53.4**	**3.6**	**49.4**
Ireland	**7.9**	**2.5**	**11.4**
United States	**8.4**	**6.4**	**16.7**
Cement	**29.7**	**–**	**53.8**
Central administration	**0.3**	**–**	**–**
	99.7	**12.5**	**131.3**
2023			
Great Britain	52.2	3.6	56.9
Ireland	6.9	2.4	14.1
Cement	29.3	–	35.2
Central administration	0.3	–	0.6
	88.7	6.0	106.8

Additions to owned property, plant and equipment exclude additions in respect of business combinations.

Notes to the consolidated financial statements

3 Non-underlying items

Non-underlying items are those which, because of their nature, size or incidence, are either unlikely to recur in future periods or which distort the underlying trading performance of the business, including non-cash items. For an item to be classified as non-underlying, it must meet defined criteria which are applied consistently by the Group.

The directors monitor the performance of the Group using alternative performance measures which are calculated on an underlying basis. In the opinion of the directors, this presentation aids understanding of the underlying business performance and any references to underlying earnings measures throughout this report are made on this basis.

As underlying measures include the benefits of acquisitions but exclude significant costs (such as one-off acquisition related costs or amortisation of acquired intangible assets), they should not be regarded as a complete picture of the Group's financial performance.

Underlying measures are calculated and presented on a consistent basis over time to assist in the comparison of performance.

	2024 £m	2023 £m
Included in operating expenses:		
Acquisition-related expenses (note 25)	**10.2**	0.9
Losses on disposal of property	**0.1**	–
Redundancy and reorganisation costs	**1.3**	–
Amortisation of acquired intangible assets	**12.5**	6.0
AIM to Main Market costs	**–**	3.6
Total non-underlying items (before interest and tax)	**24.1**	10.5
Non-underlying interest (note 14)	**1.3**	–
Non-underlying tax	**(3.6)**	(1.4)
Total non-underlying items	**21.8**	9.1

4 Operating expenses and auditor's remuneration

	2024 £m	2023 £m
Costs of raw materials purchased	**306.8**	263.1
Employee costs (note 5)	**246.6**	208.3
Depreciation and mineral depletion:		
Owned assets	**91.6**	80.6
Leased assets	**8.1**	8.1
Gain on sale of property, plant and equipment	**(1.8)**	(1.4)
Other operating expenses	**754.8**	775.2
Underlying operating expenses	**1,406.1**	1,333.9
Non-underlying operating expenses (note 3)	**24.1**	10.5
Operating expenses	**1,430.2**	1,344.4

	2024 £m	2023 £m
Auditor's remuneration		
Audit of the Company	**0.3**	0.3
Audit of the Company's subsidiary undertakings	**1.3**	0.9
Reporting accountant's fees	**-**	0.6
	1.6	1.8

There were no non-audit services undertaken during the year.

Notes to the consolidated financial statements

5 Employees and directors

Disclosure by individual director, including information on all outstanding share options, is provided in the Directors' Remuneration report from page 129. Remuneration received by the directors (the Group's key management personnel) is summarised below:

Directors' remuneration

	2024 £m	2023 £m
Salaries and short-term employee benefits	**2.4**	2.5
Directors' fees	**0.5**	0.4
Share-based payments (note 18)	**0.6**	1.1
	3.5	4.0

No pension contributions were paid by the Group directly to any pension schemes on behalf of the directors in either the current or prior years.

Staff numbers and costs

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

	Number of employees	
	2024	2023*
Great Britain	**2,767**	2,778
Ireland	**347**	338
United States	**466**	–
Cement	**537**	523
Central administration	**278**	258
	4,395	3,897

* Restated for consistent presentation of central administrative headcount to reflect changes in the Group's internal reporting during 2023.

The aggregate payroll costs of these persons were as follows:

	2024 £m	2023 £m
Wages and salaries	**211.8**	177.4
Social security costs	**22.5**	20.3
Pension costs	**9.0**	7.6
Share-based payments (note 18)	**3.3**	3.0
	246.6	208.3

Pension costs relate to various defined contribution pension schemes operated within the Group. These are accounted for on a contribution payable basis.

Contributions outstanding at 31 December 2024 amounted to £1.1m (2023: £1.2m) and are included in other payables.

6 Financial income and expense

	2024 £m	2023 £m
Interest received on cash deposits and money-market funds	**1.2**	2.6
Total financial income	**1.2**	2.6
Interest charged on bank loans, private placement notes and overdrafts	**(15.9)**	(6.8)
Amortisation of loan arrangement fees	**(0.9)**	(1.1)
Lease liabilities	**(2.9)**	(2.3)
Unwinding of discount on provisions	**(4.4)**	(3.7)
Underlying financial expense	**(24.1)**	(13.9)
Non-underlying interest (note 14)	**(1.3)**	-
Total financial expense	**(25.4)**	(13.9)

Notes to the consolidated financial statements

7 Taxation

Recognised in the consolidated income statement

	2024 £m	2023 £m
Current tax		
Current year	**26.5**	30.5
Prior year	**(4.1)**	(2.1)
Total current tax	**22.4**	28.4
Deferred tax		
Current year	**2.6**	(1.2)
Prior year	**4.1**	1.6
Total deferred tax	**6.7**	0.4
Total tax charge in the consolidated income statement	**29.1**	28.8

Recognised in equity

	2024 £m	2023 £m
Deferred tax		
Derivatives	**–**	(0.1)
Share-based payments	**(0.3)**	0.1
Total tax charge in equity	**(0.3)**	–

Reconciliation of effective tax rate

	2024 £m	2023 £m
Profit before taxation	**125.4**	134.4
Tax at the Company's domestic rate of 25.0% (2023: 23.5%)	**31.4**	31.6
Difference between Company and subsidiary statutory tax rates	**(5.8)**	(4.0)
Expenses not deductible for tax purposes	**3.2**	1.4
Income from associate and joint ventures already taxed	**(0.8)**	(0.5)
Change in deferred tax rate	**–**	0.7
Pillar Two top up charge	**0.6**	–
Other	**0.5**	0.1
Adjustment in respect of prior years	**–**	(0.5)
Total tax charge	**29.1**	28.8

The Company is tax resident in the UK, with a 25.0% (2023:23.5%) tax rate. The Group's subsidiary operations pay tax at a rate of 25.0% (2023: 23.5%) in the UK and 12.5% (2023: 12.5%) in RoI. US subsidiary operations pay tax at the federal tax rate of 21% together with state income tax, resulting in a blended statutory rate of c. 25%.

Excluding the impact of non-underlying items, the Group's Underlying effective tax rate is 21.7% (2023: 20.4%). Including these items, the Group's reported tax rate for the year is 23.2% (2023: 21.4%).

Global Minimum Corporate Tax Framework

From 1 January 2024, the Group is within scope of the Global Minimum Corporate Tax rate of 15% ('Pillar Two' rules). The impact of these new rules on the Group is limited to the Group's taxable profits generated in the Republic of Ireland, where the tax rate is 12.5%, resulting in a top up charge of £0.6m.

In accordance with the mandatory exception under Amendments to IAS 12, the Group has not remeasured deferred tax assets and liabilities as a result of the implementation of the Pillar Two rules.

Notes to the consolidated financial statements

8 Property, plant and equipment

	Mineral reserves and resources £m	Land and buildings £m	Plant, equipment and vehicles £m	Total £m
Cost				
Balance at 1 January 2024	354.8	148.4	787.4	1,290.6
Translation adjustment	(1.1)	(2.1)	(3.4)	(6.6)
Business combinations (note 25)	4.6	15.1	68.1	87.8
Additions	7.0	5.7	118.6	131.3
Disposals and impairment	–	(0.8)	(23.6)	(24.4)
Change to capitalised provisions (note 16)	1.3	1.6	0.4	3.3
Reclassification	–	4.4	(4.4)	–
At 31 December 2024	**366.6**	**172.3**	**943.1**	**1,482.0**
Depreciation and mineral depletion				
Balance at 1 January 2024	96.5	40.7	336.2	473.4
Translation adjustment	(0.2)	(0.4)	(0.8)	(1.4)
Charge for the year	11.7	6.5	73.4	91.6
Disposals and impairment	-	(0.4)	(20.3)	(20.7)
At 31 December 2024	**108.0**	**46.4**	**388.5**	**542.9**
Net book value				
At 31 December 2024	**258.6**	**125.9**	**554.6**	**939.1**

	Mineral reserves and resources £m	Land and buildings £m	Plant, equipment and vehicles £m	Total £m
Cost				
Balance at 1 January 2023	340.3	134.8	713.3	1,188.4
Translation adjustment	(0.6)	(0.7)	(1.8)	(3.1)
Business combinations (note 25)	6.5	1.6	2.9	11.0
Additions	13.5	10.9	82.4	106.8
Disposals and impairment	(2.0)	(0.5)	(6.7)	(9.2)
Change to capitalised provisions	–	(0.6)	(3.2)	(3.8)
Transfer from leased assets (note 20)	–	–	0.5	0.5
Reclassification	(2.9)	2.9	–	–
At 31 December 2023	**354.8**	**148.4**	**787.4**	**1,290.6**
Depreciation and mineral depletion				
Balance at 1 January 2023	86.4	32.8	281.3	400.5
Translation adjustment	(0.1)	–	(0.4)	(0.5)
Transfer from leased assets (note 20)	–	–	0.2	0.2
Charge for the year	13.8	5.9	60.9	80.6
Disposals and impairment	(1.5)	(0.1)	(5.8)	(7.4)
Reclassification	(2.1)	2.1	–	–
At 31 December 2023	**96.5**	**40.7**	**336.2**	**473.4**
Net book value				
At 31 December 2023	**258.3**	**107.7**	**451.2**	**817.2**

Assets under construction

Presented within plant, equipment and vehicles are assets in the course of construction totalling £66.5m (2023: £59.3m) which are not being depreciated.

Notes to the consolidated financial statements

9 Intangible assets

	Goodwill £m	Customer related £m	Other £m	Total £m
Cost				
At 1 January 2024	474.1	53.8	17.7	545.6
Translation adjustment	(4.7)	0.2	–	(4.5)
Business combinations (note 25)	65.2	116.1	1.6	182.9
At 31 December 2024	**534.6**	**170.1**	**19.3**	**724.0**
Amortisation				
At 1 January 2024	–	18.9	6.5	25.4
Translation adjustment	–	–	(0.2)	(0.2)
Charge for the year	–	10.8	1.7	12.5
At 31 December 2024	**–**	**29.7**	**8.0**	**37.7**
Net book value				
At 31 December 2024	**534.6**	**140.4**	**11.3**	**686.3**
Cost				
At 1 January 2023	469.6	50.4	17.7	537.7
Translation adjustment	(2.4)	(0.5)	–	(2.9)
Business combinations (note 25)	6.9	3.9	–	10.8
At 31 December 2023	**474.1**	**53.8**	**17.7**	**545.6**
Amortisation				
At 1 January 2023	–	14.7	4.8	19.5
Translation adjustment	–	(0.1)	–	(0.1)
Charge for the year	–	4.3	1.7	6.0
At 31 December 2023	**–**	**18.9**	**6.5**	**25.4**
Net book value				
At 31 December 2023	**474.1**	**34.9**	**11.2**	**520.2**

Other intangible assets primarily comprise brand and permit assets arising from acquisitions. The amortisation charge on these assets is recognised in non-underlying operating expenses in the consolidated income statement. The remaining life of the finite intangible assets is up to 15 years.

Carrying value of goodwill by operating segment

	2024 £m	2023 £m
Great Britain	**212.4**	200.2
Ireland	**109.1**	111.8
United States	**53.6**	–
Cement	**159.5**	162.1
	534.6	474.1

Impairment tests for cash-generating units (CGUs) containing goodwill

Goodwill arising on business combinations is not amortised but is reviewed for impairment on an annual basis, or more frequently if there are indications that the goodwill may be impaired. Goodwill is allocated to groups of CGUs according to the level at which management monitor that goodwill, being the Group's operating segments.

The key assumptions used in performing the impairment review are those used in calculating the value-in-use of each CGU, as set out below:

Cash flow projections

Cash flow projections for each operating segment are derived from the annual budget approved by the Board for 2025 and the three-year plan extending to 2027. The key assumptions on which budgets and plans are based include sales growth, product mix, changes in operating costs and capital investment requirements.

These cash flows are then extrapolated forward for a further period of up to 50 years reflecting the long-term nature of the underlying assets, subject to obtaining incremental planning permissions for our quarries and plants. This is not considered to be a significant judgement. Budgeted cash flows are based on past experience and forecast future trading conditions.

Long-term growth rates

Cash flow projections assume a growth rate of between 2.5% and 3% (2023: 3.2%) from the fourth year of the value-in-use model, which reflects the impact of longer-term inflation projections on future earnings derived from published market data.

Notes to the consolidated financial statements

9 Intangible assets continued

Discount rate

Forecast pre-tax cash flows for each segment have been discounted at pre-tax rates of between 10.3% and 14.5% (2023: between 11.5% and 14.7%). These rates were determined by an external expert based on market participants' cost of capital and adjusted to reflect factors specific to each segment.

	Pre-tax discount rates	
	2024	2023
GB	**13.6%**	14.1%
Ireland	**11.7%**	13.5%
US	**11.3%**	N/A
Cement	**12.5%**	12.5%

Sensitivity

The Group has assessed the impact of possible changes in the key assumptions to the impairment review, including the near term capital costs of the implementation of our carbon reduction strategy that are included in our financial plans. As discussed below, it is not possible at present to quantify the gross cost of the transition over the longer term and this is therefore excluded from the sensitivity analysis.

Having performed a sensitivity analysis over the key assumptions, the directors have concluded that there are no reasonably possible changes to assumptions which would result in an impairment charge being recognised.

Impact of climate change on impairment testing

Impacts related to climate change and the transition to a lower carbon economy may include:

- physical impacts resulting from increased severity and frequency of extreme weather events, together with impacts arising from longer-term shifts in climate patterns; and
- transitional impacts, including changing demand for the Group's products due to shifts in policy, regulation (including carbon pricing mechanisms), legal, technological, market, customer or societal responses to climate change.

The Group's risk analysis indicates that the physical impacts of climate change are unlikely to have a significant impact on our impairment testing, with our operations typically located in regions that face relatively low physical challenges from climate change. Our commitment to better climate-related disclosures can be seen in our TCFD report on pages 59 to 66.

The impact of the transition to a lower carbon economy could be more significant. Breedon is committed to net zero by 2050 as well as to the manufacture of cement at our two well-invested cement plants; however, to achieve net zero will require a significant reduction in our carbon emissions.

As set out in more detail in our Sustainability report, we have committed to SBTi aligned carbon reduction targets following the 1.5°C warming pathway. By 2030 we aim to achieve a 23.3% reduction in absolute gross scope 1 and 2 GHG emissions, and scope 3 emissions from purchased cement and clinker from a 2022 base year. Our long term SBTi target commits to reducing our absolute gross scope 1, 2 and 3 GHG emissions 95% by 2050 from the 2022 base year.

We are taking near-term actions based on existing technologies to move towards this objective. In addition the Group is working with governments, industry, academia and the GCCA to explore potential routes to further decarbonisation, including carbon capture technologies. However these are not yet proven at scale.

The cash flows associated with our near-term plans are incorporated into our impairment testing along with our best estimate of the longer term impacts associated with the transition to net zero. However, it is not possible to accurately quantify these in full, nor longer term changes in consumer behaviour or how demand for cement might be impacted by price increases needed to recover these costs.

In conducting the impairment tests, we have assumed that future cement volumes remain broadly in line with current levels and that increased costs, including carbon costs and increased capital investment are recovered through pricing, consistent with our historic experience and that no scalable substitute for concrete emerges in the near term. As the cost of transition to net zero and the consequent impact on end-market demand becomes clearer, these judgements will need to be refined and it is possible that this may result in future impairment charges.

The directors are aware of the evolving risks attached to climate change and will regularly assess these risks against estimates made in future value-in-use assessments. They continue to view future impairment charges as unlikely at the date of this report.

Notes to the consolidated financial statements

10 Investment in associate and joint ventures

The entities contributing to the Group's financial results are listed on pages 207 to 209. The Group equity accounts for investments in its associate and joint ventures.

	Associate £m	Joint ventures £m	Total £m
Carrying value			
At 1 January 2023	5.7	8.0	13.7
Share of profit of associate and joint ventures	0.2	2.4	2.6
Dividends received	(0.4)	(1.4)	(1.8)
At 31 December 2023	**5.5**	**9.0**	**14.5**
Share of profit of associate and joint ventures	1.3	2.2	3.5
Dividends received	(1.8)	(1.2)	(3.0)
At 31 December 2024	**5.0**	**10.0**	**15.0**

Summary financial information of associate and joint ventures

	2024		2023	
	Associate £m	**Joint ventures £m**	Associate £m	Joint ventures £m
Non-current assets	**18.5**	**15.4**	19.2	15.7
Current assets	**37.6**	**19.4**	41.6	21.3
Current liabilities	**(35.9)**	**(22.0)**	(37.0)	(23.3)
Non-current liabilities	**(5.9)**	**(1.1)**	(8.0)	(4.1)
Net assets	**14.3**	**11.7**	15.8	9.6
Revenue	**199.0**	**109.9**	161.6	125.8
Profit for the year	**3.8**	**4.2**	0.4	5.0

The table above shows the results and balances of the associate and joint ventures. Included within the consolidated results of the Group is the share of profit of the associate and joint ventures, as disclosed in the consolidated income statement.

11 Deferred tax

2024	**1 January 2024 £m**	**Acquisitions (note 25) £m**	**Recognised in income £m**	**Recognised in equity £m**	**Translation adjustments £m**	**31 December 2024 £m**
Property, plant and equipment	**(103.3)**	**(6.3)**	**(15.7)**	**–**	**0.6**	**(124.7)**
Intangible assets	**(9.9)**	**0.2**	**(1.2)**	**–**	**0.2**	**(10.7)**
Tax losses	**0.7**	**–**	**6.2**	**–**	**(0.6)**	**6.3**
Share-based payments	**0.9**	**–**	**0.6**	**0.3**	**–**	**1.8**
Working capital and provisions	**19.6**	**–**	**3.4**	**–**	**0.1**	**23.1**
	(92.0)	**(6.1)**	**(6.7)**	**0.3**	**0.3**	**(104.2)**

2023	1 January 2023 £m	Acquisitions (note 25) £m	Recognised in income £m	Recognised in equity £m	Translation adjustments £m	31 December 2023 £m
Property, plant and equipment	(95.7)	(2.3)	(5.7)	–	0.4	(103.3)
Intangible assets	(10.5)	(0.9)	1.3	–	0.2	(9.9)
Derivatives	–	–	(0.1)	0.1	–	–
Tax losses	0.9	–	(0.2)	–	–	0.7
Share-based payments	0.7	–	0.3	(0.1)	–	0.9
Working capital and provisions	15.6	–	4.0	–	–	19.6
	(89.0)	(3.2)	(0.4)	–	0.6	(92.0)

There are no unrecognised deferred tax assets or liabilities.

Notes to the consolidated financial statements

12 Inventories

	2024 £m	2023 £m
Raw materials and consumables	**59.5**	49.8
Work in progress	**11.2**	9.8
Finished goods and goods for resale	**65.0**	60.5
	135.7	120.1

Inventories (being directly attributable costs of production) of £982.7m (2023: £928.7m) have been expensed in the year.

Emission Trading Scheme assets are presented within finished goods and goods for resale.

13 Trade and other receivables

	2024 £m	2023 £m
Trade receivables	**198.3**	185.1
Amounts due from associate and joint ventures (note 22)	**2.4**	6.1
Derivative assets	**0.3**	–
Contract assets	**17.4**	20.1
Other receivables and prepayments	**42.6**	17.5
	261.0	228.8

	2024 £m	2023 £m
Analysed as		
Current	**261.0**	227.9
Non-current	**–**	0.9
	261.0	228.8

The nature of contract assets has not changed materially during the reporting period.

14 Interest-bearing loans and borrowings

Net Debt

	2024 £m	2023 £m
Cash and cash equivalents	**28.9**	126.9
Current borrowings	**(8.7)**	(8.1)
Non-current borrowings	**(425.5)**	(288.7)
Net Debt	**(405.3)**	(169.9)
IFRS 16 lease liabilities	**48.7**	48.0
Net Debt (excluding IFRS 16)	**(356.6)**	(121.9)

Analysis of borrowings between current and non-current

	2024 £m	2023 £m
Lease liabilities	**8.7**	8.1
Current borrowings	**8.7**	8.1
Bank and USPP debt	**385.5**	248.8
Lease liabilities	**40.0**	39.9
Non-current borrowings	**425.5**	288.7

During the year, the Group completed the refinancing of its RCF, increasing the facility size from £350m to £400m and retaining the option of a further £100m accordion. The amended facility secures access to longer-term finance, running for an initial four-year period to at least July 2028, and offers an incremental reduction in ongoing debt service costs. The Group's borrowing facilities also comprise a £250m USPP.

Interest on the RCF is calculated as a margin referenced to the Group's Covenant Leverage plus SONIA, SOFR or EURIBOR according to the currency of borrowing. Interest on the RCF was charged in the period at margins of between 1.65% and 1.75%.

The USPP was issued in 2021 with an average fixed coupon of approximately 2% and comprises £170m sterling and £80m drawn in euro, with a maturity profile between 2028 and 2036.

Notes to the consolidated financial statements

14 Interest-bearing loans and borrowings continued

Fees and expenses incurred in connection with the refinancing amounted to £2.3m and will be amortised over the amended life of the facility. In line with IFRS 9, the refinancing has been treated as an extinguishment of the previous RCF. Prepaid fees of £1.3m, which had been held on the balance sheet in relation to the old facility, have been expensed to the income statement during 2024 as a non-underlying interest expense.

Borrowing facilities are subject to leverage and interest cover covenants which are tested half-yearly. The Group remained fully compliant with all covenants during the year.

Reconciliation of cash flow movement to movement in Net Debt

	2024 £m	2023 £m
For the year ended 31 December		
Net (decrease)/increase in cash and cash equivalents	**(97.5)**	24.9
Foreign exchange differences – cash and cash equivalents	**(0.5)**	0.3
Net movement in cash and cash equivalents	**(98.0)**	25.2
Net cash flow movements in debt financing	**(44.0)**	9.7
Non-cash movements		
Net of lease additions and disposals	**(8.6)**	(6.4)
Amortisation of prepaid bank arrangement fee	**(2.2)**	(1.1)
Debt acquired via acquisitions (note 25)	**(87.8)**	(1.1)
Foreign exchange differences – interest-bearing loans and borrowings	**5.2**	1.5
(Increase)/decrease in Net Debt in the year	**(235.4)**	27.8
Net Debt as at 1 January	**(169.9)**	(197.7)
Net Debt as at 31 December	**(405.3)**	(169.9)

15 Trade and other payables

	2024 £m	2023 £m
Trade payables	**151.7**	145.2
Contract liabilities	**11.5**	12.1
Deferred consideration (note 25)	**6.4**	3.0
Derivative liabilities	**–**	0.3
Other payables and accrued expenses	**91.4**	99.9
Other taxation and social security	**22.6**	18.1
	283.6	278.6

The nature of contract liabilities has not changed significantly during the reporting period. Brought forward contract liabilities of £12.1m have all been recognised in revenue during the year.

16 Provisions

	Restoration £m	**Other £m**	**Total £m**
At 1 January 2023	84.7	1.3	86.0
Translation adjustment	(0.1)	–	(0.1)
Utilised during the year	(2.6)	–	(2.6)
Charged to income statement	9.1	2.0	11.1
Amounts arising from business combinations	0.3	–	0.3
Change to capitalised provisions (note 8)	(3.8)	–	(3.8)
Unwinding of discount	3.7	–	3.7
At 31 December 2023	**91.3**	**3.3**	**94.6**
Translation adjustment	**(0.4)**	**–**	**(0.4)**
Utilised during the year	**(3.1)**	**–**	**(3.1)**
Charged to income statement	**0.1**	**–**	**0.1**
Amounts arising from business combinations (note 25)	**3.5**	**19.0**	**22.5**
Change to capitalised provisions (note 8)	**3.3**	**–**	**3.3**
Unwinding of discount	**4.4**	**–**	**4.4**
At 31 December 2024	**99.1**	**22.3**	**121.4**

Notes to the consolidated financial statements

16 Provisions continued

	2024 £m	2023 £m
Analysed as		
Current	**30.0**	8.8
Non-current	**91.4**	85.8
	121.4	94.6

Restoration provisions principally comprise provisions for the cost of decommissioning and restoring sites. The obligation is calculated on a site-by-site basis and is subject to regular reviews which utilise external data and expertise. Each obligation is discounted to reflect the period over which it is expected to be settled which, on average, is around 10 years.

Nominal discount rates used have been derived using UK, Irish and US Gilt rates.

Other provisions primarily comprises amounts arising on the acquisition of BMC. Contained within this balance is a contingent liability of £10.0m for which the Group is fully indemnified, with a corresponding indemnification asset recognised within trade and other receivables. For more details see note 25.

17 Capital, reserves and dividends

Share capital

All shares issued by Breedon are ordinary shares which have a par value of £0.01 and are fully paid. The Company has no limit to the number of shares which may be issued.

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

Movements during 2024:

The Company issued 0.5 million shares for cash raising £1.3m in connection with the exercise of certain savings-related share options, with £1.3m recognised as share premium. The Company issued 0.3 million shares for non-cash consideration of 1.0p per share, satisfied through the capitalisation of retained earnings, in connection with the vesting of awards under the Performance Share Plans (note 18).

In addition, 3.2m of ordinary shares were issued to the vendor of BMC, with £12.2m being recognised within the merger reserve.

	Number of ordinary shares (m) 2024
Issued ordinary shares at beginning of year	339.7
Issued in connection with:	
Exercise of savings-related share options	0.5
Issued on acquisition of BMC (note 25)	3.2
Vesting of Performance Share Plan awards	0.3
As at 31 December 2024	**343.7**

Movements during 2023:

Corporate Reorganisation

In connection with the Group's move from AIM to the Premium Segment of the Main Market of the London Stock Exchange during the first half of 2023, a new holding company for the Group was established ('New Breedon'), which replaced the previous parent company of the Group, Breedon Group Limited ('Old Breedon'). New Breedon obtained control of the Group on 17 May 2023 via a court approved scheme of arrangement (the 'Corporate Reorganisation'). Under the scheme arrangement, shares were issued in exchange for all the shares in Old Breedon at a ratio of one share in New Breedon to five shares in Old Breedon. The difference between Stated Capital and Share Capital was recognised as a Merger Reserve.

Other movements during 2023

The Company issued 0.2 million shares for cash raising £0.7m in connection with the exercise of certain savings-related share options, with £0.7m recognised as share premium. The company issued 0.6 million shares for non-cash consideration of 1.0p per share, satisfied through the capitalisation of retained earnings, in connection with the vesting of awards under the Performance Share Plans (note 18).

	Number of ordinary shares (m) 2023
Issued ordinary shares at beginning of year	1,694.4
5:1 share consolidation	(1,355.5)
Issued ordinary shares after corporate reorganisation	338.9
Issued in connection with:	
Exercise of savings-related share options	0.2
Vesting of Performance Share Plan awards	0.6
As at 31 December 2023	339.7

Notes to the consolidated financial statements

17 Capital, reserves and dividends continued

Other reserves

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedged instruments related to hedged transactions which have not yet occurred.

Merger reserve

The merger reserve was created as part of the Corporate Reorganisation and represents the difference between the Stated Capital reported by Old Breedon and the Share Capital of New Breedon.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as from the translation of the liabilities that hedge the Group's net investment in foreign operations.

Dividends

Paid in year

Dividends paid comprise the following elements:

	2024 £m	2023 £m
Dividends paid to Breedon Group plc shareholders	48.1	37.3
Dividends paid to non-controlling interests in consolidated subsidiaries	0.2	0.3
Total dividends paid	**48.3**	37.6

Amounts recognised as dividends paid to Breedon Group plc shareholders in the year comprised £48.1m, being £32.0m in respect of the final dividend of the year ended 31 December 2023 of 9.5p per share and £16.1m in respect of an interim dividend of 4.5p per share for the year ended 31 December 2024.

Dividends totalling £0.2m have been paid to non-controlling interests relating to consolidated subsidiaries accounted for using the anticipated acquisition method which have been recognised directly in equity. No dividend has been paid to non-controlling interests relating to other consolidated subsidiaries.

Future dividends

The directors have proposed a final dividend in respect of the financial year ended 31 December 2024 of 10.0p per share which will absorb an estimated £34.4m of shareholders' funds. Assuming the final dividend is approved by shareholders at the Annual General Meeting of the Company to be held on 29 April 2025, the final dividend will be paid on 16 May 2025 to shareholders who are on the register at the close of business on 4 April 2025.

18 Share-based payments

Share-based payments to employees include PSP awards made to senior executives and voluntary participation in savings-related share option schemes ('Sharesave Schemes') for the wider workforce.

Under the PSP, awards may be granted to key senior employees as either a conditional award or as a nil paid (or nominal) cost award. Awards will normally vest three years after grant subject to satisfaction of the relevant performance conditions; for certain employees these may be subject to an additional two-year holding period.

Sharesave Schemes are open to all eligible employees both in the UK and RoI. These schemes have a term of either three or five years.

Further details of these options and awards, as well as the interests of the directors in both the PSP and the Breedon Sharesave Schemes, can be found in the Directors' Remuneration report from pages 129 to 146.

Movements in outstanding options and awards

Share options (millions)	Outstanding at 1 Jan 2024	Granted	Vested	Lapsed	Outstanding at 31 Dec 2024
PSP – non-market based performance conditions	1.4	1.0	(0.2)	(0.2)	2.0
PSP – market based performance conditions	1.1	0.7	(0.2)	(0.2)	1.4
Sharesave Schemes	4.3	1.3	(0.4)	(1.1)	4.1
	6.8	3.0	(0.8)	(1.5)	7.5

All PSP share awards have an exercise price of nil. The exercise price for outstanding Sharesave Schemes at 31 December 2024 is between £3.02 and £3.90.

Notes to the consolidated financial statements

18 Share-based payments continued

Options granted during the year

The fair value of options and awards granted during the year, and the key inputs used to derive the fair value, were as follows:

	PSP – non-market based performance conditions	PSP – market based performance conditions	Sharesave
Fair value at grant date	£3.59	£2.19	£0.86 – £1.12
Valuation model	Black-Scholes	Stochastic	Black-Scholes
Exercise price	–	–	£3.16 – £3.46
Share price at grant date	£3.59	£3.59	£3.88
Holding period	0–2 years	0–2 years	–
Expected volatility	28–29%	28–29%	28–31%
Risk-free rate	4.53%	4.53%	4.00–4.16%
Vesting period	3 years	3 years	3–5 years
Expected dividend yield	n/a	n/a	3.48%

Where share awards contain mechanisms to compensate for the dilutive impact of dividends paid during the vesting period, no dividend yield has been incorporated into the calculation of the fair value of those awards.

Expected volatility has been calculated on share price movements compared to historic option values, over the period consistent with the holding period prior to the date of grant.

19 Financial instruments

The Group has the following financial assets and liabilities:

	2024		
	Book value £m	Non-financial instruments £m	Financial instruments £m
Financial assets			
Trade and other receivables	261.0	13.9	247.1
Cash and cash equivalents	28.9	–	28.9
Total financial assets	289.9	13.9	276.0
Financial liabilities			
Borrowings	(385.5)	2.8	(388.3)
Lease liabilities	(48.7)	–	(48.7)
Trade and other payables	(283.6)	(34.1)	(249.5)
Total financial liabilities	(717.8)	(31.3)	(686.5)

	2023		
	Book value £m	Non-financial instruments £m	Financial instruments £m
Financial assets			
Trade and other receivables	228.8	10.9	217.9
Cash and cash equivalents	126.9	–	126.9
Total financial assets	355.7	10.9	344.8
Financial liabilities			
Borrowings	(248.8)	2.7	(251.5)
Lease liabilities	(48.0)	–	(48.0)
Trade and other payables	(278.6)	(30.2)	(248.4)
Total financial liabilities	(575.4)	(27.5)	(547.9)

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Foreign exchange risk
- Liquidity risk
- Interest rate risk

Notes to the consolidated financial statements

19 Financial instruments continued

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet their contractual obligations. Credit risk arises principally from the Group's cash and cash equivalents held with financial counterparties and the Group's receivables due from customers.

Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. At the reporting date there were no significant concentrations of customer credit risk.

Credit risk associated with cash balances is managed and limited by transacting with financial institutions with high-quality credit ratings.

Exposure to credit risk

The carrying amount of financial assets at the reporting date represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2024 £m	2023 £m
Trade and other receivables	**247.1**	217.9
Cash and cash equivalents	**28.9**	126.9
	276.0	344.8

The maximum exposure to credit risk for trade and other receivables by reportable segment was:

	Carrying amount	
	2024 £m	2023 £m
Great Britain	**142.2**	144.0
Ireland	**34.6**	39.7
United States	**37.5**	–
Cement	**32.4**	33.1
Central administration	**0.4**	1.1
	247.1	217.9

Management considers that the credit quality of the various receivables is good in respect of the amounts outstanding. The Group has no individually significant customers and the majority of the Group's customers are end-user customers. Credit insurance is in place to cover the majority of the Group's private sector UK and Ireland trade receivables, subject to an aggregate first loss. The Group has fully provided for all its doubtful debt exposure.

The remaining credit risk is therefore considered to be low. Balances are only written off when the Group has exhausted all options to recover the amounts receivable.

The ageing of trade and other receivables at the reporting date was:

	2024			2023		
	Gross £m	**Impairment £m**	**Net £m**	Gross £m	Impairment £m	Net £m
Not past due	**218.9**	**(3.9)**	**215.0**	195.2	(2.3)	192.9
Past due 0-30 days	**19.1**	**(0.6)**	**18.5**	13.8	(0.9)	12.9
Past due 31-60 days	**9.3**	**(0.7)**	**8.6**	7.5	(1.2)	6.3
Past due more than 60 days	**8.4**	**(3.4)**	**5.0**	8.3	(2.5)	5.8
	255.7	**(8.6)**	**247.1**	224.8	(6.9)	217.9

Provisions for impairment of trade and other receivables are calculated on a lifetime expected loss model in line with IFRS 9. The key inputs in determining the level of provision are the historical level of bad debts experienced by the Group and ageing of outstanding amounts. Movements during the year were as follows:

	2024 £m	2023 £m
At 1 January	**6.9**	8.0
Charged to the consolidated income statement during the year	**3.5**	3.0
Business combination	**1.0**	–
Utilised during the year	**(1.7)**	(2.0)
Unused amounts released	**(1.1)**	(2.1)
At 31 December	**8.6**	6.9

Notes to the consolidated financial statements

19 Financial instruments continued

Foreign exchange risk

Transactional

The Group has limited transactional currency exposures arising on sales and purchases made in currencies other than the functional currency of the entity making the sale or purchase. Significant exposures which are deemed at least highly probable are matched where possible.

Translation

The Group has significant net assets denominated in euro and US dollars. The translation of these balances into sterling for reporting purposes exposes the Group to foreign exchange movements in the consolidated statement of financial position and consolidated income statement, along with a corresponding impact on certain key performance indicators.

The Group's strategy is to mitigate this risk through utilising Euro and US dollar borrowings as a hedge against movements in the sterling value of euro and US dollar investments. The level of this hedge is currently managed with the objective of mitigating the impact of foreign exchange movements on Covenant Leverage.

Currency analysis and exchange rate sensitivity

Foreign currency financial assets and liabilities, translated into sterling at the closing rate, are as follows:

	2024				2023		
	Sterling £m	**Euro £m**	**US dollar £m**	**Total £m**	Sterling £m	Euro £m	Total £m
Financial assets							
Trade and other receivables	**181.1**	**28.5**	**37.5**	**247.1**	189.0	28.9	217.9
Cash and cash equivalents	**15.9**	**11.4**	**1.6**	**28.9**	121.2	5.7	126.9
Total financial assets	**197.0**	**39.9**	**39.1**	**276.0**	310.2	34.6	344.8
Financial liabilities							
Borrowings	**(180.0)**	**(156.5)**	**(51.8)**	**(388.3)**	(170.0)	(81.5)	(251.5)
Lease liabilities	**(47.3)**	**–**	**(1.4)**	**(48.7)**	(47.9)	(0.1)	(48.0)
Trade and other payables	**(204.9)**	**(33.3)**	**(11.3)**	**(249.5)**	(208.1)	(40.3)	(248.4)
Total financial liabilities	**(432.2)**	**(189.8)**	**(64.5)**	**(686.5)**	(426.0)	(121.9)	(547.9)
Potential impact on profit before taxation – gain/(loss)							
10% increase in functional currency	**–**	**(1.3)**	**(0.9)**	**(2.2)**	–	0.8	0.8
10% decrease in functional currency	**–**	**1.9**	**1.1**	**3.0**	–	(1.0)	(1.0)
Potential impact on other comprehensive income – gain/(loss)							
10% increase in functional currency	**–**	**13.6**	**2.3**	**15.9**	–	7.1	7.1
10% decrease in functional currency	**–**	**(16.7)**	**(2.8)**	**(19.5)**	–	(8.7)	(8.7)

Notes to the consolidated financial statements

19 Financial instruments continued

Significant exchange rates

The following significant exchange rates applied during the year:

	2024		2023	
	Average rate	**Year-end rate**	Average rate	Year-end rate
Sterling/euro	**1.18**	**1.21**	1.15	1.15
Sterling/US dollar	**1.29**	**1.26**	1.24	1.27

Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet obligations as they fall due. The Group manages liquidity risk by monitoring forecasts and cash flows and negotiating appropriate bank facilities. The Group uses term and revolving bank facilities and sufficient headroom is maintained above peak requirements to meet unforeseen events.

The following are the contractual maturities of financial liabilities, including estimated interest payments, assuming the current utilisation remains until the contract matures:

31 December 2024	**Carrying amount £m**	**Contractual cash flows £m**	**Within one year £m**	**Between one and five years £m**	**More than five years £m**
Non-derivative financial liabilities					
Revolving credit facility					
– sterling	**10.0**	**18.0**	**2.2**	**15.8**	**–**
– euro	**78.6**	**92.6**	**3.9**	**88.7**	**–**
– US dollar	**51.8**	**63.7**	**3.3**	**60.4**	**–**
USPP loan notes					
– sterling	**170.0**	**203.6**	**4.0**	**40.3**	**159.3**
– euro	**77.9**	**83.2**	**0.9**	**42.3**	**40.0**
Lease liabilities	**48.7**	**74.9**	**9.0**	**23.3**	**42.6**
Trade and other payables	**249.5**	**249.5**	**249.5**	**–**	**–**
	686.5	**785.5**	**272.8**	**270.8**	**241.9**

31 December 2023	Carrying amount £m	Contractual cash flows £m	Within one year £m	Between one and five years £m	More than five years £m
Non-derivative financial liabilities					
Multi-currency revolving credit facility	–	5.3	2.1	3.2	–
USPP loan notes					
– sterling	170.0	207.5	4.0	40.8	162.7
– euro	81.5	88.0	1.0	44.6	42.4
Lease liabilities	48.0	72.1	9.0	23.0	40.1
Trade and other payables	248.4	248.4	248.4	–	–
	547.9	621.3	264.5	111.6	245.2

Interest rate risk

The Group borrows at floating and fixed interest rates. At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2024 £m	2023 £m
Fixed rate instruments		
Financial liabilities	**(296.6)**	(299.5)
Variable rate instruments		
Financial assets	**28.9**	126.9
Financial liabilities	**(140.4)**	–

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Notes to the consolidated financial statements

19 Financial instruments continued

Cash flow sensitivity analysis for variable rate instruments

As at 31 December 2024, drawn borrowings on the USPP are fixed rate and as such, are not exposed to interest rate fluctuations. The RCF is subject to variable interest rates. An increase of 100 basis points in interest rates in respect of variable rate instruments at the reporting date values would decrease profit for the year by £1.5m (2023: increase of £1.3m). A decrease of 100 basis points would increase profit for the year by £1.5m (2023: decrease of £1.3m). These analyses assume that all other variables remain constant.

Fair values versus carrying amounts

The directors consider that the carrying amounts recorded in the financial information in respect of financial assets and liabilities, which are carried at amortised cost, approximates to their fair values with the exception of the £247.9m of USPP loan note liabilities which have an estimated fair value of £214.8m. This valuation is not based on observable market data and is therefore valued as level 3 according to the definitions below. Derivative financial assets and liabilities are carried at fair value. The different levels have been defined as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either as a direct price or indirectly derived from prices; and
- Level 3 – inputs for the asset or liability that are not based on observable market data.

The fair value of the derivative financial assets and liabilities are based on bank valuations.

Capital management

The Board's capital management policy is to maintain a strong balance sheet, providing flexibility to pursue growth opportunities. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

In maintaining the Group's capital structure in line with these principles, the Board may choose to adjust amounts paid as dividends to shareholders, issue new equity or dispose of assets as required.

The financial covenants associated with the Group's borrowings are a maximum leverage ratio and a minimum interest cover. The Group complied with these financial covenants throughout the financial year.

20 Leases

Right-of-use assets

	Land and buildings £m	Plant, equipment and vehicles £m	Total £m
Cost			
Balance at 1 January 2024	51.2	32.7	83.9
Acquired on business combinations (note 25)	1.2	–	1.2
Additions	8.3	0.3	8.6
Disposals and impairments	(0.9)	(3.4)	(4.3)
Balance at 31 December 2024	**59.8**	**29.6**	**89.4**
Depreciation			
Balance at 1 January 2024	14.8	24.0	38.8
Charge for the year	4.0	4.1	8.1
Disposals and impairments	(0.6)	(3.4)	(4.0)
Balance at 31 December 2024	**18.2**	**24.7**	**42.9**
Net book value			
At 31 December 2024	**41.6**	**4.9**	**46.5**
Cost			
Balance at 1 January 2023	45.9	33.7	79.6
Acquired on business combinations (note 25)	–	0.2	0.2
Additions	5.5	0.9	6.4
Transfer to owned assets	–	(0.5)	(0.5)
Disposals and impairments	(0.2)	(1.6)	(1.8)
Balance at 31 December 2023	**51.2**	**32.7**	**83.9**
Depreciation			
Balance at 1 January 2023	11.6	20.9	32.5
Charge for the year	3.4	4.7	8.1
Transfer to owned assets	–	(0.2)	(0.2)
Disposals and impairments	(0.2)	(1.4)	(1.6)
Balance at 31 December 2023	**14.8**	**24.0**	**38.8**
Net book value			
At 31 December 2023	**36.4**	**8.7**	**45.1**

Notes to the consolidated financial statements

20 Leases continued

Lease liabilities are secured on the assets to which they relate and are payable as follows:

Minimum lease payments	2024 £m	2023 £m
Less than one year	**9.0**	9.0
Between one and five years	**23.3**	23.0
More than five years	**42.6**	40.1
	74.9	72.1

The value of lease payments made during the year was £12.3m (2023: £10.4m).

Movements between owned and leased assets

Items transferred to owned assets represent leases where the liability has been fully repaid in the normal course of business and legal ownership of the asset has transferred to the Group. Where an underlying physical asset is purchased by the Group and this causes an existing lease to end, this is presented as an addition to owned assets within note 8 and as a disposal of a leased asset within this note.

21 Capital commitments

At 31 December 2024 the Group had commitments to purchase property, plant and equipment for £13.7m (2023: £27.9m). These commitments are expected to be settled during the course of 2025.

22 Related parties

During the year the Group supplied services and materials to, and purchased services and materials from, its associate and joint ventures on an arm's length basis. The Group had the following transactions with these related parties during the year:

	Sales £m	Purchases £m	Receivables £m	Payables £m
2024				
BEAR Scotland	**21.9**	–	**1.3**	–
Other	**6.0**	**2.4**	**1.1**	**0.1**
	27.9	**2.4**	**2.4**	**0.1**
2023				
BEAR Scotland	21.0	–	1.6	–
Other	12.0	2.5	4.5	–
	33.0	2.5	6.1	–

Parent and ultimate controlling party

The Company's shares are traded on the Premium Segment of the Main Market of the London Stock Exchange. The Company's shareholder base is monitored on a regular basis. There is no controlling party and the Company does not have a parent.

Transactions with directors and directors' shareholdings

Details of transactions with directors, directors' shareholdings and outstanding share options and awards are given in the Directors' Remuneration report on pages 129 to 146.

Notes to the consolidated financial statements

23 Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to Breedon Group shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit for the year attributable to Breedon Group shareholders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the potential dilutive ordinary shares into ordinary shares.

Calculations of these measures and reconciliations to related alternative performance measures are as follows:

Basic EPS to Adjusted Underlying Basic EPS

	2024			2023		
	Earnings £m	Shares millions	EPS pence	Earnings £m	Shares millions	EPS pence
Basic EPS	**96.2**	**342.754**	**28.1**	105.5	339.148	31.1
Adjustments to earnings						
Earnings impact of change in deferred tax rate (note 7)	–	–	–	0.7	–	0.2
Non-underlying items (note 3)	**21.8**	–	**6.3**	9.1	–	2.7
Adjusted Underlying Basic EPS	**118.0**	**342.754**	**34.4**	115.3	339.148	34.0

Diluted EPS to Adjusted Underlying Diluted EPS

	2024			2023		
	Earnings £m	Shares millions	EPS pence	Earnings £m	Shares millions	EPS pence
Diluted EPS	**96.2**	**343.738**	**28.0**	105.5	339.849	31.0
Adjustments to earnings						
Earnings impact of change in deferred tax rate (note 7)	–	–	–	0.7	–	0.2
Non-underlying items (note 3)	**21.8**	–	**6.3**	9.1	–	2.7
Adjusted Underlying Diluted EPS	**118.0**	**343.738**	**34.3**	115.3	339.849	33.9

Dilutive items in both the current and prior year related to share-based payments. Details of the Group's share schemes, which may become dilutive in the future, are set out in note 18.

24 Contingent liabilities

The Group has guaranteed its share of the banking facilities of BEAR Scotland. The maximum liability at 31 December 2024 amounted to £2.9m (2023: £2.9m). This has been accounted for as a Financial Guarantee Contract in line with IFRS 9.

The Group has guaranteed the performance of the BEAR Scotland contracts in respect of the maintenance of certain trunk roads in the North-West and South-East of Scotland and in respect of the M80 operating and maintenance contract. The Group has also guaranteed the performance of the Breedon Colas contract in respect of Lot 1 of the North Super Region of the Pavement Delivery Framework issued by National Highways. These guarantees have been accounted for as insurance contracts in line with IFRS 17.

For the year ended 31 December 2024, the subsidiary companies listed below are exempt from the requirements of the Companies Act 2006 relating to the audit of individual financial statements by virtue of section 479A. As a result, the Company guarantees all outstanding liabilities to which the subsidiary companies are subject.

Name of undertaking	Country of incorporation or registration	Company registration number
Breedon Midco Limited	**England and Wales**	**14777332**
Minster Surfacing Limited	**England and Wales**	**04084446**
Eco-Asphalt Supplies Limited	**England and Wales**	**13450225**
Alliance Recycling (UK) Ltd	**England and Wales**	**09418245**

Notes to the consolidated financial statements

25 Acquisitions

Current year acquisitions

The Group completed four acquisitions in the period, being BMC Enterprises Inc, Eco-Asphalt Supplies Limited, Phoenix Surfacing Limited and Building Products Inc.

BMC Enterprises Inc. (BMC)

The Group completed the acquisition of BMC, a supplier of ready-mixed concrete, aggregates and building products on 6 March 2024, acquiring 100% of the share capital.

The provisional fair values in respect of the identifiable assets acquired and liabilities assumed are set out below:

	Provisional fair value on acquisition £m
Intangible assets	109.9
Property, plant and equipment	81.4
Right-of-use assets	1.2
Inventories	7.2
Trade and other receivables	39.1
Cash and cash equivalents	5.5
Trade and other payables	(12.8)
Provisions	(22.4)
Borrowings	(85.9)
Deferred tax liabilities	(4.5)
Total acquired net assets	**118.7**
Cash consideration on completion	155.6
Post-completion payment	0.2
Equity consideration	12.2
Total consideration payable	**168.0**
Goodwill arising	**49.3**

Equity consideration

Equity consideration comprises 3,199,915 ordinary shares issued to the vendor, valued based on the market price of those shares at the date of acquisition.

Fair value adjustments

Fair value adjustments are always considered to be provisional at the first reporting date after the acquisition and are inclusive of adjustments to:

- recognise intangible assets, including the value of acquired customer relationships and non-compete agreements. The value of these assets were assessed with the support of a third party corporate finance specialist using an excess earnings method, based on estimated cash flows (see accounting policies, on page 169);
- revalue certain items of property, plant and equipment, including mineral reserves and resources, to reflect the fair value at date of acquisition;
- working capital accounts to reflect fair value ; and
- restoration provisions to reflect costs to comply with environmental and other legislation.

The goodwill arising represents the strategic geographic location of assets acquired, the potential for future growth and the skills of the existing workforce and management team. Goodwill is deductible for tax purposes.

Since the Group's interim results were published, goodwill has increased by £5.7m, with the largest adjustment being £4.5m in relation to deferred tax following agreement of the completion accounts.

Included within provisions is a contingent liability for which the Group is fully indemnified, with a corresponding asset recognised within trade and other receivables. The range of outcomes in respect of the contingent liability is expected to be either nil or £10.0m.

Other current year acquisitions

The directors consider the remaining acquisitions completed in the year, being 100% of the share capital of Eco-Asphalt Supplies Limited (31 January 2024), 80% of the share capital of Phoenix Surfacing Limited (1 April 2024), and the trade and assets of Building Products Inc. (18 October 2024) to be individually immaterial, but material in aggregate.

Notes to the consolidated financial statements

25 Acquisitions continued

The combined provisional fair values in respect of the identifiable assets acquired and liabilities assumed are set out below:

	Provisional fair value on acquisition £m
Intangible assets	7.8
Property, plant and equipment	6.4
Inventories	0.9
Trade and other receivables	5.0
Cash and cash equivalents	1.8
Trade and other payables	(5.6)
Provisions	(0.1)
Borrowings	(1.9)
Deferred tax liabilities	(1.5)
Total acquired net assets	**12.8**
Cash consideration on completion	25.3
Deferred consideration	3.4
Total consideration payable	**28.7**
Goodwill arising	**15.9**

Consideration

Deferred consideration includes £2.6m relating to a put liability and has been accounted for using the anticipated acquisition method.

Fair value adjustments

The fair value adjustments primarily comprised:

- intangible assets, including the value of acquired customer relationships;
- impairment of property, plant and equipment, and
- deferred tax balances.

The goodwill arising represents expected synergies, the potential for future growth, and the skills of the existing workforce.

Impact of current year acquisitions

Income statement

During the period, the BMC acquisition (including Building Products which was acquired 18 October 2024), contributed revenues of £132.5m, Underlying EBIT of £16.4m and profit before interest and tax of £13.8m to the results of the Group.

Other current year acquisitions contributed revenues of £22.9m, Underlying EBIT of £0.8m and profit before tax of £0.8m to the results of the Group.

Had these acquisitions occurred on 1 January 2024, the results of the Group for the year ended 31 December 2024 would have shown revenue of £1,612.5m, Underlying EBIT of £176.0m and profit before tax of £127.7m.

Cash flow

The cash flow impact of acquisitions in the year can be summarised as follows:

	£m
Consideration – cash	180.9
Cash and cash equivalents acquired	(7.3)
Net cash consideration shown in the consolidated statement of cash flows	**173.6**

Acquisition costs

The Group incurred acquisition related costs of £10.2m (2023: £0.9m) which included external professional fees in relation to these acquisitions. These are presented as non-underlying operating costs (note 3).

Prior year acquisitions

The Group acquired three individually immaterial acquisitions in the prior year, being Broome Brothers (Doncaster) Limited (1 May 2023), Robinson Quarry Masters Limited (15 May 2023) and 80% of the share capital of Minster Surfacing Limited (5 May 2023) for a total consideration of £27.1m. No additional adjustments have been made in respect of these acquisitions within the measurement period and the provisional values reported in the prior year are now considered final.

Notes to the consolidated financial statements

26 Accounting estimates and judgements

Preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and their associated underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial information are described below.

Accounting estimates

Restoration provisions

Restoration provisions principally comprise provisions for the cost of decommissioning and restoring sites. This is an inherently subjective calculation and there is significant estimation required to determine the future cost of the approved restoration scheme.

Estimated future cash flows have been determined on a site by site basis based on the present day cost of restoration. An increase in these gross cash flow assumptions of 10% would result in an increase of the restoration liability of £9.4m. The estimated cost of restoration is subject to both internal and external expert evaluation in order to mitigate the risk of material error.

These cash flows are inflated to the point that the cash flow is expected to occur and discounted, at a rate which reflects both the time value of money and the risk free rate, in order to derive the net present value of the obligation as at the balance sheet date. The discount and long-term inflation rates used in this calculation are between 2.4-4.8% and 2.6-3.6% respectively. A 100bps increase in discount rate or decrease in the long-term inflation rate would result in a decrease in the value of restoration provisions by £7.8m or £8.2m respectively. A 100bps decrease in discount rate or increase in the long-term inflation rate would result in an increase in the value of restoration provisions by £10.7m or £11.0m respectively.

Restoration dates have been determined as the earlier of the date at which reserves are expected to be exhausted or planning permission on reserves is expected to expire. Reasonably possible changes in restoration dates would not have a material impact on the financial statements, and management do not consider restoration dates to be significant estimates.

Accounting judgements

Impact of climate change on impairment review

The Group is committed to achieving net zero by 2050, as well as to the manufacture of cement at its two well-invested cement plants; however, to achieve net zero will require a significant reduction in carbon emissions.

The cash flows used in our impairment review are underpinned by a judgement that future cement volumes remain broadly in line with current levels and that increased costs to achieve net zero will be recovered through market acceptance of increased pricing.

See note 9 for additional detail and further information on how the impact of climate change has been considered through the impairment testing.

27 Reconciliation to non-GAAP measures

Non-GAAP performance measures are used throughout this Annual Report and these consolidated financial statements. This note provides a reconciliation between these alternative performance measures to the most directly related statutory measures.

These measures are not a substitute for, or superior to, any IFRS measures of performance. Management believe these measures allow an understanding of the Group's underlying business performance. They are defined as:

Underlying EBIT – statutory (reported) profit from operations excluding non-underlying items. Non-underlying items are disclosed in note 3. Management considers underlying EBIT to be key measure in understanding the underlying profit of the Group at this level.

Free Cash Flow (FCF) – calculated as statutory (reported) net cash flow from operating activities and net cash used in investing activities, adjusted for the cash impact of major capital projects in the year, cash associated with acquisition of businesses and the cash impact of non-underlying items. FCF represents the cash that the Group generates after spending the money required to maintain or expand its asset base, thus is useful for Management in assessing liquidity.

Net Debt – Net Debt is calculated as the net of cash and cash equivalents and interest-bearing loans and borrowings (both current and non-current). It is a measure of the Group's net indebtedness that provides an indicator of the overall balance sheet strength. Net Debt is also shown on a pre-IFRS 16 basis as the banking covenants are calculated on a pre-IFRS 16 basis.

Notes to the consolidated financial statements

27 Reconciliation to non-GAAP measures continued

Reconciliation of earnings based alternative performance measures

2024	Great Britain £m	Ireland £m	United States £m	Cement £m	Central administration and eliminations £m	Share of profit of associate and joint ventures £m	Total £m
Revenue	997.4	233.4	132.5	309.2	(96.2)	–	1,576.3
Profit from operations							149.6
Non-underlying items (note 3)							24.1
Underlying EBIT	78.5	33.6	16.4	58.5	(16.8)	3.5	173.7
Underlying EBIT margin	7.9%	14.4%	12.4%	18.9%			11.0%
Underlying EBIT	78.5	33.6	16.4	58.5	(16.8)	3.5	173.7
Share of profit of associate and joint ventures	–	–	–	–	–	(3.5)	(3.5)
Depreciation and mineral depletion	53.4	7.9	8.4	29.7	0.3	–	99.7
Underlying EBITDA	131.9	41.5	24.8	88.2	(16.5)	–	269.9
Underlying EBITDA margin	13.2%	17.8%	18.7%	28.5%			17.1%

2023	Great Britain £m	Ireland £m	Cement £m	Central administration and eliminations £m	Share of profit of associate and joint ventures £m	Total £m
Revenue	1,033.8	235.5	331.2	(113.0)	–	1,487.5
Profit from operations						145.7
Non-underlying items (note 3)						10.5
Underlying EBIT	86.4	29.0	55.2	(17.0)	2.6	156.2
Underlying EBIT margin	8.4%	12.3%	16.7%			10.5%
Underlying EBIT	86.4	29.0	55.2	(17.0)	2.6	156.2
Share of profit of associate and joint ventures	–	–	–	–	(2.6)	(2.6)
Depreciation and mineral depletion	52.2	6.9	29.3	0.3	–	88.7
Underlying EBITDA	138.6	35.9	84.5	(16.7)	–	242.3
Underlying EBITDA margin	13.4%	15.2%	25.5%			16.3%

Like-for-like alternative performance measures

There are a number of references throughout this report to like-for-like revenue, earnings and volumes. Like-for-like numbers exclude the impact of acquisitions and disposals and have been used alongside non-like-for-like measures to help the Group better communicate performance in the year when compared to previous reporting periods.

Notes to the consolidated financial statements

27 Reconciliation to non-GAAP measures continued

Covenant Leverage

Covenant Leverage is defined as the ratio of Underlying EBITDA to Net Debt, with both Underlying EBITDA and Net Debt adjusted to reflect the material items which are adjusted by the Group and its lenders in determining leverage for the purpose of assessing covenant compliance and, in the case of our bank facilities, the margin payable on overdrawn borrowings. In both the current and prior year, the only material adjusting item was the impact of IFRS 16 – Leases.

	2024 £m	2023 £m
Underlying EBITDA	269.9	242.3
Impact of IFRS 16	(11.0)	(10.3)
Underlying EBITDA for covenants	258.9	232.0
Net Debt (excluding IFRS 16) (note 14)	356.6	121.9
Covenant Leverage	1.4x	0.5x

Free Cash Flow conversion

Free Cash Flow has been reconciled to net cash from operating activities, which is the most relevant GAAP measure.

	2024 £m	2023 £m
Net cash from operating activities	201.7	191.9
Net cash used in investing activities	(296.2)	(120.4)
Cash impact of material capital projects	23.4	-
Acquisition of businesses	173.6	18.8
Cash impact of non-underlying items	11.6	4.5
Free Cash Flow	114.1	94.8
Underlying EBITDA	269.9	242.3
Free Cash Flow conversion	42%	39%

The cash impact of material capital projects comprised three projects consisting of the ARM and primary crusher projects at Hope and the solar farm at Kinnegad.

Return on invested capital

	2024 £m	2023 £m
Underlying EBIT	173.7	156.2
Underlying effective tax rate (note 7)	21.7%	20.4%
Taxation at the Group's underlying effective rate	(37.7)	(31.9)
Underlying earnings before interest	136.0	124.3
Net assets	1,170.6	1,110.7
Net Debt (note 14)	405.3	169.9
Invested capital at 31 December	1,575.9	1,280.6
Average invested capital[1]	1,428.3	1,261.1
Adjustment for timing of significant acquisition[2]	83.3	–
Adjusted average invested capital	1,511.6	–
Return on invested capital[3]	9.0%	9.9%

1 Average invested capital is calculated by taking the average of the opening invested capital at 1 January and the closing invested capital at 31 December. Opening invested capital at 1 January 2023 was £1,241.5m.

2 This adjustment is made to the average of opening and closing invested capital to more accurately reflect the impact of the timing of the acquisition of BMC Enterprises which completed on 6 March 2024. See note 25.

3 Return on invested capital is calculated as Underlying earnings before interest for the previous twelve months, divided by Adjusted average invested capital for the year.

Notes to the consolidated financial statements

28 Post balance sheet events

Acquisition of Lionmark

On 5 March 2025 the Group announced the proposed acquisition of Lionmark Construction Companies LLC, a construction materials and surfacing business headquartered in St Louis, Missouri.

The acquisition is expected to complete by 7 March 2025. Consideration payable is based on an enterprise value of US$237.5m, of which US$225.6m is payable in cash and the remaining US$11.9m through the issue of newly created shares in Breedon Group plc.

The consideration is subject to customary closing adjustments and retentions. The cash element of the consideration will be satisfied through a drawdown on the Group's existing borrowing facilities.

Additional liquidity is provided by €95m of additional notes which were issued under the Group's USPP programme on 26 February 2025. The notes have maturities of between five and seven years, with a fixed interest rate of approximately 4%.

The acquisition is expected to have a material impact on the Group's results for the year ended 31 December 2025. Given the proximity of the acquisition date to the date on which the Financial Statements were authorised, the Group is not yet able to provide certain disclosures required by IFRS 3, including the initial fair values of assets and liabilities acquired, which have not yet been ascertained. These disclosures will be presented as part of the Group's Interim Statement made up to 30 June 2025.

Company financial statements

Company balance sheet

As at 31 December 2024

	Note	2024 £m	2023 £m
Non-current assets			
Trade and other receivables	4	**541.9**	507.2
Current assets			
Trade and other receivables	4	**14.1**	0.9
Cash & equivalents		**0.3**	-
Current liabilities			
Trade and other creditors	5	**(83.8)**	(13.6)
Net assets		**472.5**	494.5
Capital and reserves			
Share capital	6	**3.4**	3.4
Share premium	6	**2.0**	0.7
Merger reserve	2, 6	**44.8**	32.6
Profit and loss account		**422.3**	457.8
Equity shareholder's funds		**472.5**	494.5

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent company income statement. The result for the Company for 2024 was a profit of £9.3m (2023: loss £1.8m).

The Company financial statements on pages 200 to 206 were approved by the Board on 5 March 2025 and signed on its behalf by:

Rob Wood
Chief Executive Officer

James Brotherton
Chief Financial Officer

Company number: 14739556

Company statement of changes in equity

For the year ended 31 December 2024

	Note	Share capital £m	Share premium £m	Merger reserve £m	Retained earnings £m	Total equity £m
Balance on incorporation at 17 March 2023		**0.1**	**–**	**–**	**–**	**0.1**
Scheme of arrangement	2	474.4	–	32.6	–	507.0
Capital reduction	3	(471.1)	–	–	471.1	–
Loss for the period		–	–	–	(1.8)	(1.8)
Share-based payments		–	–	–	2.1	2.1
Dividends paid		–	–	–	(13.6)	(13.6)
Shares issued		–	0.7	–	–	0.7
Balance at 31 December 2023		**3.4**	**0.7**	**32.6**	**457.8**	**494.5**
Profit for the period		–	–	–	9.3	9.3
Share-based payments		–	–	–	3.3	3.3
Dividends paid		–	–	–	(48.1)	(48.1)
Shares issued		–	1.3	12.2	–	13.5
Balance at 31 December 2024		**3.4**	**2.0**	**44.8**	**422.3**	**472.5**

Notes to the Company financial statements

1 Accounting policies

Basis of accounting

Breedon Group plc (the Company) is a public limited company, limited by shares, which is listed on the London Stock Exchange and incorporated and domiciled in England and Wales. The registered number is 14739556 and the address of the registered office is Pinnacle House, Breedon Quarry, Breedon on the Hill, Derby, England, DE73 8AP.

These financial statements present information about the Company from the point of its incorporation on 17 March 2023 as an individual undertaking and not about its Group.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (Adopted IFRS) but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The financial statements are presented in pounds sterling, which is the Company's functional currency, and are shown in £millions to one decimal place.

The Company is included within the consolidated financial statements of Breedon Group plc. The consolidated financial statements of Breedon Group plc are prepared in accordance with IFRS and are publicly available. In these financial statements, the Company is considered to be a qualifying entity and has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries; and
- disclosures in respect of capital management.

As the consolidated financial statements of Breedon Group plc include the equivalent disclosures, the Company has taken the exemptions available under FRS 101 in respect of the following disclosures:

- IFRS 2 -Share-Based Payments in respect of group settled share-based payments; and
- certain disclosures required by IFRS 13 – Fair Value Measurement and the disclosures required by IFRS 7 – Financial Instrument Disclosures.

The Company intends to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

Going Concern

These financial statements are prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The Group meets day-to-day working capital and other funding requirements through banking facilities, which include an overdraft facility. Longer-term debt financing is accessed through the Group's USPP loan note programme. The facilities comprise a £400m multi-currency RCF, which runs to July 2028 and £250m of USPP loan notes with maturities between 2028 and 2036. Further details of these facilities are provided in note 19 to the Group's consolidated financial statements.

In 2024, the Group comfortably met all covenants and other terms of its borrowing agreements. The Group has continued its track record of profitability and cash generation, with an overall profit before taxation of £125.4m and net cash from operating activities of £201.7m.

The Group has prepared cash flow forecasts for a period of 12 months from the date of signing these financial statements, which show a sustained trend of profitability, cash generation and retained covenant headroom, even under a 'severe but plausible' downside scenario of forecast cash flows.

The base case assumes a trading performance delivered in line with market consensus over the forecast period, while the downside scenario models a 5% to 10% reduction in revenues, which the Group believes is a severe sensitivity relative to likely outcomes and historic experience.

As at 31 December 2024, the Group had cash balances of £28.9m and undrawn banking facilities in excess of £250m. At the date of this report, the Group's liquidity has increased by c.£80m as a result of the issuance of additional notes under its USPP programme. Following the acquisition discussed in note 28, the level of undrawn facilities will reduce to c.£150m, which is expected to provide sufficient available funds for the Group to discharge its liabilities as they fall due.

Consequently, the directors are confident that the Group, and therefore the Company, will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Notes to the Company financial statements

1 Accounting policies continued

Company result for the period

In accordance with the exemption permitted under section 408(3) of the Companies Act 2006, the Company has elected not to present its own income statement or statement of comprehensive Income.

Accounting policies

The accounting policies set out in the notes below have been applied in preparing the financial statements for the period ended 31 December 2024 and in the prior period.

Newly effective standards

There were no newly effective standards in the period which had a material impact on the Company, nor are any standards published but not yet effective which are expected to have a material impact on the Company.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is provided on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Fixed asset investments

Fixed asset investments are stated at cost less provision for any diminution in value.

Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. The principal financial assets and liabilities of the Company are as follows:

Trade receivables and payables

Trade receivable and trade payables are initially recognised at fair value and are then stated at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, including bank deposits with original maturities of three months or less.

Impairment of financial assets

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Share-based payments

Equity-settled share-based payments to directors, key employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value is recharged to the subsidiary entities which receive services from those individuals who have been granted awards on a straight-line basis over the period that the employees become unconditionally entitled to the awards.

Financial risk management

The Company's financial risk is managed as part of the Group's strategy and policies as discussed in note 19 of the Group financial statements.

Estimates and judgements

No significant estimates or judgements have been used by the directors in preparing these financial statements.

Directors' remuneration and staff numbers

The Company has no employees other than the directors, who did not receive any remuneration for their services directly from the Company the current period. See note 5 in the Group consolidated financial statements for Key Management Personnel compensation.

External auditor's remuneration

The remuneration paid to the external auditor in relation to the audit of the Company is disclosed in note 4 of the consolidated financial statements. The fees for the audit of the Company's financial statements are borne by a subsidiary of the Company and are not recharged.

Notes to the Company financial statements

2 2023 scheme of arrangement

Breedon Group plc (New Breedon) is a public company domiciled in England & Wales with registration number 14739556 which was incorporated on 17 March 2023 to act as the new holding company for Breedon Group Limited (Old Breedon) and its subsidiaries (the Group), and to replace Old Breedon, a company incorporated in Jersey with registration number 98465, in connection with the Group's move from AIM to the Premium Segment of the Main Market of the London Stock Exchange during the first half of 2023.

New Breedon obtained control of the Group on 17 May 2023 via a court approved scheme of arrangement. Under the scheme of arrangement, shares with a nominal value of £1.40 were issued in exchange for all the shares in Old Breedon at a ratio of one share in New Breedon for every five shares in Old Breedon. There were no changes in rights or proportion of control exercised as a result of the transaction.

The difference between the nominal value of the shares issued under the scheme of arrangement of £474.4m and the net assets of Old Breedon of £507.0m has been recognised within a Merger Reserve.

3 2023 capital reduction

On 9 June 2023, the Company undertook a capital reduction to convert £471.1m of share capital to distributable reserves, resulting in share capital of 338.9 million shares with a nominal value of £0.01 per share.

4 Trade and other receivables

	2024 £m	2023 £m
Amounts owed by Group undertakings	**554.9**	507.5
Prepayments and accrued income	**0.2**	0.1
Corporation tax	**–**	0.3
Deferred tax	**0.9**	0.2
	556.0	508.1

	2024 £m	2023 £m
Analysed as		
Current	**14.1**	0.9
Non-current	**541.9**	507.2
	556.0	508.1

Included within amounts owed by Group undertakings is £541.9m (2023: £507.2m) due after more than one year. The loan interest is charged at a rate of SONIA plus a market rate margin. All other amounts owed by Group undertakings are unsecured, interest free, and due on demand.

The amounts owed by Group undertakings are financial assets and are held at amortised cost.

Deferred tax assets are recognised in relation to share-based payment arrangements. The charge for the current period has been recognised wholly within the income statement.

5 Trade and other creditors

	2024 £m	2023 £m
Amounts owed to Group undertakings	**74.2**	12.7
Accruals and other creditors	**1.4**	0.9
Corporation tax	**8.2**	-
	83.8	13.6

Amounts owed by Group undertakings are interest free and repayable on demand. All trade and other creditors are financial liabilities and are held at amortised cost.

Notes to the Company financial statements

6 Capital and reserves

Share capital and premium

	Number (millions)	£m
Allotted, called-up and fully paid ordinary shares of £0.01 each:		
At 31 December 2023	339.7	3.4
Exercise of savings-related share options	0.5	-
Issued on acquisition of BMC	3.2	-
Vesting of Performance Share Plan awards	0.3	-
At 31 December 2024	**343.7**	**3.4**

Movements during 2024:

The Company issued 0.5 million shares for cash raising £1.3m in connection with the exercise of certain savings-related share options, with £1.3m recognised as share premium. The Company issued 0.3 million shares for non-cash consideration of 1.0p per share, satisfied through the capitalisation of retained earnings, in connection with the vesting of awards under the Performance Share Plans.

Movements during 2023:

The Company had 14,286 ordinary shares with a nominal value of £3.50 on incorporation on 17 March 2023.

As part of the scheme of arrangement (note 2) the Company issued 338.9 million ordinary shares with a nominal value of £1.40. Subsequently, the Company undertook a capital reduction effective 9 June 2023 which cancelled the original 14,286 ordinary shares with a nominal value of £3.50 and reduced the nominal value of the remaining ordinary shares from £1.40 to £0.01.

The Company issued 0.2 million shares for cash raising £0.7m in connection with the exercise of certain savings-related share options, of which £0.7m was recognised as share premium. The Company issued 0.6 million shares for non-cash consideration of 1.0p per share, satisfied through the capitalisation of retained earnings, in connection with the vesting of awards under the Performance Share Plans.

Merger reserve

The Merger reserve was created as a result of the scheme of arrangement (note 2). In addition, 3.2m of ordinary shares were issued to the vendor of BMC, with £12.2m being recognised as merger reserve.

7 Investments

Movements during 2024:

There have been no movements in investments during the period. The Company holds an investment of £1, comprising 100% of the ordinary share capital of Breedon Midco Limited, a holding company within the Group registered in England & Wales with a company number of 14777332 and a registered address at Pinnacle House, Breedon Quarry, Breedon on the Hill, Derby, England, DE73 8AP.

A full list of subsidiaries is presented on pages 207 to 209 of the Breedon Group plc Annual Report.

8 Share-based payments

Details of the Company's share-based payments are disclosed within note 18 of the Group consolidated financial statements.

Notes to the Company financial statements

9 Contingent liabilities

The Company acts as a guarantor to the Group's debt facilities, which comprise a £400m Revolving Credit Facility and £250m US Private Placement. These have been accounted for as Financial Guarantee Contracts in line with IFRS 9.

For the year ended 31 December 2024, the subsidiary companies listed below are exempt from the requirements of the Companies Act 2006 relating to the audit of individual financial statements by virtue of section 479A. As a result, the Company guarantees all outstanding liabilities to which the subsidiary companies are subject.

Name of undertaking	Country of incorporation or registration	Company registration number
Breedon Midco Limited	**England and Wales**	**14777332**
Minster Surfacing Limited	**England and Wales**	**04084446**
Eco-Asphalt Supplies Limited	**England and Wales**	**13450225**
Alliance Recycling (UK) Ltd	**England and Wales**	**09418245**

Subsidiaries

As at 31 December 2024, the companies listed below and on the following pages are indirectly held by Breedon Group plc except Breedon Midco Limited which is 100% directly owned.

Company name	Registered address	Proportion held directly by the parent	Proportion held by the Group
Aggregate Holdings, LLC	15	100	100
ALBA Traffic Management Limited	3	75	75
Alfred McAlpine Slate Penrhyn Limited	1	100	100
Alliance Recycling (UK) Ltd	1	80	80
Alpha Resource Management Ltd	2	100	100
Barney Precast Limited	1	100	99.4
Berwyn Granite Quarries Limited	1	100	100
Blinkbonny Quarry (Borders) Limited	3	100	100
BMC Development of Caseyville, LLC	17	100	100
BMC Development of Columbia, LLC	17	100	100
BMC Development of Defiance, LLC	15	100	100
BMC Development of Hamel, LLC	17	100	100
BMC Development of Illinois, LLC	15	100	100
BMC Development of Lebanon, LLC	17	100	100
BMC Development of Missouri, Inc	15	100	100
BMC Development of Warrenton, LLC	15	100	100
BMC Development of Wright City, LLC	15	100	100
BMC Development, LLC	15	100	100
BMC Enterprises, Inc	15	100	100
BMC Hauling, Inc	15	100	100
BMC Jefferson, LLC	15	100	100
BMC Leasing of Illinois, LLC	15	100	100
BMC Leasing of Missouri, Inc	15	100	100
BMC Leasing, LLC	15	100	100
BMC Maintenance, LLC	15	100	100
BMC Management, Inc	15	100	100
BMC Missouri Realty, LLC	15	100	100
BMC Sand, LLC	15	100	100
BMC St Charles, LLC	15	100	100

Company name	Registered address	Proportion held directly by the parent	Proportion held by the Group
BMC Stone, LLC	15	100	100
Boyne Bay Lime Company Ltd, The	3	100	100
Breckenridge Jefferson County, Inc	15	100	100
Breckenridge of Illinois, LLC	15	100	100
Breckenridge O'Fallon, Inc	15	100	100
Breckenridge Material Company	15	100	100
Breedon Aggregates SW Limited	3	100	100
Breedon Bow Highways Limited	1	100	100
Breedon Brick Limited	5	100	100
Breedon Cement Ireland Limited	5	100	100
Breedon Cement Limited	1	100	100
Breedon Employee Services Ireland Limited	4	100	100
Breedon Facilities Management Limited	3	100	100
Breedon Group Limited	6	100	100
Breedon Group Services Limited	1	100	100
Breedon Holdings (Jersey) Limited	6	100	100
Breedon Holdings Limited	1	100	100
Breedon Investments UK Limited	1	100	100
Breedon Investments USA Inc	9	100	100
Breedon Materials Limited	4	100	100
Breedon Midco Limited	1	100	100
Breedon Northern Limited	3	100	100
Breedon Properties Limited	1	100	100
Breedon Scotland Limited	3	100	100
Breedon Southern Limited	1	100	100
Breedon Surfacing Solutions Ireland Limited	4	100	100
Breedon Surfacing Solutions Limited	1	100	100

Company name	Registered address	Proportion held directly by the parent	Proportion held by the Group
Breedon Trading Limited	1	100	100
Breedon Whitemountain Ltd	3	100	100
BRH Enterprises, LLC	15	100	100
BRM, LLC	15	100	100
Broome Bros. (Doncaster) Limited	1	100	100
City Asphalt Limited	8	100	80
City Mini Mix (Notts) Limited	1	100	100
Clearwell Quarries Limited	1	100	99.4
Cocklebank Conservations Limited	1	100	100
Cwmorthin Slate Quarry 1994 Company Limited	1	100	100
Deckal Limited	7	100	100
Eastern Missouri Concrete, LLC	15	100	100
Eco-Asphalt Supplies Limited	1	100	100
EJCC Limited	1	100	100
Enneurope Holdings Limited	1	100	100
Enneurope Limited	1	100	100
Flemings' Fireclays Limited	4	100	100
G&T Investing, LLC	15	100	100
Glencarne Bricks Limited	4	100	100
Glenfarne Clayware Limited	4	100	100
Greenshine	7	100	100
Hart Aggregates Limited	1	100	100
Hope Construction Products Limited	1	100	100
Hope Dormant 1 Limited	1	100	100
Hope Ready Mixed Concrete Limited	1	100	100
Humberside Aggregates Limited	1	100	100
Huntsman's Quarries Limited	1	100	100

Subsidiaries

Company name	Registered address	Proportion held directly by the parent	Proportion held by the Group
Kettering Bituminous Products Limited	1	100	80
Kilcarn Limited	2	100	100
Kingscourt Bricks Limited	2	100	100
Kingscourt Clay Products Limited	2	100	100
Lagan Airports Limited	2	100	100
Lagan Asphalt (UK) Ltd	2	100	100
Lagan Asphalt Group Limited	2	100	100
Lagan Asphalt Limited	4	100	100
Lagan Bitumen Limited	1	100	100
Lagan Cement Limited	2	100	100
Lagan Cement Products Limited	2	100	100
Lagan Group (Holdings) Limited	7	100	100
Lagan Group Limited	7	100	100
Lagan Hibernian Limited	4	100	100
Lagan Materials Limited	4	100	100
Lagan Whitemountain Limited	2	100	100
Marwyn Materials (UK) Limited	1	100	100
MC Materials, LLC	15	100	100
Micromix (Northern) Limited	1	100	100
Midwest Aggregates Limited	5	100	100
Minster Surfacing Limited	1	80	80
Mulholland Bros (Brick and Sand) Limited	2	99.9	99.9
Natural Building Materials Limited	1	99.4	99.4
Nith Aggregates Limited	1	100	100
Nottingham Ready Mix Limited	1	100	100
Ozark Building Materials, LLC	15	100	100
Phoenix Surfacing Limited	1	80	80
Pile's Concrete, LLC	16	100	100

Company name	Registered address	Proportion held directly by the parent	Proportion held by the Group
Pinnacle Construction Materials Limited	1	100	100
Politte Ready Mix, LLC	15	100	100
Pro Mini Mix Concrete, Mortars and Screeds Limited	1	100	100
Raineri Building Materials, LLC	15	100	100
RMC, LLC	15	100	100
Roadmix Limited	2	100	100
Roadway Civil Engineering & Surfacing Ltd	1	100	100
Robinson Quarry Masters Limited	2	100	100
RT Mycock & Sons Limited	1	100	100
SCP Holdings, LLC	15	100	100
Severn Sands (Holdings) Limited	1	100	100
Severn Sands Limited	1	100	100
Sherburn Cement Limited	1	100	100
Sherburn Minerals Limited	1	100	100
Sherburn Sand Company Limited	1	100	100
Sherburn Stone Company Limited	1	100	100
SMRM Holdings, LLC	15	100	100
Staffs Concrete Limited	1	100	100
Stewart Concrete Products, LLC	15	100	100
The Cwt-Y-Bugail Slate Quarries Limited	1	100	100
The Waveney Asphalt Company Limited	1	100	100
Thomas Bow Limited	8	80	80
UK Stone Direct Limited	1	100	100
Welsh Slate Limited	1	100	100
Whitemountain Quarries Ltd	2	100	100

Joint ventures and associates

Company name	Registered address	Proportion held directly by the parent	Proportion held by the Group
BEAR Scotland Limited	14	37.5	37.5
Breedon Bowen Limited	1	50	50
Breedon Colas Limited	1	50	50
Capital Concrete Limited	10	43	43
H.V. Bowen & Sons (Quarry) Ltd	1	100	50
H.V. Bowen & Sons (Transport) Limited	1	100	50
Kingscourt Country Manor Brick Company Limited	11	50	50
Lough Neagh Sand Traders Limited	20	25	25
Northern Quarry Products Limited	12	50	50
PSV (UK) Ltd	1	100	50
Rolla Ready Mix, LLC	18	50	50
RRM Real Estate Partnership	19	50	50
Welsh Slate Europe B.V.	13	50	50

Subsidiaries

Registered office addresses

1	Pinnacle House, Breedon Quarry, Breedon on the Hill, Derby, England, DE73 8AP, United Kingdom
2	5 Blackwater Road, Newtownabbey, Northern Ireland, BT36 4TZ
3	Ethiebeaton Quarry, Kingennie, Monifieth, Angus, DD5 3RB, Scotland
4	Rosemount Business Park, Ballycoolin Road, Dublin 11, Dublin, RoI
5	Killaskillen, Kinnegad, Westmeath, Ireland
6	28 Esplanade, St Helier, Jersey, JE2 3QA
7	Bank Chambers, 15-19 Athol Street, Douglas, IM1 1LB, Isle of Man
8	Ashbow Court 4-12 Middleton Street, Lenton, Nottingham, England, NG7 2AL
9	1209 Orange Street, City of Wilmington, New Castle County, Delaware 19801, United States
10	Robert Brett House, Ashford Road, Canterbury, Kent, England, CT4 7PP
11	Unit 26 Airways Industrial Estate, Dublin 17, Santry, Dublin, D17 TH93, RoI
12	Rigifa, Cove, Aberdeen, United Kingdom, AB12 3LR
13	Battenweg 10, 6051AD Maasbracht, NL
14	BEAR House, Inveralmond Road, Inveralmond Industrial Estate, Perth, PH1 3TW, Scotland
15	406 N Main St, Ste B, Rolla MO 65401-3154, United States
16	850 New Burton Road Suite 201, Dover, Kent, DE 19904, United States
17	600 S. 2nd St., Suite 404, Springfield, Il 62704, United States
18	8112 Maryland Ave, Suite 320, Saint Louis, MO 63105, United States
19	County Road 3060, Rolla, MO, United States
20	Murray House, Murray Street, Belfast, Antrim, United Kingdom, BT1 6DN

Shareholder information

Registrar

All administrative enquiries relating to shareholdings, such as lost certificates, changes of address, change of ownership or dividend payments and requests to receive corporate documents by email should, in the first instance, be directed to the Company's Registrar, MUFG Corporate Markets (MUFG), and clearly state the shareholder's registered address and, if available, your investor code, which can be found on your share certificate:

By post: MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

By telephone: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. If you are outside the UK call +44 371 664 0300. Calls outside the UK will be charged at the applicable international rate. The helpline is open between 9.00am and 5.30pm, Monday to Friday excluding public holidays in England and Wales.

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shareholderenquiries@cm.mpms.mufg.com

website
www.eu.mpms.mufg.com

Share portal
www.breedonshares.com

Registering on the Registrar's share portal (Portal), enables you to view your shareholding, including an indicative share price and valuation, check your holding balance and transactions, change your address or bank details and view dividend payments. Follow the QR code below to register for the Portal. All you need is your investor code, which can be found on your share certificate.

Share portal

Scan the QR code or click here to go to the Registrar's share portal

Group website and electronic communications

The 2024 Annual Report and other information about the Company are available on its website. The Company operates a service whereby you can register to receive notice by email of all announcements released by the Company.

The Company's share price (15-minute delay) is displayed on the Company's website.

Shareholder documents are now, following changes in company law and shareholder approval, primarily made available via the Company's website, unless a shareholder has requested to continue to receive hard copies of such documents. If a shareholder has registered their up-to-date email address, an email will be sent to that address when such documents are available on the website.

If shareholders have not provided an up-to-date email address and have not elected to receive documents in hard copy, a letter will be posted to their address that is recorded on the Register of Members notifying them that the documents are available on the website. Shareholders can continue to receive hard copies of shareholder documents by contacting the Registrar.

If you have not already registered your current email address, you can do so via the Portal.

Investors who hold their shares via an intermediary should contact the intermediary regarding the receipt of shareholder documents from the Company.

The Group has a wide range of information that is available on the website including:

- financial information — annual reports and half year results, financial news and events;
- share price information;
- shareholder services information;
- dividend information; and
- press releases — both current and historical.

Multiple accounts

Shareholders who receive more than one copy of communications from the Company may have more than one account in their name on the Company's Register of Members. Any shareholder wishing to amalgamate such holdings should write to the Registrar giving details of the accounts concerned and instructions on how they should be amalgamated.

Dividend information

The Company pays its dividend to shareholders by electronic transfer. You will need to have a dividend mandate registered against your Breedon shareholder account by the Record Date which enables payment of the dividend straight to your bank account. By paying dividends by direct credit, it helps to reduce the Company's impact on the environment and provides greater benefits in terms of efficiency, cost, and safeguards the security of the payment.

Please register your bank details on the Portal or contact our Registrar, MUFG Corporate Markets, on 0371 664 0300 or +44 371 664 0300 if outside the UK.

Investors who hold their shares via an intermediary should contact the intermediary regarding the receipt of dividend payments from the Company.

Shareholder information

Dividend reinvestment plan (UK and Channel Islands only)

MUFG provide a Dividend Reinvestment Plan (DRIP) which provides shareholders in the UK and Channel Islands with the opportunity to reinvest their dividend payments to purchase additional ordinary shares in the Company. If you choose to join the DRIP, MUFG will use the cash dividend payment to which you are entitled to acquire further ordinary shares in the Company on your behalf as soon as practicable after the dividend payment date. Terms and conditions and a brochure may be found online on the Portal, where you can also join the DRIP or contact MUFG on 0371 664 0381 (see below for call charges) or email shares@cm.mpms.mufg.com to request a DRIP application form.

In order to be effective for a particular dividend, any application must reach MUFG by no later than the DRIP election date specified in the financial calendar, set out at www.breedongroup.com/dividends. Applications to join the DRIP received after that date will take effect from the next dividend payment date.

Please note that due to the minimum charge, the service may not be cost effective for all participants, and the value of shares, and any income from them, can fall as well as rise. This is not a recommendation to purchase shares and if you are in any doubt as to what action you should take you should consult an appropriately qualified professional advisor.

Share dealing services

You can buy shares through any authorised stockbroker or bank that offers a share dealing service in the UK, or in your country of residence if outside the UK.

MUFG also provides a share dealing service to private shareholders in the UK or Channel Islands.

For further information on the share dealing service provided by MUFG, or to buy and sell shares via MUFG Corporate Markets visit www.dealing.cm.mpms.mufg.com or call 0371 664 0445. Calls are charged at the standard geographic rate and will vary by provider. Lines are open between 8.00am and 4.30pm, Monday to Friday excluding public holidays in England and Wales.

This is not a recommendation to buy and sell shares and this service may not be suitable for all shareholders. The price of shares can go down as well as up and you are not guaranteed to get back the amount you originally invested. Terms and conditions apply. MUFG Corporate Markets is a division of MUFG Pension & Market Services which is authorised and regulated by the Financial Conduct Authority. This service is only available to private shareholders resident in the United Kingdom, the Channel Islands or the Isle of Man.

MUFG Corporate Markets is a trading name of trading name of MUFG Corporate Markets (UK) Limited. Share registration and associated services are provided by MUFG Corporate Markets (UK) Limited (registered in England and Wales, No. 2605568). Regulated services are provided by MUFG Corporate Markets Trustees (UK) Limited (registered in England and Wales No. 2729260), which is authorised and regulated by the Financial Conduct Authority.

The registered office of each of these companies is MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

Unsolicited mail, investment advice and fraud

The Company is obliged by law to make its share register publicly available and, as a consequence, some shareholders may receive unsolicited mail. In addition, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence, typically from overseas ‘brokers’, concerning investment matters.

These callers can be very persistent and extremely persuasive and their activities have resulted in considerable losses for some investors. It is not just the novice investor that has been deceived in this way; many victims have been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

Please keep in mind that firms authorised by the Financial Conduct Authority (FCA) are unlikely to contact you out of the blue with an offer to buy or sell shares.

Shareholder information

If you receive any unsolicited mail or investment advice:

- Make sure you get the correct name of the person and organisation.
- Check the Financial Services Register at www.fca.org.uk.
- Use the details on the Financial Services Register to contact the firm.
- Call the FCA Consumer Helpline on 0800 111 6768 if there are no contact details on the Register or you are told they are out of date.
- Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- Use the firm's contact details listed on the Register if you want to call them back.
- Search the list of unauthorised firms and individuals to avoid doing business with at www.fca.org.uk/scams.
- Report a share scam by telling the FCA using the share fraud reporting form in the Consumers section of the FCA website.
- If the unsolicited phone calls persist, hang up.
- If you wish to limit the number of unsolicited calls you receive, contact the Telephone Preference Service (TPS) at www.tpsonline.org.uk and follow the link, or from your mobile phone register your mobile number, free of charge, by texting 'TPS' together with your email address to 85095.
- If you wish to limit the amount of unsolicited mail you receive, contact the Mailing Preference Service on 020 7291 3310 or visit the website at www.mpsonline.org.uk.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. If you have already paid money to share fraudsters, you should contact Action Fraud on 0300 123 2040 or report online at www.actionfraud.police.uk/reporting-fraud-and-cyber-crime.

Electronic voting

Shareholders can submit proxies for the 2025 AGM electronically by logging on to the Portal. Electronic proxy appointments must be received by the Company's Registrar no later than 2.00pm on Friday 25 April 2025 (or not less than 48 hours before the time fixed for any adjourned meeting).

Shareholder communication

E: shareholderenquiries@cm.mpms.mufg.com

T: 0371 664 0300

Calls are charged at the standard geographic rate and will vary by provider. If you are outside the UK call +44 371 664 0300. Calls outside the UK will be charged at the applicable international rate. The helpline is open between 9.00am and 5.30pm, Monday to Friday excluding public holidays in England and Wales.

Click or scan to go to the Registrar's share portal.

Glossary

Significant exchange rates

	Average rate 2024	**Year-end rate 2024**	Average rate 2023	Year-end rate 2023
Sterling/Euro	**1.18**	**1.21**	1.15	1.15
Sterling/US dollar	**1.29**	**1.26**	1.24	1.27

The following definitions apply throughout this Annual Report, unless the context requires otherwise.

AGM	Annual General Meeting of the Company
AI	artificial intelligence
AIM	Alternative Investment Market of the London Stock Exchange
AQR	Audit Quality Review
ARM	Alternative raw material
BAP	Biodiversity Action Plan
BEAR Scotland	BEAR Scotland Limited
BMC	BMC Enterprises, Inc.
bps	basis points
Breedon	Breedon Group plc
Breedon Colas	Breedon Colas Limited
Broome Bros	Broome Bros (Doncaster) Limited
CAGR	Compound annual growth rate
CCS	Carbon capture and storage
CEM II	Portland composite cement; comprising Portland cement and up to 35% of certain other single constituents
Cemex	Cemex UK Operations Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash-Generating Unit
CO_2e	Carbon dioxide equivalent
Covenant Leverage	Leverage as defined by the Group's banking facilities. This excludes the impact of the IFRS 16 and includes the proforma impact of M&A
CPA	Construction Products Association
DMA	Double Materiality Assessment
DNED	Designated Non-executive Director
division	One of the Group's four operating segments: GB, Ireland, US and Cement
DIO	Defence Infrastructure Organisation
DRIP	Dividend Reinvestment Plan
DTR	Disclosure Guidance and Transparency Rule
EBIT	Earnings before interest and tax, which equates to profit from operations
EPD	Environmental Product Declaration
EPS	Earnings per share
EQA	external quality assessment
ESG	Environment, Social and Governance
ETS	Emissions Trading Scheme
EU	European Union
EURIBOR	Euro Inter-bank Offered Rate
FCA	Financial Conduct Authority
FEED	front-end engineering and design
FRC	Financial Reporting Council
GAAP	Generally Accepted Accounting Principles
GB	Great Britain
GCCA	Global Cement and Concrete Association
GHG	Greenhouse gas (emissions)
GJ	Gigajoule
GNI	Gross National Income
Group	Breedon and its subsidiary companies
HVO	Hydrotreated Vegetable Oil
HR	Human Resources
IAS	International Accounting Standards
IFRS	International Financial Reporting Standard

Glossary

IIJA	Infrastructure Investment and Jobs Act
invested capital	Net assets plus Net Debt
Ireland	The Island of Ireland
ISO	International Organization for Standardisation
IT	Information Technology
KPI	Key Performance Indicator
kT	kilo tonnes
Lagan	Lagan Group (Holdings) Limited
Leverage	Net Debt expressed as a multiple of Underlying EBITDA
Like-for-like	Like-for-like reflects reported values adjusted for the impact of acquisitions and disposals
LTI	Lost time injury
LTIFR	Lost time injury frequency rate
M&A	Mergers & acquisitions
Minster	Minster Surfacing Limited
MPA	Mineral Products Association
MUFG	Company registrar, previously known as Link
MW/MWh	Megawatt/Megawatt hour
Net Debt	Net Debt including IFRS 16 lease liabilities
Net capital expenditure	Purchase of property, plant and equipment net of proceeds from sale of property, plant and equipment
New Breedon	The company registered in England & Wales and incorporated on 17 March 2023 to act as the new parent company for the Group, in place of Breedon Group plc (Old Breedon), a company incorporated in Jersey
NI	Northern Ireland
NPS	Net Promoter Scores
Pillar Two	International tax rules, introduced by the OECD, which establish a global minimum corporate tax rate of 15%
ppt	percentage points
PSP	Performance Share Plan
RAP	recycled asphalt planings
RCF	Revolving Credit Facility
Robinsons	Robinson Quarry Masters Limited
RoI	Republic of Ireland
ROIC	Post-tax Return on Invested Capital
SBTi	Science Based Targets initiative
SECR	Streamlined Energy and Carbon Reporting
SONIA	Sterling Overnight Index Average
Sterling	Pounds sterling
SID	Senior Independent Director
STIP	Short Term Investment Plan
TCFD	Taskforce on Climate-related Financial Disclosures
TIFR	Total injury frequency rate
TNFD	Taskforce on Nature-related Financial Disclosures
TSR	Total shareholder return
UK	United Kingdom (GB and NI)
Underlying EBIT	Earnings before interest, tax and non-underlying items
Underlying EBITDA	Earnings before interest, tax, depreciation and amortisation, non-underlying items and before our share of profit from associate and joint ventures
US	United States
USPP	US Private Placement
WRI	World Resources Institute

Advisers and Company information

Company information

Registered in England & Wales
Company number 14739556

Registered office

Pinnacle House
Breedon Quarry
Breedon on the Hill
Derby DE73 8AP
England

Directors

A Bhatia
J Brotherton
C Hui, OBE
P Lafferty
H Miles
C Watson
R Wood

Company secretary

J Atherton-Ham

Registrar

MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds LS1 4DL

Independent auditor

KPMG LLP
One Snowhill
Snowhill Queensway
Birmingham B4 6GH

Joint broker

Deutsche Numis
Deutsche Bank AG
45 Gresham Street
London EC2V 7BF

Joint broker

HSBC Bank plc
8 Canada Square
London E14 5HQ

Solicitors to the Company (UK)

Travers Smith LLP
10 Snow Hill
London EC1A 2AL

Contact

If you require information regarding Breedon Group plc, please contact:

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Printed by a CarbonNeutral® company with an Environmental Management System certified to ISO 14001. This document is printed on paper using wood fibre from well-managed, FSC®-certified forests and other controlled sources.

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The paper is Carbon Balanced with World Land Trust, an international conservation charity, who offset carbon emissions through the purchase and preservation of high conservation value land. Through protecting standing forests, under threat of clearance, carbon is locked-in, that would otherwise be released.

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