



# HELPING CREATE LASTING LEGACIES

**FORTERRA PLC** ANNUAL REPORT AND ACCOUNTS 2025

AS ONE OF THE UK'S LEADING MANUFACTURERS OF BRICKS, BLOCKS AND PRECAST FLOORING, AT FORTERRA WE HELP CREATE LASTING LEGACIES; GOING BEYOND CONSTRUCTION TO GENERATE GROWTH AND FOSTER A LEGACY OF BUILDING TODAY, TOMORROW AND INTO THE FUTURE.

 13  
Manufacturing facilities

 1,500  
Employees

 £386m  
Revenue

<b>STRATEGIC REPORT</b>	<b>02</b>
2025 Highlights	02
Who we are	03
What we do	04
Strategic Progress	06
Investment Case	09
Chair's Statement	10
Chief Executive's Statement	12
Business Review	15
Business Model	18
Market Overview	19
Section 172 Statement	23
Key Performance Indicators	25
Chief Financial Officer's Review	27
Sustainability Report	32
Risk Management and Key Risks	62
Viability Statement	69
<b>GOVERNANCE</b>	<b>70</b>
Board of Directors	72
Executive Committee	75
Corporate Governance Statement	76
Nomination Committee Report	86
Audit and Risk Committee Report	88
Sustainability Committee Report	94
Remuneration Committee Report	96
Directors' Report	124
Statement of Directors' Responsibilities	127
<b>FINANCIAL STATEMENTS</b>	<b>128</b>
Independent Auditor's Report	129
Consolidated Statement of Total Comprehensive Income	136
Consolidated Balance Sheet	137
Consolidated Statement of Cash Flows	138
Consolidated Statement of Changes in Equity	139
Notes to the Financial Statements	140
Company Balance Sheet	173
Company Statement of Changes in Equity	174
Notes to the Company Financial Statements	175
Group Five-Year Summary	178

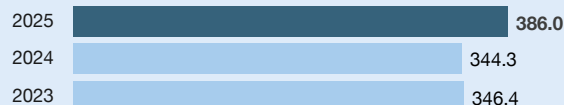
2025 Highlights

# STRONG RESULTS UNDER CHALLENGING MARKET CONDITIONS

## ADJUSTED

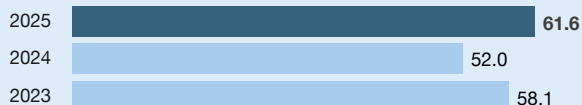
### REVENUE (£m)

+12.1%



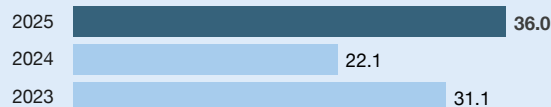
### EBITDA (£m)

+18.5%



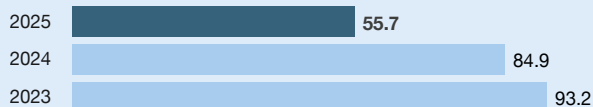
### PROFIT BEFORE TAX (£m)

+62.9%



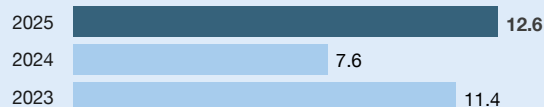
### NET DEBT BEFORE LEASES (£m)

-34.4%



### EPS (PENCE)

+65.8%



## STATUTORY

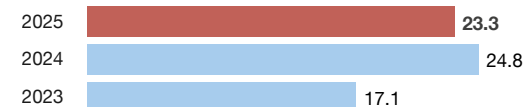
### REVENUE (£m)

+12.1%



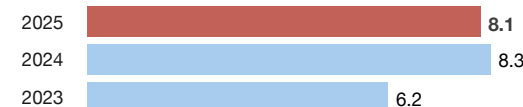
### PROFIT BEFORE TAX (£m)

-6.0%



### EPS (PENCE)

-2.4%



Note: A full reconciliation for each non-GAAP measure from adjusted through to statutory results is shown in note 31 to the Consolidated Financial Statements.

# Who we are

## INSPIRED BY OUR PURPOSE

### Helping Create Lasting Legacies

“We produce materials that bring lasting beauty and strength, helping create sustainable communities with homes and spaces that endure for generations.”

## DRIVEN BY OUR VISION

### Brilliant Today

We aspire to be leaders in operational excellence and customer service, working to continually maximise efficiency and create lasting value for our stakeholders.

### Ahead of Tomorrow

By understanding and anticipating our customers' evolving needs, we drive innovation and sustainable solutions that prepare them for the future.

## GUIDED BY OUR VALUES

→ See Our People & Culture on pages 54 to 58

1

### Innovate to Lead

Empowered to continuously improve

2

### Pride in Excellence

We relish achievement and success

3

### Collaborate & Care

We work in partnership and look out for one another

## ALIGNED WITH OUR STRATEGY

→ See update on our Strategic Progress on pages 6 to 8

### Strengthen the Core

By continuing to invest in our asset base and by focusing on both operational and commercial excellence, we will become an even stronger business in the future.

### Beyond the Core

By investing in brick slip solutions we aim to secure a leading position in the growing lightweight façades market and extend our presence in the mid-high rise buildings segment.

## What we do

# FOCUSED ON THE MANUFACTURE AND SUPPLY OF BRICKS, BLOCKS AND PRECAST CONCRETE



### BRICKS AND CLAY

#### 1 Extruded Brick

Also known as wire-cut bricks, sharp angled bricks used primarily in new construction by major housebuilders, extruded bricks are the most commonly used type of brick in the UK. Operating five factories across the UK, our footprint is weighted towards the production of extruded bricks.

#### 2 Soft Mud Brick

Also known as stock bricks, they are thrown and have softer edges giving a more aged and traditional appearance. Particularly popular in London and the South East, they are used in both new housing and improvement. We operate a single, highly efficient soft mud factory.

#### 3 Fletton Brick

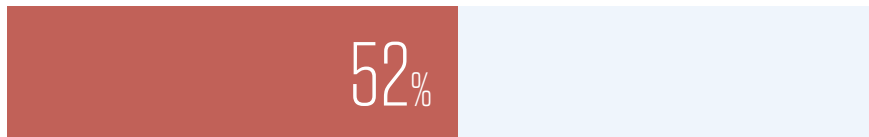
The Fletton is a type of brick which is unique to Forterra and produced under the iconic London Brick brand. It was widely used in the 20th century for new housing. Today its main use is for housing renovation to match with existing brickwork.

#### 4 Brick Slips

A brick slip is a thin brick tile used as a cladding material to replicate traditional brickwork without the weight or structural role; they are commonly used in mid-rise and high-rise buildings. In 2025 we opened our new brick slip line alongside our traditional brick factory in Accrington.

### PERCENTAGE OF REVENUE

BRICKS



### CONCRETE PRODUCTS

#### 5 Aircrete Blocks

Aircrete blocks are used to build the inner leaf of cavity walls, the most common method of housebuilding in the UK. As its name suggests, aircrete is an extremely lightweight building material which is easy to handle and cut compared with traditional blocks. We manufacture aircrete under the renowned Thermalite brand supplied to both housebuilders and builders' merchants.

#### 6 Aggregate Blocks

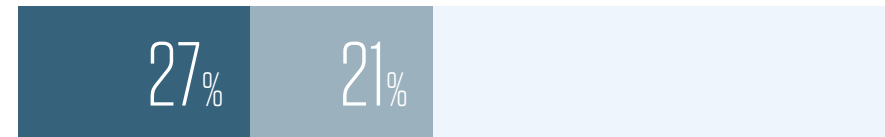
Traditional aggregate blocks are used where a higher strength product is required, for example in multi-storey buildings. Due to high transport costs associated with heavy goods, these products are usually supplied regionally in proximity to the factory.

#### 7 Precast Concrete Flooring

Our Bison brand is a leading player in the precast concrete market. Bison specialises in the manufacture of pre-fabricated flooring elements and beams predominantly for the new housing market. Our in-house design and technical support teams work directly with housebuilders to ensure each floor is designed and manufactured to meet the full suite of customers' technical requirements.

### PERCENTAGE OF REVENUE

BLOCKS PRECAST



## What we do the Markets we serve



**SUPPLYING  
HOUSEBUILDERS**

67%

### RESIDENTIAL NEW BUILD

Our products are at the heart of the UK's new housing sector. For centuries, bricks have been, and remain, the most common choice of material for façades, defining the look and feel of our urban environment.

There remains a long-term shortage of housing in the UK. The Government have established ambitious targets to boost the current levels of UK housebuilding and unblock current bottlenecks in the UK planning system.

We work closely with major housebuilders and distributors to ensure we have the right product to meet our customers' needs, backed-up with our high levels of technical and design expertise and an in-house fleet of specialist delivery vehicles to get products to site in a timely manner.



**SUPPLYING  
RENOVATION**

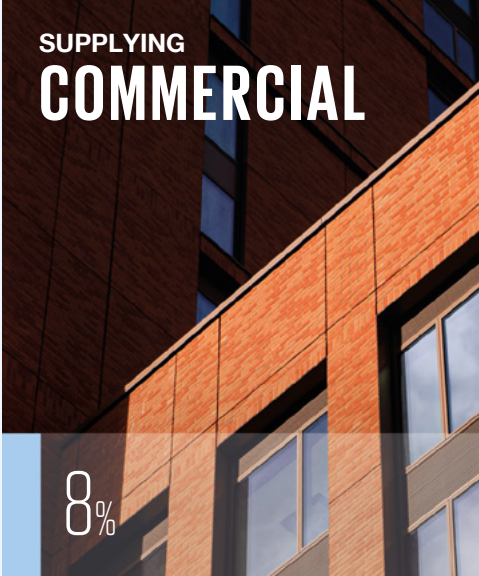
25%

### HOUSING REPAIR MAINTENANCE AND IMPROVEMENT

Our bricks and blocks are an important input to the housing repair, maintenance and improvement sector. Demand is driven primarily by the number of homes being upgraded or extended which in turn is influenced by the costs of borrowing and more widely the levels of housing market activity.

Our iconic London Brick product range is a leading brand in this segment where it is chosen for its excellent colour and texture match with older brickwork.

We work hand in hand with our builders' merchant partners across the UK to provide the right range of products to meet the needs of both the local builder and homeowner.



**SUPPLYING  
COMMERCIAL**

8%

### COMMERCIAL BUILDINGS AND INFRASTRUCTURE

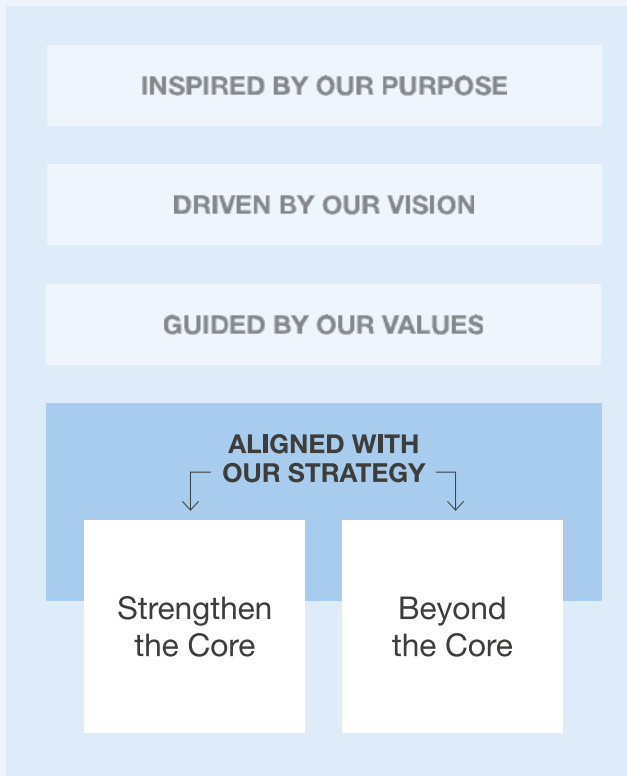
The commercial building sector focuses on architecturally driven projects such as schools, hospitals, universities and other public buildings.

We actively engage with architects and designers to provide the façade and flooring solutions to meet both their aesthetic and technical requirements.

Our new Omnia range of brick slips and façade systems are designed to maximise visual appeal whilst delivering the highest levels of technical performance and on-site productivity.

## Strategic Progress

# ESTABLISHING SECURE FOUNDATIONS AND INVESTING FOR GROWTH



In 2023, we set out a clear strategy to focus Forterra’s efforts on delivering both sustainable long-term growth and higher returns.

Our strategy is built on two key pillars:

- Strengthen the Core – investing in our plants and driving continuous improvement across our operational and commercial processes.
- Beyond the Core – expanding our offering into higher-growth lightweight façade systems and increasing our presence in construction sectors beyond single-family housing.

### STRENGTHEN THE CORE

#### Increasing output in line with demand

Increased housebuilding activity led to some improvement in demand for extruded bricks and precast flooring. In a major milestone for our flagship brick factory at Desford this improvement in demand allowed us to run both kilns simultaneously for the first time.

#### Improving operational efficiency

2025 marked a key step in our journey toward operational excellence; we launched the Sustainable Operational Excellence (SOE) programme, a structured approach to building habits that connect daily routines with long-term success.

Over 14 weeks, participants received real-time feedback and one-to-one coaching to build steady progress. Leaders learned to listen more, ask better questions and empower their teams, supported by coaches who reinforced that operational excellence is about people as much as process. The SOE programme was initially piloted in two of our factories and will continue to be implemented across our facilities in 2026.

#### Increasing our customer focus

During the year we launched a Net Promotor Score (NPS) study to obtain feedback from our customers and better understand both our strengths and areas for improvement. Looking ahead, we will continue to develop plans oriented around these results and track our progress through an annualised survey and tracking of key performance indicators.

Our ongoing Commercial Excellence initiatives continue to deliver results with a clear focus on sales force efficiency and effectiveness. Throughout the year our sales organisation focused on improving results through active customer and product mix management.

The second half of the year saw both the appointment of our new Group Commercial Director, James Cornish, along with the implementation of a new commercial structure which aims to align our organisation with our key segments and routes to market with the goal of increased customer focus and an improved customer experience.

### Investing in our core products

Reconstruction of our Wilnecote brick is virtually complete, with the kiln lit and the commissioning of a new specification focused product range is underway.



### AWARD-WINNING PROJECTS

We were proud to be recognised at the 2025 Brick Development Association Brick Awards for our work on the W House project in Fulham. The extension features bespoke brickwork, created using six specially crafted brick types that form a folded, textured volume inspired by historic Victorian joinery. The intricate patterns, achieved through rotation and mirroring of the bricks, create movement and visual interest from every angle, demonstrating the creative potential of our bricks in high-end residential design.

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## Strategic Progress continued



### WILNECOTE REDEVELOPMENT

The c.£30m redevelopment of our Wilnecote factory is almost complete with the kiln lit and commissioning underway.

The new factory, capable of producing 35 million bricks per annum, is designed to manufacture a premium range of bricks primarily aimed toward commercial and specification projects; complementing the existing range of bricks manufactured at our other factories.

The launch of the Wilnecote offer will begin with the introduction of the original brick range previously manufactured at the factory, including the sought after Staffordshire Blue. This will be followed by further extensions to the offer reflecting the latest trends in building design.

The new range of products will be further enhanced with the capability of the factory to manufacture a range of bricks in both non-standard sizes and special shapes, providing the architect with an extensive range of design options for their projects.

### LONDON BRICK – AN ICONIC BRAND

In 2025, we completed a strategic refresh of the London Brick brand, reinforcing its position as one of the UK’s most recognised construction brands and a core asset within the Group’s portfolio. The investment strengthens the brand’s competitive positioning by clearly articulating its differentiation and combining a long heritage in British housebuilding with the product’s ability to fit seamlessly alongside existing brickwork.

A new dedicated website forms a central element of the refresh, enhancing digital engagement through improved user experience and high-quality visual content. The platform showcases the aesthetic appeal of London Brick products while providing streamlined access to key services, including brick matching, sample ordering and the full product portfolio.

Overall, the refresh reflects our continued commitment to investing in and protecting the long-term value of the London Brick brand. By reinforcing its distinct heritage and market proposition, we are supporting its enduring relevance, market leadership and value contribution to the Group.



## Strategic Progress continued

### BEYOND THE CORE

#### Launch of our extruded brick slips range

Following a £12 million investment in a dedicated extruded brick slips line at our Accrington factory, we launched Omnia, our new range of extruded brick slips. Omnia consists of a broad range of different colours, offering architects and specifiers a variety of aesthetic options.

In 2026 we will continue to strengthen our brick slips capabilities with an investment of around £1.5m in a dedicated brick slip cutting facility. This will further enhance our brick slips offer, allowing building designers to choose from almost any traditional brick.



#### BUILDING A LEADERSHIP POSITION IN BRICK SLIPS

2025 marked the launch of our new Omnia branded extruded brick slips range, marking a significant milestone for the business. We are now the first UK volume manufacturer of extruded brick slips, with an annual production capacity of approximately 50 million slips per annum. Our purpose-made extruded slips avoid the waste generated by cutting traditional bricks into slips and reduce the transport related environmental impacts associated with importing products from overseas. Our Omnia range represents a more sustainable, UK manufactured solution.

The initial range includes 15 colours, providing specifiers with a broad selection of aesthetic options and greater flexibility in design. By bringing the product to market under the Omnia brand, we are specifically targeting architects and designers seeking a modern brick slip solution. This includes our fully certified brick slip ventilated façade system, offering a quick-to-install, fully certified system alongside style and sustainability.

The launch of Omnia, strengthens our specification offer and supports our ambition to become a leading provider of brick slip solutions. It also aligns with our strategic goal of developing the business 'Beyond the Core', expanding our capabilities beyond traditional bricks and blocks into high-value, innovative building solutions.

**OMNIA**  
FORTERRA

# Investment Case



## Established leading market positions in core products

- Complementary product range comprising clay bricks, blocks, and flooring products with strong cross product synergy
- Trusted and respected leading brands including London Brick and Thermalite
- High barriers to entry supported by secure long-term mineral reserves
- Well-invested, efficient and profitable asset base
- Strong customer relationships



## Commitment to sustainability and innovation leadership

- Inherently sustainable and durable products
- Ambitious ESG targets to 2030 and beyond under the 'Planet Product People' framework
- Focus on innovation to deliver more sustainable products for the future



## Long-term structural demand and supply factors underpin market growth despite short-term cyclical challenges

- Market demand driven by structural, through-cycle new housing shortage and resilient RM&I markets
- Cyclical recovery story
- Government desire to increase supply of new homes
- Structural undersupply of domestically manufactured bricks and other key building products provides opportunity for growth
- Diversification through exposure to RM&I market
- Consolidated brick and block market structures



## Strong profitable growth, cash generation and disciplined capital allocation

- Strong cash generation creates optionality in our capital allocation priorities
- Leverage to be maintained below 1.5x adjusted EBITDA
- Modest future organic investment projects with capital outlay mitigated by maximising the value derived from property assets
- Attractive dividend policy covered 2x by earnings
- £20m share buyback programme underway in 2026 which is expected to continue in future years with the Board keeping this under review
- Scope for selective bolt-on acquisitions focused Beyond the Core



## Opportunity to benefit from recent investments

- £140m programme of investment virtually complete, modernising our asset base, increasing brick production capacity by 15%, improving efficiency and reducing carbon emissions, these investments will progressively deliver significant profit and cash returns as the market recovers
- Lower capital expenditure looking ahead with opportunity for selective investments to retain both market position and competitiveness
- Proven delivery of innovation, operational excellence and productivity improvement underpins profit growth
- Brick slip investment provides renewed exposure to the high rise market segment

### Key Performance Indicators

	Revenue	EBITDA	Margin	Total shareholder return (TSR)
<b>Strengthen the Core</b>	✓	✓	✓	
<b>Beyond the Core</b>	✓	✓	✓	
<b>Opportunistic bolt-on M&amp;A beyond the core</b>	✓	✓	✓	
<b>Sustained earnings growth</b>	Short-term earnings growth supports greater investment enabling greater still earnings growth			✓
<b>Strong free cash flow conversion</b>				✓
<b>Attractive dividend</b>				✓
<b>Shareholder returns</b>				✓

### LONG-TERM STAKEHOLDER VALUE

## Chair's Statement

# OUR VISION IS TO BE BOTH BRILLIANT TODAY AND AHEAD OF TOMORROW



### DEAR SHAREHOLDER

In this, my first statement as Chair of Forterra, I am pleased to report a robust trading performance demonstrating the strength and resilience of our business model and strategy. The Group delivered revenue growth of 12.1% outperforming the wider market, leading to a 62.9% increase in adjusted profit before tax, with solid cash generation driving continued reduction in our borrowings.

As part of my induction as Chair, I have had the opportunity to visit the majority of the Group's facilities and I was impressed by the dedication and passion of our people, driven by our vision to be both Brilliant Today and Ahead of Tomorrow.

The Group's unwavering focus on health, safety and wellbeing is outstanding. It is clear that nothing is more important, and it is pleasing to see the measurable progress being delivered in this area. I was also encouraged by the strong emphasis on innovation and sustainability, ensuring our products continue to meet the evolving needs of our customers and a changing regulatory environment.

### STRATEGY

Our strategy is to pursue long-term profitable growth in order to deliver value for all our stakeholders. Capitalising on the UK's long-term shortage of housing supply, with a structural shortfall in the supply of the domestically manufactured building products necessary to meet this demand, leveraging both our extensive mineral reserves and strong market positions.

**Nigel Lingwood**  
Chair

"The Group's unwavering focus on health, safety and wellbeing is outstanding."

Our strategy encapsulates the following strategic imperatives, the achievement of which will deliver sustained stakeholder value:

- Strengthen the Core: Investing in new capacity to deliver revenue growth whilst also maximising operational efficiency; and
- Beyond the Core: Expanding our product range beyond our traditional focus of mainstream residential construction focusing on new and evolving solutions and end markets.

### PERFORMANCE AND RESULTS

Group revenue increased by 12.1% to £386.0m (2024: £344.3m). Adjusted EBITDA was £61.6m (2024: £52.0m) and adjusted profit before tax increasing 62.9% from £22.1m to £36.0m. The Group delivered another solid adjusted operating cash flow in the year of £68.7m (2024: £60.1m).

Adjusted earnings per share increased by 65.8% to 12.6p (2024: 7.6p). Net debt excluding leases was £55.7m, a reduction of £29.2m (2024: £84.9m).

### CAPITAL ALLOCATION

Throughout 2025 our foremost capital allocation priority was to continue reducing the Group's indebtedness to more prudent and sustainable levels, and I am pleased to report that this has been achieved. Leverage at 31 December 2025 was c.1.0 times adjusted EBITDA (2024: c.1.9 times), calculated on a banking covenant basis.

Built upon this solid progress, the Board has this year redefined our forward-looking, medium-term capital allocation strategy. Recognising the cyclical nature of our core markets, we aim to maintain our leverage below 1.5 times adjusted EBITDA.

Operating within the confines of our targeted leverage parameters, our capital allocation priorities are designed to maximise shareholder value through:

- Selective strategic organic capital investment delivering attractive returns;
- Attractive ordinary dividend with a targeted coverage of c.2x adjusted earnings;
- Supplementary shareholder returns such as share buybacks as appropriate; and
- Bolt-on acquisitions as suitable opportunities arise to accelerate our growth, particularly Beyond the Core.

## Chair's Statement continued

### DIVIDEND

In reaffirming our capital allocation priorities we intend to pursue an attractive dividend policy, distributing approximately 50% of earnings. The Board is recommending a final dividend of 4.3p per share (2024: 2.0p) which, in addition to the interim dividend of 1.9p per share paid in October (2024: 1.0p), will bring the total dividend to 6.2p per share, more than double the prior year figure (2024: 3.0p). Subject to approval by shareholders, the final dividend will be paid on 6 July 2026 to shareholders on the register as at 12 June 2026.

### SHARE BUYBACK

As outlined above, supplementary returns are a key element of our capital allocation priorities, and with leverage now well within targeted levels, we are announcing the commencement of a programme of share buybacks.

The Board intends to spend £20m repurchasing and subsequently cancelling shares over the remainder of 2026. The intention is that this programme will continue into 2027 and beyond, however the Board shall keep this under review.

### OUR PEOPLE AND CULTURE

The Board has a responsibility to foster a corporate culture grounded in strong leadership and transparency, ensuring we do business responsibly, adhering to the highest ethical standards, whilst minimising the impact our business has on the environment.

Our corporate values, which guide behaviour and support the achievement of our strategic goals, are defined below:

- Innovate to lead: We're empowered to continuously improve;
- Pride in excellence: We relish achievement and success; and
- Collaborate and care: We work in partnership and look after each other.

Our purpose is to manufacture and supply the essential building products used to build homes and other structures, helping to create lasting legacies in the form of communities that will thrive for centuries to come.

It is important to recognise that our success is dependent on the passion and dedication of our employees and on behalf of the Board, I would like to express my sincere appreciation to all of our colleagues for their continued hard work and commitment.

We firmly believe that seeking and listening to feedback is fundamental to our long-term success. We are proud of the results of our most recent employee engagement survey, where we achieved record response rates, with the results indicating continued improvement in our overall engagement score.

Martin Sutherland, the designated Non-Executive Director for employee engagement attends regular meetings of the Employee Forum and provides feedback to the Board whilst working closely with the Group People Director.

### BOARD CHANGES

Independent Non-Executive Director, Martin Sutherland will be retiring from the Board at the forthcoming AGM. I wish to thank Martin for his significant contribution and wise counsel during his tenure and the Board wish him every success in the future.

Our Senior Independent Non-Executive Director and Chair of the Remuneration Committee, Katherine Innes Ker will also reach the ninth anniversary of her appointment during 2026.

We are committed to maintaining the right balance of skills, experience and diversity while at the same time introducing fresh perspective to the Board. Over the coming year the Nomination Committee will continue with a search process to identify new Independent Non-Executive Directors.

### HEALTH, SAFETY AND WELLBEING

Health, safety and wellbeing remains our number one priority and the Board remains focused on leading by example, ensuring that there can be no doubting our commitment to zero harm. In 2025 we have reported a significant reduction in our lost time incident frequency rate (LTIFR) to 0.92 accidents per 100,000 hours worked (2024: 2.25 accidents). This result represents our best ever performance and is an excellent achievement. We must not become complacent however, and will continue to strive for further improvement in our quest for zero harm.

Each Board member has undertaken training in visible felt leadership (VFL) and safety observations and have utilised these skills in undertaking at least two factory health and safety walks in the year. In addition, the Board completed three factory visits as a group.



### CORPORATE GOVERNANCE

The Board remains committed to embedding robust governance principles throughout the Group and keeping pace with evolving regulatory expectations.

We strive to maintain a clear and strategic focus, ensuring we deliver long-term, sustainable value for our shareholders through robust oversight and responsible management. Open, rigorous and transparent discussions on key strategic issues, potential risks and emerging opportunities are fundamental to our Board's decision-making process, always considering the interests of all stakeholders.

### Nigel Lingwood

Chair

10 March 2026

## Chief Executive's Statement

# A YEAR OF PROGRESS



### SIGNIFICANT PROGRESS

We are pleased with the progress we have made over the past year. Capitalising on only a modest improvement in market conditions, we have outperformed the wider industry. Demand from the new build housing sector improved a little during 2025, while the Repair, Maintenance and Improvement (RM&I) market remained subdued, with little sign of recovery. Against this mixed backdrop, the business has demonstrated resilience, delivering a strong financial performance and continued strategic progress.

### 2025 PERFORMANCE

Revenue for the year ended 31 December 2025 increased by 12.1% to £386.0m (2024: £344.3m), primarily driven by higher sales volumes. Adjusted EBITDA rose by 18.5% to £61.6m (2024: £52.0m) while adjusted profit before tax increased by 62.9% to £36.0m (2024: £22.1m). Adjusted earnings per share (EPS) was 12.6p (2024: 7.6p). Importantly, net debt before leases reduced to £55.7m (2024: £84.9m) driven by an adjusted operating cash flow of £68.7m (2024: £60.1m) reflecting the consistent cash-generating capability of our business.

**Neil Ash**  
Chief Executive Officer

“Our Wilnecote brick factory is nearing completion, commissioning a new specification focused product range.”

### OUR STRATEGY

Our strategy remains focused on delivering long-term earnings growth. Inspired by our purpose, to Help Create Lasting Legacies, and driven by our vision to be both Brilliant Today and Ahead of Tomorrow.

Our organisation is fully aligned around our strategic imperatives with each individual understanding the part they play and how they contribute to our future success.

- Strengthen the Core: Selective organic investment where appropriate to add capacity or enhance efficiency in our core business;
- Beyond the Core: Expanding our product range beyond our traditional focus of mainstream residential construction, focusing on new and evolving solutions including brick slips and façade systems;

These are supported by our strategic enablers:

- Sustainability: Making our business more sustainable in everything we do; and
- Safety and engagement: Safety remains our number one priority and through prioritising employee engagement we will maximise the potential of our workforce.

### STRATEGIC PROGRESS

During 2025, we continued to Strengthen our Core. At our Desford brick factory, both kilns ran simultaneously for the first time, increasing production output and efficiency. The redevelopment of our Wilnecote factory is virtually complete, and commissioning of a new specification focused product range is underway. This will enable us to regain and grow our position in the commercial and specification markets. Beyond the Core, we successfully launched our Omnia extruded brick slip range at Accrington. Combined with our Omnia mechanically fixed façade system, these products position us to increase our share of the growing façade market and ensure brick remains a relevant and attractive choice for multi-family and high-rise developments.

Sustainability and innovation remain key drivers. In collaboration with a partner, we have industrialised the production of calcined clay, a low-carbon cement substitute derived from our London Brick production waste. This material is already in use in our own concrete products and will shortly be available commercially through our partner. This initiative represents a first step leveraging this material and we are considering opportunities to expand this by utilising virgin clay.

## Chief Executive's Statement continued

### CAPITAL ALLOCATION

Whilst retaining leverage of under 1.5 times adjusted EBITDA, our capital allocation priorities are designed to maximise stakeholder value and facilitate the delivery of our strategy over the medium-term.

### Selective strategic organic capital investment to deliver attractive returns

Strategic investment in our manufacturing base has been central to our progress. Over the past six years we have invested approximately £140m in new brick and brick slip manufacturing capacity, modernising our asset base, increasing our brick manufacturing capacity by 15%, improving efficiency and reducing carbon emissions. Looking ahead, we now expect lower levels of capital expenditure in the coming years, whilst still progressing a potential investment in our aircrete business, ensuring we retain both our market position and competitiveness. We intend to mitigate capital outlay by maximising the value we derive from our property assets.

We are presently investing around £1.5m in a dedicated brick slip cutting facility at our Measham site complementing our Omnia range of extruded brick slips with cut slips, ensuring we can meet all our customers' needs. This new facility is expected to be operational by the end of 2026.

Alongside modest strategic investment, we expect annual maintenance capital spend of up to £15m in the medium-term whilst retaining the ability to flex this as appropriate. In the short-term we expect maintenance capital spend to remain below this figure.

### Attractive ordinary dividend with a coverage of approximately 2x earnings

We will retain an attractive dividend policy, distributing approximately 50% of adjusted earnings. As our markets improve and earnings recover, we expect our dividend to progressively increase.

The Board is recommending a final dividend of 4.3p per share (2024: 2.0p) which, in addition to the interim dividend of 1.9p per share paid in October (2024: 1.0p), will bring the total dividend to 6.2p per share, more than double the prior year figure (2024: 3.0p). Subject to approval by shareholders, the final dividend will be paid on 6 July 2026 to shareholders on the register as at 12 June 2026.

### Supplementary shareholder returns as appropriate

With leverage now returned to normalised levels, comfortably below our targeted maximum, and reflective of our lower capital investment requirements in the near-term, the Board intends to commence the return of capital to shareholders. We are announcing a programme of share buybacks returning approximately £20m to shareholders through the remainder of 2026. The intention is that this programme will continue beyond the end of this year although the Board will keep this under review.

### Bolt-on acquisitions as suitable opportunities arise to accelerate our growth, particularly Beyond the Core

We will continue to explore M&A opportunities that align with our strategy. With our core markets being highly consolidated, any M&A is more likely to focus upon accelerating growth Beyond the Core.

### EXIT FROM NON-CORE BUSINESSES

During the year, we also took the decision to exit two non-core businesses: the Formpave block paving business and the Bison Bespoke Precast operation. Both faced challenging trading conditions with limited prospects for improvement. The Formpave factory required significant capital investment, and neither business had been profitable in recent years despite multiple attempts to address this, leaving us with little choice but to exit. Closing any business is never easy and I extend my sincere thanks and best wishes to all those affected by these closures. The Group retains the freehold site formerly occupied by Bison Bespoke, which carries significant value that we intend to monetise in support of our strategic priorities.

### EXCELLENCE PROGRAMMES

Operational excellence continues to be a cornerstone of Forterra's performance. Our Sustainable Operational Excellence (SOE) programme, launched in 2025, equips leaders with the skills, habits, and behaviours needed to embed continuous improvement across our factories. SOE supports annual cost reduction targets, aiming to reduce cost of sales by 2%, and will be rolled out across all our manufacturing facilities over the next two-to-three years.

Commercial excellence also remains central to our strategy. We have refined our route-to-market to meet customer needs and strengthen margin resilience. Pricing discipline, specification-led selling and enhanced customer engagement have allowed us to deepen relationships with housebuilders, merchants, distributors, and contractors. The introduction of Net Promoter Score measurement across key customer groups confirms the value we add through consistent, reliable service and expertise.



### CULTURE AND ENGAGEMENT

Culture and engagement are at the heart of our long-term success. We achieved a record 85% participation rate in our latest Gallup employee engagement survey and our overall engagement score increased to 3.83. This reflects the commitment, pride, and professionalism of our people. During 2025, we focused on embedding our purpose and values into everyday behaviours. A new values-led recognition scheme encouraged colleagues to acknowledge peers whose actions exemplify Forterra's values, reinforcing integrity, collaboration, and excellence.

We also launched Forterra Academy, a new learning management system, improving access to training and development across the Group. These initiatives empower employees to grow, innovate, and contribute meaningfully to the business, strengthening both retention and capability.

## Chief Executive's Statement continued



### HEALTH, SAFETY AND WELLBEING

Our commitment to health, safety and wellbeing is unrelenting. I am pleased that we have delivered a strong safety performance in 2025 with a 60% reduction in lost time accidents. Our Lost Time Incident Frequency Rate (LTIFR) fell to its lowest ever level at 0.92 incidents for every million hours worked (2024: 2.25 incidents).

2025 saw the launch of our Base to Brilliant programme which is focused on delivering best in class standards and compliance across our manufacturing facilities, with our first sites achieving bronze status in 2025. We have extended our Visible Felt Leadership programme to around 200 managers focused on creating a strong safety culture through leaders being visible on the factory floor and having positive safety conversations with employees.

We have also focused upon positive engagement around safety with our employees through dedicated safety days run at each factory.

### SUSTAINABILITY

Sustainability continues to guide our innovation efforts. Recognising that our housebuilding customers increasingly focus on embodied carbon per home, we now monitor and report carbon emissions per square metre of product alongside our previous weight based measures. We are developing lighter, more efficient products reducing raw material use, energy consumption, and distribution emissions, allowing us to demonstrate meaningful progress in lowering our carbon footprint despite the significant operating inefficiencies that the weak demand environment forces upon us. We will continue to collaborate with customers to ensure our innovation and sustainability initiatives deliver tangible value across the supply chain.

### CURRENT TRADING AND OUTLOOK

2025 ended with subdued market conditions which have continued into early 2026, with exceptionally wet weather making it difficult to assess the strength of our underlying markets. UK domestic brick despatches in January 2026 were 8% below the 2025 comparative. With current activity tracking behind 2025 levels, it is expected that demand will be weighted towards the second half.

We expect the operating leverage benefits of increasing production at Desford and Wilnecote to be broadly offset by the impacts of production reductions elsewhere as we continue to actively manage inventory levels. We are currently concluding our annual pricing negotiations with our customers and expect to recover the modest cost inflation we currently face. Accordingly, without the further benefit of a meaningful recovery in demand and assuming no prolonged impacts from the situation in the Middle East, we currently expect our 2026 adjusted EBITDA to be slightly ahead of 2025.

Looking beyond 2026, market fundamentals remain attractive with a shortage of housing, a strong desire within Government to address this, and a constrained supply of essential building products. The Board remains confident that our recent investments in new production capacity leave the Group well placed to benefit from the market's structural growth drivers and a sustained recovery when it occurs.

### CONCLUSION

I would like to thank all colleagues for their dedication and commitment throughout 2025, particularly those affected by the exit from our non-core businesses. I also extend my gratitude to shareholders and partners for their continued support as we execute our strategy and deliver value responsibly and sustainably.

In summary, 2025 has been a year of progress, resilience, and strengthened culture. Through disciplined investment, operational and commercial excellence, and a focus on people and sustainability, Forterra is well-positioned to achieve long-term growth and continue creating lasting legacies.

### Neil Ash

Chief Executive Officer  
10 March 2026

## Business Review



Neil Ash

Ben Guyatt

### OUR MARKETS

Overall, we saw a modest improvement in the demand for our products during 2025, although it was a year of two halves. The first half of the year saw strengthening demand but this slowed in the second half of the year, largely driven by uncertainty caused by the late Budget and the long-running speculation as to its contents.

UK domestic brick despatches as published by the Department for Business and Trade (DfBT) increased by 6% relative to 2024, however in line with our own experience, demand softened in the second half, with despatches 4% below the first half, and 3% below the second half of 2024.

National House-Building Council (NHBC) data suggests that new home registrations increased by 11% in 2025 demonstrating some modest recovery, although build levels remain well below normal levels and demand from the Repair Maintenance and Improvement (RM&I) sector remained muted.

Imports of bricks into the UK recorded a modest increase during the year, remaining broadly flat as a percentage of total brick consumption at approximately 20%.

With 2025 total UK brick consumption standing at approximately 1.8 billion bricks (2024: 1.7 billion), demand remains almost 30% below the 2022 figure of 2.5 billion.

### BRICKS AND BLOCKS SEGMENT

We possess a unique combination of strong market positions in both clay brick and concrete blocks.

We operate eight brick factories in seven locations across the country with a total installed production capacity of approximately 600 million bricks per annum. Alongside a range of products ideally suited to new build housing, we are the only manufacturer of the iconic and original Fletton brick sold under the London Brick brand. Fletton bricks were used in the original construction of nearly a quarter of England's existing housing stock and are today used to match existing brickwork by homeowners carrying out extension or improvement work.

Our clay reserves are the foundation that our brick business is built upon and are the primary raw material used in manufacturing our bricks. Each of our brick factories is located adjacent to a quarry supplying locally sourced clay directly into the manufacturing process. Sourcing material locally is sustainable and therefore preferable wherever possible as it avoids the costs and carbon emissions associated with transportation. Our mineral reserves also provide a natural barrier, reducing the threat of new entrants entering the market as the planning process to secure consent for a 'green-field' quarry and associated brick factory can take as long as 10 years. All of the new brick factories built in the UK over the last two decades, if not longer, have been redevelopments of existing locations utilising established quarries. We have access to over 90 million tonnes of minerals, and on average these reserves are sufficient to sustain manufacturing operations for approximately 50 years. The majority of our minerals are owned, although a small amount are secured by way of lease with a royalty payable at the point of extraction.

We are also a leader nationally in the aircrete block market. Under the Thermalite brand, we operate two block facilities in the Midlands and South of England. In addition, our aggregate block business has a leading position in the important South East and East of England markets where it has two well-located manufacturing facilities.

### Bricks and Blocks

	2025 £m	2024 £m
Revenue <sup>1</sup>	307.7	276.7
Adjusted EBITDA <sup>2</sup> before overhead allocations	81.6	66.2
Overhead allocations <sup>3</sup>	(24.7)	(17.2)
Adjusted EBITDA <sup>2</sup>	56.9	49.0
Adjusted EBITDA <sup>2</sup> margin before overhead allocations	26.5%	23.9%
Adjusted EBITDA <sup>2</sup> margin after overhead allocations	18.5%	17.7%

1. Revenue is stated before inter-segment eliminations.
2. Adjusted EBITDA is an APM, as explained within note 31 to the Consolidated Financial Statements.
3. Overhead allocations are costs centrally incurred by the Group, including general administrative expenses.

### Trading and results

The performance of the Bricks and Blocks segment was principally driven by the demand dynamics outlined above. Bricks and Blocks sales revenues were £307.7m, 11.2% ahead of the prior year (2024: £276.7m).

Segmental adjusted EBITDA was £56.9m, a 16.1% increase on the prior year (2024: £49.0m). Adjusted EBITDA margin was 18.5% (2024: 17.7%). The improved EBITDA margin benefits from operating leverage as volumes increased, whilst also reflecting the headwinds of being broadly unsuccessful in our attempts to deliver brick price increases, alongside continuing to operate significantly below full capacity utilisation.

### Sales volumes

Our brick despatches showed solid growth, outperforming the wider market. Of the different market segments that we service we carry the greatest exposure to new build housing. It is this segment that has driven the wider growth in the market during the year. As a result of our focus on housebuilding, we somewhat mechanically suffered a loss of brick market share in 2023 as our major housebuilding customers quickly curtailed their build programmes in response to a sudden decline in demand. With the same major housebuilders increasing their brick consumption in 2025 and our footprint weighted towards extruded brick, our market share has recovered back to historical levels.

## Business Review *continued*

Current affordability challenges place the greatest pressure on the housing market in the South East of England where soft mud brick is most prevalent. It is in the Midlands and Northern England where we have seen a stronger recovery in housing starts increasing demand for extruded bricks. Also, imported bricks are primarily soft mud products, which therefore has a greater impact on demand for domestically produced soft mud bricks.

Our manufacturing footprint is well suited to current demand. UK brick manufacturing capacity is split approximately 65% extruded and 35% soft mud, with domestic despatches in recent years being approximately two thirds extruded, one third soft mud. Our own brick production footprint (excluding the unique London Brick) is 80% extruded, and 20% soft mud, with only a single highly efficient soft mud factory in our estate. Trade association data suggests that domestic extruded brick despatches grew by 9% in 2025, whereas soft mud demand actually fell by 1%, benefitting Forterra.

In addition, with limited house price growth and the housebuilding sector facing pressure on their margins, housebuilders may seek to reduce build costs by electing for cheaper extruded bricks over soft mud.

Demand for our aircrete and aggregate block products actually fell slightly relative to 2024. The aircrete market stabilised following the prior year competitor supply challenges from which we benefited, and our aggregate block business continued to experience weak demand by virtue of its exposure to the South East market and also the multi-family residential market which was heavily impacted by delays associated with the Building Safety Regulator.

### Pricing and costs

We saw the continuation of a relatively benign cost base throughout 2025. Unit gas costs continued to moderate as a result of market movements and our strategy of forward purchasing in order to reduce price risk, however increased usage associated with higher production resulted in the overall cost of gas being in line with the prior year.

Our electricity spend in the year benefited from our solar power purchase agreement (PPA) which was signed in 2022. With the solar farm commencing generation in 2024, we began benefitting from the long-term competitive rates in April 2025 resulting in a year-on-year reduction in our electricity cost.

Brick pricing during the year was stable. With no meaningful price increases delivered since 2022, our intention had been to increase selling prices to offset inflation. Unfortunately, challenging market conditions and competitor behaviours determined that these price

increases did not hold in the market, as we needed to ensure our pricing remained competitive. In addition, with much of our volume growth being in extruded brick, we also experienced an adverse price mix as cheaper bricks represented a larger proportion of our sales.

Pricing in aircrete was more positive with increases delivered to all customers, although aggregate block remained highly competitive.

### Operations

Our operational focus through 2025 was to ensure production remained aligned with demand, something that proved challenging with differing and shifting demand dynamics across our product range.

Strong demand for extruded bricks led to our ramping up production at the Desford brick factory where during the autumn we commenced running both kilns simultaneously for the first time. Adding just 25 additional roles ultimately facilitates a doubling of output, significantly enhancing the factory's efficiency relative to a single kiln operation. This represents a key step in Desford's journey as we seek to increase output towards its design capacity of 180 million bricks per annum.

During the year we also increased production of aircrete blocks in response to growing demand in the first half. Demand increases have not been uniform however and regrettably, at the beginning of 2026 we have announced reductions in production of London Brick and aircrete blocks. In the case of aircrete, this has reversed some of the increase implemented in 2025. These actions have regrettably led to modest numbers of redundancies in early 2026. Looking ahead, with continued uncertainty, we need to retain our agility and will act to ensure that production continues to remain aligned with sales.

### Closure of non-core operations

During the year we made the decision to exit our two non-core businesses, one of which, being the Formpave concrete block paving business, is included within our Bricks and Blocks segment.

With 2024 full-year revenue of £5.9m, Formpave was a small non-core part of the segment, contributing around 2% of segmental revenue. The business broke even in 2024 and was loss-making in the current year.

With the landscaping market remaining particularly challenging and the factory requiring significant capital investment to remain operational, we opted to exit this sub-scale business.



## Business Review *continued*

### BESPOKE PRODUCTS SEGMENT

The Bespoke Products segment consists of our Bison Precast flooring business. Our products comprise beam and block flooring, including Jetfloor, which was the UK’s first suspended ground floor system to use expanded polystyrene blocks combined with a structural concrete topping to provide high levels of thermal insulation. As well as this, we manufacture and supply hollowcore floor alongside accompanying staircases and landings for use in the upper floors of multi-family and commercial developments.

During the year we exited the Bison Bespoke Precast operation. This business manufactured a range of non-flooring structural precast components. The Bison flooring business is unaffected by this decision and remains an integral part of the Group’s core operations.

#### Trading and results

With Bison precast concrete flooring accounting for much of this segment’s revenue during the year, the performance of this segment remains closely correlated with Bricks and Blocks. Segmental turnover in the year increased by 13.3% to £81.0m (2024: £71.5m) driven by strong demand for both our beam and block and hollowcore products.

Segmental adjusted EBITDA stated before allocation of Group overheads was £10.9m (2024: £7.3m). This segment delivered an excellent performance in the year, ahead of the levels delivered in 2022 when market demand was much stronger.

#### Bespoke Products

	2025 £m	2024 £m
Revenue <sup>1</sup>	81.0	71.5
Adjusted EBITDA <sup>2</sup> before overhead allocations	10.9	7.3
Overhead <sup>3</sup> allocations	(6.2)	(4.3)
Adjusted EBITDA <sup>2</sup>	4.7	3.0
Adjusted EBITDA <sup>2</sup> margin before overhead allocations	13.5%	10.2%
Adjusted EBITDA <sup>2</sup> margin after overhead allocations	5.8%	4.2%

1. Revenue is stated before inter-segment eliminations.
2. Both EBITDA and adjusted EBITDA are APMs, as explained within note 31 to the Consolidated Financial Statements.
3. Overhead allocations are costs centrally incurred by the Group, including general administrative expenses.

After an allocation of Group overheads of £6.2m (2024: £4.3m), the segment’s adjusted EBITDA was £4.7m (2024: £3.0m).

We have retained a consistent allocation of central overhead costs based on revenue although, in reality, the level of overhead directly attributable to this segment is likely to be lower.

#### Sales volumes

Linked to an increase in housebuilding activity, we experienced a strong growth in demand for both our Jetfloor beam and block flooring system and our hollowcore products during the first half of the year, although demand softened in the second half of the year.

#### Pricing and costs

Both our selling prices and cost base remained relatively stable during the year. Margins improved reflecting both increased activity levels and the associated benefit in operating efficiency, alongside the benefits enabled by product innovation as we developed our products to meet customer needs in a more cost-effective manner. Our Sustainable Operational Excellence (SOE) programme continued to yield cost savings.

#### Closure of non-core operations

As outlined above, we exited our non-core Bison Bespoke Precast operation during the year.

Manufacturing a range of non-flooring structural precast components, Bison Bespoke Precast generated revenue of £9.7m in 2024, accounting for around 14% of segmental revenue. This business had struggled to exceed break even performance for a number of years and several attempts to improve upon this performance had not been successful. The freehold factory site is owned by the Group and holds significant land value that we intend to monetise in support of our wider strategic and capital allocation priorities.

**Neil Ash**  
Chief Executive Officer  
10 March 2026

**Ben Guyatt**  
Chief Financial Officer



# Business Model

## A BUSINESS BUILT ON

### Long-term clay reserves

Our brick business is built upon our clay reserves.

### Engaged teams

Our people power our performance.

### Close to our customers

We have longstanding relationships with our supply chain partners and customers.

### Leading brands

One of our key assets is our brands.

### Operational scale

Our network of efficient, high-capacity brick factories ensure we have the ability to meet the needs of our customers.

### Leading class service and distribution

Our distribution fleet and customer facing teams ensure the best customer experience.

## COMBINED WITH OUR ACTIVITIES



## CREATING VALUE FOR OUR STAKEHOLDERS

**Shareholders**  
An attractive dividend policy, supported by strong cash generation over the medium-term.

**6.2p**  
Total dividend

**Suppliers**  
We work collaboratively with our supply partners to ensure value is delivered throughout our supply chain.

**1,094**  
No. of suppliers

**Customers**  
By continuously engaging with our longstanding, loyal customer base, we offer industry-leading customer service.

**28%**  
NPS score

**Employers**  
We invest in our people to build a skilled, motivated workforce that supports strong and sustainable business performance.

**+10%**  
Improvement in employee engagement

**Communities**  
We supply the materials to build sustainable communities, creating local employment and ensuring we do business in a sustainable way.

**£71k**  
Charity donations made in the year

→ See our Section 172 Statement on pages 23 and 24

## Market Overview

# SUPPLYING RESIDENTIAL CONSTRUCTION

### OUR MARKETS

Our products are predominantly used in residential construction within the UK. As such, demand for our products is directly linked to levels of UK residential construction activity. Levels of, and growth in, construction activity are influenced by macroeconomic factors, including general economic prosperity, consumer confidence, Government policy, house prices, interest rates and mortgage availability.

In recent years, higher interest rates have impacted housing affordability, in turn causing reduced demand for properties and, as a result, limiting the demand for our products.

The UK construction market is typically segmented into new build and repair, maintenance and improvement (RM&I), with each category split between residential and non-residential sectors.

In 2025, over 90% of the Group's revenue was derived from the residential sector. This percentage is likely to increase in the near-term following the decision to exit our non-core Bison Bespoke Precast and Formpave block paving businesses.

Recent investments in our Wilnecote brick factory and the Accrington brick slips facility will, over time, allow us to increase our exposure to the non-residential commercial and specification sector reducing our reliance on residential construction alone.

The Group's revenue can also be split between residential new build and RM&I applications with 67% attributed to new build and 25% to RMI during 2025 with the balance driven by non-residential applications.



### OUR PRODUCTS

Whilst bricks is the largest part of our business representing around 50% of our revenues in 2025, it is important to recognise the importance of our block and precast concrete products which together contributed the remaining 50% of revenue.

Our block and precast products are sold into the same markets as brick with our aircrete blocks and the Jetfloor beam and block insulated flooring system being almost exclusively used in single-family residential applications.

Our aggregate blocks are used in a wide range of applications including single-family housing but also multi-family apartment buildings, with our hollowcore flooring products also sold into this market.

When looking at market data for each of our product groups, the brick market has the greatest level of market data available to us, both publicly through Government data published by the Department for Business and Trade (DfBT), the Office for National Statistics (ONS) and His Majesty's Revenue and Customs (HMRC) along with confidential data provided by our trade associations. Accordingly, with our products predominantly being sold into the same residential construction markets, we often utilise the comprehensive brick market data at our disposal as a proxy for the wider market for our products.

### GEOGRAPHIC AND PRODUCT SEGMENTATION

The brick, aircrete and flooring markets are largely national in nature, with products transported significant distances across the UK. In contrast, aggregate blocks have a lower value-to-weight ratio and are therefore more localised, with our market position primarily concentrated in the South East.

While block and precast concrete products are generally standardised and not factory-specific, each of our brick factories produces bricks tailored to its local clay reserves. This makes the output from each site distinctive and, in most cases, not directly interchangeable with bricks from other factories.

The UK brick market comprises three main product types, each defined by its manufacturing method:

- Extruded (wire-cut) bricks are formed by forcing clay through a die and cutting it into uniform units, resulting in precise edges and a consistent appearance;
- Soft mud bricks are produced by throwing or pressing clay into moulds, replicating traditional handmade techniques and creating a rustic, textured finish; and
- Fletton bricks, unique to Forterra and sold under the London Brick brand, are manufactured using a pressed process with specific clay and specialist kilns. Particularly popular in the post-World War II period, they were used in the construction of approximately 20% of England's housing stock. They remain a premium choice today, especially for extensions where matching existing brickwork is important.

Historically, soft mud bricks were most common in the South and South East, while extruded bricks dominated the Midlands and North. However, as the number of factories has reduced and distribution has become national, these regional distinctions have diminished. Soft mud bricks are more expensive to manufacture and typically command a premium over extruded bricks.

## Market Overview continued



### UK HOUSING MARKET

The residential construction sector in the UK comprises private and public (social) housing and includes both new build and RM&I of existing properties. New build activity is generally measured by the number of housing registrations or starts and the number of housing completions. According to estimates provided by the Construction Products Association (CPA), GB housing starts in 2025 are expected to be approximately 135,000 homes compared to 127,000 in 2024 and still well below the 209,000 in 2022.

The National House-Building Council (NHBC) also publish data on housing registrations, starts and completions. Whilst they do not cover the whole market, their data provides the most timely indication of market development. The latest publicly released data reports that new home registrations increased by 11% in 2025, demonstrating some modest recovery, although build levels remain well below normalised levels.

The new build housing market is known for its cyclical nature and as such, we remain confident that demand for housing will recover from its current lows with a supportive government seen as a positive.

We view the Government's commitment to materially increase housebuilding, with 1.5 million new homes promised over the course of this five-year Parliament, equating to 300,000 new homes per annum as a positive. Although, based on current run rates it is extremely unlikely that this target will be met.

The last time the UK built close to 300,000 homes per annum was in the 1970s, when around half of the homes constructed were social housing. To be successful in meeting their targets, the Government will likely need to deliver a significant increase in the construction of social housing.

### BRICK IMPORTS

Under normal market conditions the UK brick market is subject to a deficit of supply, with domestic manufacturing capacity of just over 2.0 billion bricks annually compared to consumption in 2022 of over 2.5 billion bricks.

This shortfall is met by imported bricks, most notably from continental Europe. In 2022 around 570 million bricks, representing around 23% of consumption, were imported into the UK. In 2025 this figure had fallen to around 350 million bricks (c.20% of consumption).

Imports (primarily from the Netherlands and Belgium) remain persistent for three key reasons. First, some products are architecturally distinctive, and UK manufacturers cannot supply them. Second, customers, mindful of past shortages that are likely to recur as the market recovers, wish to maintain import channels. Third, the continental European market is equally, if not more, challenging than the UK; European producers may export bricks to the UK to keep factories running, even when profits after shipping are minimal. Imports are heavily skewed toward soft mud products – the segment to which Forterra has the least exposure.

Beyond brick, there is little import competition with our products, small amounts of aircrete are imported from continental Europe and Northern Ireland, and some precast concrete flooring is also imported from Northern Ireland.

## Market Overview by Construction Sector

# IN 2025 BOTH BRICKS AND PRECAST FLOORING EXPERIENCED DEMAND GROWTH DRIVEN BY NEW HOUSING

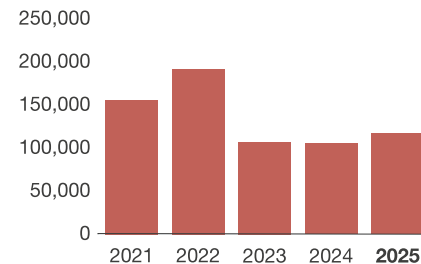


Total Housing +11%  
Houses +14%  
Apartments -2%

### NEW RESIDENTIAL

- Overall there was a strong start to 2025 followed by weaker growth in the second half.
- Single family housing (+14%) was much stronger than the apartments sector (-2%) where high rise construction continues to be impacted by delays linked to the new Building Safety Regulator.
- According to the NHBC, regions of higher housing affordability such as the West Midlands (+29%) and Eastern England (+24%) experienced strong growth in registrations.
- Growth in registrations was more modest in the South East (+7%) where housing affordability remains low. London was particularly weak (-27%) given the additional headwinds associated with the Building Safety Regulator.

### HOUSING REGISTRATIONS (NHBC)



■ HOUSING REGISTRATIONS

Source: National House Building Council

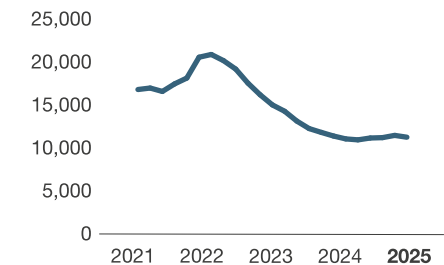
### HOUSING RENOVATION

- Inflation and interest rates continue to suppress the Repair, Maintenance and Improvement market particularly for larger householder investments like extensions which drive demand for our London Brick range.
- We track levels of approvals for large householder extensions as a key indicator of demand (rather than the broader indicators of housing repair, maintenance and improvement).

RM&I (extensions)

+3%

### HOUSEHOLDER EXTENSIONS



■ NO. OF LARGE HOUSEHOLDER EXTENSIONS PDR GRANTED (MAT)

Source: Ministry of HCLG – Planning Application Statistics

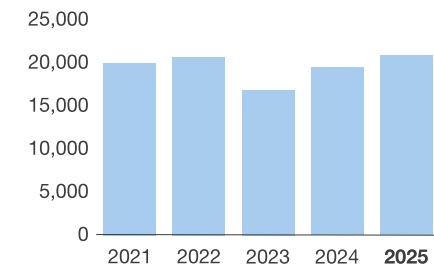
### NON-RESIDENTIAL

- The non-residential sector experienced solid growth in construction new orders during 2025.
- Public sector projects including education and health grew 17% whilst the private commercial sector, including offices and retail, grew by 7%.

Non-residential new orders

+7%

### NON-RESIDENTIAL NEW (£m)



■ NEW ORDERS

Source: Office for National Statistics, Barbour ABI

Market Overview by Product Group

# BRICK DEMAND ROSE 6% IN 2025 BOOSTED BY SINGLE-FAMILY NEW HOUSING GROWTH



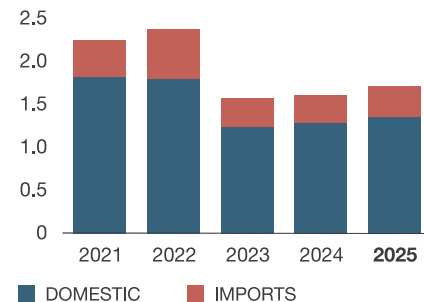
Domestic Brick Despatches

+6%

### BRICKS

- Domestic brick despatches increased by 6% in 2025, largely due to increased new housebuilding.
- There were however significant variations in growth depending on the brick types and the market segments which they primarily serve.
- We saw strong growth for our extruded bricks which are used primarily for new housing.
- Demand for both Fletton and soft mud bricks was less strong with Fletton being reliant on housing improvement, and, in the case of soft mud, new housing in the South East, where affordability continues to constrain growth. With imported brick primarily comprising soft mud product, this may have also constrained demand.

### UK BRICK DELIVERIES & IMPORTS (BILLIONS)



Source: The Department for Business, Energy & Industrial Strategy (BEIS) and HMRC

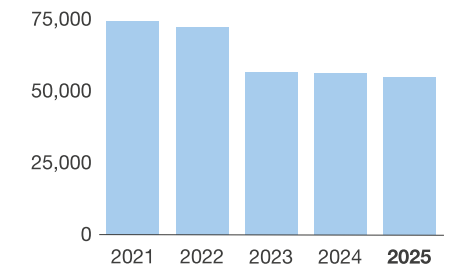
### BLOCKS

- Strong demand for aircrete during H1 was driven by growth in new housing with supply shortages across the industry in H1.
- Whilst the overall market for aggregate blocks grew modestly in 2025, our geographical focus on Southern England means our sales were impacted by weaker market conditions, particularly in London where commercial projects have experienced delays linked to the Building Safety Regulator.

### UK Block Deliveries

-2%

### UK BLOCK DELIVERIES (000m<sup>2</sup>)



Source: Department for Business and Trade

### PRECAST CONCRETE FLOORING

- As with extruded bricks, our Bison precast flooring business experienced high levels of growth in the year (particularly in the first half of 2025) driven by new housing demand.
- Unlike bricks and blocks, industry statistics are not available, however growth closely tracks that of new housing with double digit growth in sales volumes of both our floor beam and hollowcore products in 2025.



Forterra floor beam sales

30,000+

new homes in 2025

## Section 172 Statement Engaging with Our Stakeholders

We are committed to engaging with all of our stakeholders, ensuring that strong relationships are built and maintained. These relationships are essential to our ongoing success.

Our key stakeholders are at the core of everything we do. The Board remain fully appreciative of the impact of our strategy and business model across our stakeholder group and recognise that different stakeholders may have opposing views.

More information about our strategy can be found on pages 6 to 8, and the business model can be found on page 18. The following details engagement across our stakeholder group, both throughout the business and at Board level.

### OUR VALUES

-  Innovate to lead
-  Pride in excellence
-  Collaborate and care

### DIRECTORS' RESPONSIBILITIES IN ACCORDANCE WITH S172(1) OF THE COMPANIES ACT 2006

The Board considers, both individually and collectively, that it has acted in good faith to promote the success of the Company for the benefit of the Company's members as a whole in its decision-making throughout 2025.

In making a declaration that it has fulfilled its responsibilities in this matter the Board has considered the matters detailed in s172(1) paras (a-f). The table above highlights examples of how the Directors have satisfied their duty under s172 during the year.

### PEOPLE

We aim to create an engaging workplace, attracting and retaining talented people

Aligning with our values:



#### Business engagement

- Provision of regular employee updates across a number of channels including social media, featuring regular podcasts from the CEO and other members of the Executive Committee
- CEO Neil Ash conducts regular face to face 'town hall talks' as well as a roadshow visiting all sites
- Our Employee Forum gives employees the opportunity to engage directly with senior leadership, including members of the Board
- Monthly management briefings equip local management to disseminate information to the wider workforce on a face-to-face basis
- Over 180 managers including the Board and the Executive Committee have completed Visible Felt Leadership training and regularly undertake safety conversations across the business

#### Board engagement

- Board members undertake regular health and safety walks as well as full Board site visits, presenting the opportunity for 1-1 engagement
- Supplementing the health and safety walks, each Director engages in Visible Felt Leadership (VFL) conversations and safety observations
- Martin Sutherland (Non-Executive Director) attended the Employee Forum which met quarterly during year
- Defining culture and leading from the top is a key Board priority
- The Board meets with senior managers at Board meetings, workshops and working dinners

#### Outcomes

The Employee Forum met on a quarterly basis, discussing a range of topics including our excellence programmes, health and wellbeing and pay along with charitable giving

### CUSTOMERS

Our customers are essential to our business, and evolving to meet their changing needs is core to our success

Aligning with our values:



#### Business engagement

- Our commercial team continually engages directly with customers, and our sales office form the first point of customer contact
- Regular, often weekly, structured meetings with customer procurement teams to review forward orders, availability and any service issues
- Clear communication was vital in a period where we saw differing demand dynamics for different products with limited inventories of certain in demand products

#### Board engagement

- Executive Directors regularly meet with customers
- Annual corporate event held where the Chair and Non-Executive Directors are able to meet with key customers, gaining insight into their perspectives

#### Outcomes

We continued to meet our customers' requirements. Open and transparent dialogue with our customers regarding their own businesses and their demand projections for our products informed the decisions we needed to make regarding production output

## Section 172 Statement Engaging with Our Stakeholders continued

### SUPPLIERS

Working collaboratively with our supply partners to ensure value is delivered throughout our supply chain

Aligning with our values:



#### Business engagement

- Direct engagement with suppliers through the procurement team
- Increased forecasting of requirements and management of bottlenecks
- The Executive Committee maintains relationships with directors of the Group's key suppliers with discussions covering health, safety and wellbeing and longer-term sustainability goals alongside day-to-day trading

#### Board engagement

- Sustainability is a key priority for the Board and is governed as such by the Sustainability Committee
- Risks to the supply chain including energy procurement are regularly discussed at both Board and Audit and Risk Committee meetings

#### Outcomes

Managing supply chain pressures through secondary and multiple sources of supply

### COMMUNITY AND ENVIRONMENT

We believe in putting communities at the heart of everything we set out to achieve

Aligning with our values:



#### Business engagement

- Supported numerous local clubs, organisations and charities with donations through the Forterra Community Fund
- We engaged in regular dialogue with local communities across our manufacturing locations
- Charity match funding available to employees, aiding fundraising efforts

#### Board engagement

- Board actively involved in sustainability strategy and regularly updated regarding progress in this area
- Sustainability Committee actively engaged in consideration of both transitional and physical climate risks

#### Outcomes

- Donated over £70,000 to charitable causes in 2025

### SHAREHOLDERS

The core of our strategy is to create sustainable shareholder value

Aligning with our values:



#### Business engagement

- Results presentations were delivered on release of full-year and interim results
- Meetings were held between management and both current and potential shareholders
- The investor relations section on our website has facilitated easy access to announcements, key dates and publications
- Our management regularly engaged with the analyst community who then disseminated research to both current and potential shareholders
- Shareholder feedback was obtained as part of our Double Materiality Assessment laid out within our Sustainability Report

#### Board engagement

- Our AGM enabled shareholders direct access to the Board
- The Remuneration Committee Chair met with a number of major shareholders to discuss the revisions to our Remuneration Policy
- We carried out independently facilitated shareholder perception exercise canvassing the views of 15 major shareholders with this feedback being key in forming our updated capital allocation priorities

#### Outcomes

- Shareholders are kept informed of Group performance
- Shareholders fully consulted in the formation of our revised capital allocation priorities and our new Remuneration Policy
- Sustainability metrics of decarbonisation and plastic reduction incorporated into our long-term incentive Performance Share Plan (PSP)
- Enhanced engagement with ESG ratings agencies including CDP
- Fully compliant TCFD disclosure continues to develop, ensuring stakeholders are informed of the climate risks facing our business

# Key Performance Indicators

## FINANCIAL

### REVENUE (£m)

Year	Revenue (£m)
2021	370.4
2022	455.5
2023	346.4
2024	344.3
2025	386.0

**Definition**  
Revenue represents the sale of our products, net of rebates, discounts and value added taxes.

**Performance**  
Revenue for 2025 represented a 12.1% increase on the prior year, although varied at a product level. Within our Bricks and Blocks segment we saw our brick volume growth outperforming the wider market, although demand for both aircrete and aggregate blocks was muted, with despatches falling slightly year-on-year in line with the wider market. Within the Bespoke Products segment we saw strong volume growth for our precast concrete flooring products with pricing remaining stable across our entire product range.

Links: [S](#) [B](#)

### OPERATING CASH CONVERSION (%)

Year	Operating Cash Conversion (%)
2021	115.3
2022	99.8
2023	(9.1)
2024	115.6
2025	111.5

**Definition**  
Operating cash conversion is calculated as adjusted operating cash flow/adjusted EBITDA.

**Performance**  
The Group has a long history of strong operating cash conversion although challenging trading conditions impacted this in 2023. Following management actions taken, the Group returned a positive operating cash conversion both in 2024 and 2025 which is expected to continue in 2026.

Note: The calculation for this KPI has been amended in the current year to reflect what management feel is a more representative measure of performance. Prior years have been restated to reflect this. The reconciliation for operating cash conversion is shown in note 31 to the Consolidated Financial Statements.

Links: [S](#) [B](#)

### ADJUSTED PROFIT BEFORE TAX (£m)

Year	Adjusted Profit Before Tax (£m)
2021	50.7
2022	70.6
2023	31.1
2024	22.1
2025	36.0

**Definition**  
Profit before tax adjusted for exceptional items and other adjusting items.

**Performance**  
Adjusted profit before tax increased by 62.9% vs. the prior year, with a result of £36.0m reported for 2025. This increase was driven by an improved trading performance alongside lower financing costs as a result of a reduction both in the cost and level of borrowings.

Links: [S](#) [B](#) [R](#)

### ADJUSTED EPS (PENNY)

Year	Adjusted EPS (Penny)
2021	17.5
2022	26.4
2023	11.4
2024	7.6
2025	12.6

**Definition**  
Basic earnings per share (EPS) adjusted for exceptional and adjusting items.

**Performance**  
Adjusted EPS was 12.6p, compared with 7.6p in 2024. This was largely due to the positive increase in operating profit, with the weighted average of share outstanding at similar levels for both years.

Links: [S](#) [B](#) [R](#)

### KEY

#### Link to strategy

[S](#) Strengthen the Core

[B](#) Beyond the Core

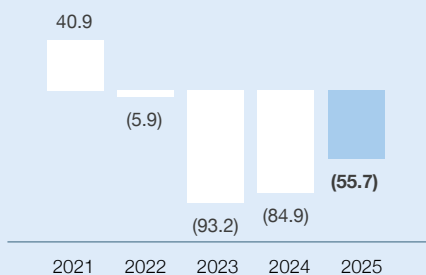
#### Remuneration links

[R](#) Remuneration

# Key Performance Indicators *continued*

## FINANCIAL

### NET (DEBT)/CASH BEFORE LEASES (£m)



#### Definition

Net (debt)/cash comprises cash and cash equivalents less the balance of short and long-term borrowings, excluding lease liabilities.

#### Performance

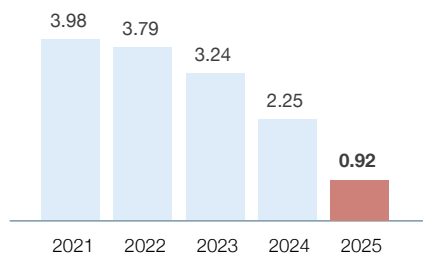
Net debt before leases totalled £55.7m at 31 December 2025, equating to a leverage of c.1.0 times on a banking covenant basis, and an £29.2m reduction on 2024 (£84.9m), notwithstanding capital spend of £8.3m on our strategic projects during the year.

Links:

**S** **B**

## NON-FINANCIAL

### LOST TIME INCIDENT FREQUENCY RATE



#### Definition

Our lost time incident frequency rate (LTIFR) is calculated using contracted working hours and is stated as the number of lost time incidents suffered per million hours worked.

#### Performance

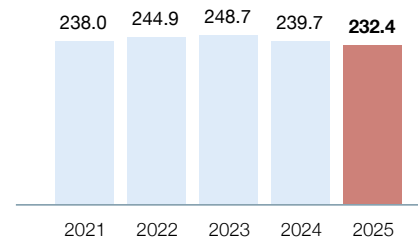
Our LTIFR was 0.92 incidents for every million hours worked in 2025. This is the lowest LTIFR rate the business has ever recorded and shows our continued focus on zero harm is starting to have effect. 2025 saw the launch of our Base to Brilliant programme which is focused on delivering best in class standards and compliance across our manufacturing facilities with our first sites achieving bronze status in 2025. In addition we have now extended our Visible Felt Leadership programme to over 180 managers.

Links:

**S** **B** **R**

### CLAY CARBON INTENSITY RATIO

(CO<sub>2</sub>e PER TONNE)



#### Definition

It is important to recognise that the amount of carbon we emit is directly related to the volume of product we manufacture. Intensity ratio, defined as CO<sub>2</sub>e per tonne of manufactured product, shows this. We believe the most transparent way of reporting our carbon footprint is to separately report our greenhouse gas intensity ratio (CO<sub>2</sub>e) for our clay and concrete products and that this will provide the most meaningful information from which to measure our carbon emissions over time.

#### Performance

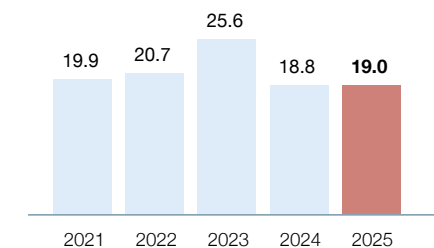
Carbon intensity targets were first set in 2010, and between 2010 and 2019 decreased by 22%. Since setting challenging targets in 2020 (against a 2019 benchmark), we have reduced carbon intensity by 9% in both the clay and

Links:

**S** **B** **R**

### CONCRETE CARBON INTENSITY RATIO

(CO<sub>2</sub>e PER TONNE)



concrete businesses. Product mix and production inefficiencies have impacted progress overall however these reductions are a positive illustration of the good work we are doing in reducing our emissions footprint, and reflect projects such as the new Forterra Solar Farm and the new more efficient factory at Desford.

Concrete emissions intensity increased marginally in the year reflecting the closure of the Formpave and Bison Bespoke sites and we expect this to reduce in 2026 and beyond.

Whilst we hope to continue this trajectory towards our 2030 target of 33% reduction in clay and 80% in concrete we also acknowledge that at the current rate of and the wider infrastructure challenges around hydrogen usage, this will be challenging.

## KEY

### Link to strategy

**S** Strengthen the Core

**B** Beyond the Core

### Remuneration links

**R** Remuneration

## Chief Financial Officer's Review

# A STRONG FINANCIAL PERFORMANCE



We have delivered a strong financial performance in 2025 with all of our key financial metrics seeing improvement. Alongside a strong profit performance in what remains a challenging market, we have again demonstrated the strong cash generation capability of the Group as we reduce our leverage to approximately 1 times adjusted EBITDA.

### 2025 RESULTS

#### Alternative performance measures

In order to provide the most transparent understanding of the Group's performance, we use alternative performance measures (APMs) which are not defined or specified under IFRS. We believe that these APMs provide additional helpful information on how our trading performance is reported and reviewed internally by management and the Board, allowing non-trading items which are less likely to recur to be assessed separately.

Management and the Board use several profit-related APMs in assessing Group performance and profitability. These are considered before the impact of exceptional and adjusting items.

#### Ben Guyatt

Chief Financial Officer

“A strong financial performance with all key financial metrics showing improvement.”

### REVENUE

Total revenue of £386.0m represented a 12.1% increase upon the prior year (2024: £344.3m). This increase was primarily driven by increased sales volume. Within our Bricks and Blocks segment we saw our brick volume growth outperforming the wider market, although demand for both aircrete and aggregate blocks was muted with despatches falling slightly year-on-year in line with the wider market.

Within the Bespoke Products segment we saw strong volume growth for our precast concrete flooring products with pricing remaining stable across our entire product range.

#### Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)

Adjusted EBITDA was £61.6m (2024: £52.0m) with profitability benefitting from both increased sales volumes and also the greater operating efficiency that this enables.

Our business is managed as two segments and we allocate our central overheads to each segment based on a historical revenue-driven allocation mechanism, with central overheads allocated to Bricks and Blocks and Bespoke Products in the ratio 80%:20% respectively. In practice, the allocation of overheads to Bespoke Products exceeds the level of overheads that are directly applicable to this segment. Accordingly, we also disclose the allocation of central overheads to give greater visibility of the underlying profitability of our segments, in particular Bespoke Products.

Bricks and Blocks segmental adjusted EBITDA was £56.9m (2024: £49.0m) and Bespoke Products contributed an adjusted EBITDA of £4.7m (2024: £3.0m).

### ADJUSTED PROFIT BEFORE TAX

Adjusted profit before tax was £36.0m representing an increase of 62.9% on the prior year (2024: £22.1m), with the increase driven by an improved trading performance alongside lower financing costs, which were the result of a reduction in both the cost and level of borrowings.

## Chief Financial Officer's Review continued

### Results for the year

	Revenue		EBITDA		
		Adjusted EBITDA	Exceptional items	Adjusting items	
	2025 £m	2025 £m	2025 £m	2025 £m	2025 £m
Bricks and Blocks	307.7	56.9	(3.4)	(6.0)	47.5
Bespoke Products	81.0	4.7	(3.3)	-	1.4
Inter-segment eliminations	(2.7)				
Unallocated exceptional items					-
<b>Group total</b>	<b>386.0</b>	<b>61.6</b>	<b>(6.7)</b>	<b>(6.0)</b>	<b>48.9</b>

### Results for the prior year

	Revenue		EBITDA		
		Adjusted EBITDA	Exceptional items	Adjusting items	
	2024 £m	2024 £m	2024 £m	2024 £m	2024 £m
Bricks and Blocks	276.7	49.0	(0.1)	5.6	54.5
Bespoke Products	71.5	3.0	(0.1)	-	2.9
Inter-segment eliminations	(3.9)				
Unallocated exceptional items			(2.7)		(2.7)
<b>Group total</b>	<b>344.3</b>	<b>52.0</b>	<b>(2.9)</b>	<b>5.6</b>	<b>54.7</b>

### STATUTORY RESULTS

On a statutory basis, EBITDA was £48.9m (2024: 54.7m), and profit before tax (PBT) was £23.3m (2024: £24.8m). These results are stated after the inclusion of adjusting and exceptional items as laid out in this review.

### OPERATING EFFICIENCY

We benefitted from some improvement in operating efficiency during the year with our output of the majority of our products increasing. In response to improving demand for extruded bricks, we have increased output at our Desford factory, running both kilns simultaneously for the first time although, overall our output remains well below normalised levels which creates some inherent operating inefficiency. During 2025 our brick production output ran at approximately 60% of our installed production capacity.

Production planning was challenging, with the strong demand seen in the first half of the year softening somewhat in the second half, necessitating that we keep output levels constantly under review. Regrettably, we announced some modest reductions in both the production of both London Brick and aircrete blocks in early 2026.

### OPERATING COSTS

Our cost base remained broadly stable throughout the year with normal levels of input cost inflation.

Unit gas costs continued to moderate as a result of both market movements and our strategy of forward purchasing in order to reduce price risk, however, increased usage associated with higher production resulted in the overall cost of gas being in line with the prior year.

Our electricity spend in the year benefited from our solar power purchase agreement (PPA) which was signed in 2022. The solar farm commenced generation in 2024, but we first benefitted from the long-term contracted competitive rates in April 2025, resulting in a year-on-year reduction in our electricity cost.

Looking ahead, we have around 80% of our gas usage secured for the remainder of 2026 with the month of March 100% covered, insulating us somewhat from the current price volatility caused by the situation in the Middle East. We also have a good level of layered coverage beyond this, with around 70% of our usage secured in 2027 and with coverage reducing through to 2030.

## Chief Financial Officer's Review continued

### Bricks and Blocks

	Adjusted 2025 £m	Statutory 2025 £m	Adjusted 2024 £m	Statutory 2024 £m
<b>Revenue<sup>1</sup></b>	<b>307.7</b>	<b>307.7</b>	276.7	276.7
EBITDA <sup>2</sup> before overhead allocations	<b>81.6</b>	<b>72.2</b>	66.2	71.7
Overhead <sup>3</sup> allocations	<b>(24.7)</b>	<b>(24.7)</b>	(17.2)	(17.2)
<b>EBITDA<sup>2</sup></b>	<b>56.9</b>	<b>47.5</b>	49.0	54.5
EBITDA <sup>2</sup> margin before overhead allocations	<b>26.5%</b>	<b>23.5%</b>	23.9%	25.9%
EBITDA <sup>2</sup> margin after overhead allocations	<b>18.5%</b>	<b>15.4%</b>	17.7%	19.7%

### Bespoke Products

	Adjusted 2025 £m	Statutory 2025 £m	Adjusted 2024 £m	Statutory 2024 £m
<b>Revenue<sup>1</sup></b>	<b>81.0</b>	<b>81.0</b>	71.5	71.5
EBITDA <sup>2</sup> before overhead allocations	<b>10.9</b>	<b>7.6</b>	7.3	7.2
Overhead <sup>3</sup> allocations	<b>(6.2)</b>	<b>(6.2)</b>	(4.3)	(4.3)
<b>EBITDA<sup>2</sup></b>	<b>4.7</b>	<b>1.4</b>	3.0	2.9
EBITDA <sup>2</sup> margin before overhead allocations	<b>13.5%</b>	<b>9.4%</b>	10.2%	10.1%
EBITDA <sup>2</sup> margin after overhead allocations	<b>5.8%</b>	<b>1.7%</b>	4.2%	4.1%

1. Revenue is stated before inter-segment eliminations.
2. Both EBITDA and adjusted EBITDA are APMs, as explained within note 31 to the Consolidated Financial Statements. EBITDA is presented above under the statutory heading, being calculated with reference to statutory results without adjustment.
3. Overhead allocations are costs centrally incurred by the Group, including general administrative expenses.

### Adjusted profit before tax reconciliation

	2025 £m	2024 £m
<b>Adjusted profit before tax</b>	<b>36.0</b>	22.1
<b>Exceptional costs</b>		
Restructuring costs	<b>(6.7)</b>	(0.2)
Aborted corporate transaction	<b>-</b>	(2.7)
<b>Adjusting items</b>		
Realised gain/(loss) on the sale of surplus energy	<b>1.2</b>	(1.5)
Fair value movement on energy contract derivatives	<b>(7.2)</b>	7.1
<b>Statutory profit before tax</b>	<b>23.3</b>	24.8

### EXCEPTIONAL ITEMS

Exceptional items in the year included impairment and termination costs associated with the exiting of the non-core businesses of Formpave and Bison Bespoke Precast. The total combined exceptional cost of exiting these businesses was £6.7m with termination costs which have been, or will be cash-settled totalling £2.7m with the rest of costs being non-cash impairment charges. The decision to exit these non-core businesses is aligned to our long-term strategy, demonstrating disciplined capital management, being both cash flow and margin accretive, avoiding significant capital expenditure at Formpave and releasing a valuable land asset in the case of Bison Bespoke Precast, whilst at the same time enabling greater management focus on delivering our strategy of Strengthening the Core and seeking growth through expansion Beyond the Core.

### ADJUSTING ITEMS

In addition to exceptional items, we have also identified further adjusting items, the separate disclosure of which allows us to present our results in a manner that will allow users of our financial statements to understand the underlying trading performance of the business applying consistent treatments as used by management to monitor the performance of the Group.

Adjusting items in the current and previous year relate to both realised and open energy positions where committed energy purchased by the Group has or are expected to exceed consumption. Where forward energy contracts are expected to be utilised in full, we apply the own use exception within IFRS 9 Financial Instruments and these are not marked to market. Where we have energy in excess of our anticipated needs secured under forward contracts, these contracts do not meet the own use exemption and as such are treated as derivatives and marked to market, resulting in gains and losses as market prices fluctuate. Any impact on the profit and loss as a result of this marked to market treatment, along with profits and losses on the sale of surplus energy, are shown as adjusting items.

In the year, the Group realised a £1.2m gain in respect of surplus energy sold back to the market, which has been removed from the adjusted results. Alongside this, the Group has removed the marked to market revaluation impact of energy derivatives in the period, with the adjusted results reflecting the cost of energy consumed at the forward purchased rate. This has resulted in a £7.2m benefit in the adjusted versus the statutory results, with this effectively being a matter of timing, with a near reverse adjustment in the prior year.

### FINANCE COSTS

Finance costs were £6.0m (2024: £9.1m) with the decrease driven by a reduction in the level of borrowing, alongside a reduction in the interest rate payable, with falling leverage leading to a reduction in the margin payable on our facility, in addition to falls in the headline interest rate.

Finance costs are stated net of capitalised interest of £2.5m (2024: £2.1m) in respect of the capital investment projects at Wilnecote and Accrington.

Under the terms of the credit agreement, interest is payable according to a margin grid dependent on leverage. Starting with a margin of SONIA plus 1.65% applicable whilst leverage (net debt/adjusted EBITDA, as measured before the impact of IFRS 16) is less than 0.5 times, rising to a margin of 2.75% if leverage is greater than 2.5 times. A commitment fee of 35% of the margin is payable on the undrawn credit facility.

## Chief Financial Officer's Review continued

### Cash flow – highlights

	2025 £m	2024 £m
<b>Adjusted EBITDA</b>	<b>61.6</b>	52.0
Purchase and settlement of carbon credits	(0.9)	6.0
Other cash flow items	0.2	(6.5)
Changes in working capital		
– Inventories	2.5	13.8
– Trade and other receivables	3.5	(8.0)
– Trade and other payables	1.8	2.8
<b>Adjusted operating cash flow</b>	<b>68.7</b>	60.1
Payments made in respect of adjusted items	(0.6)	(8.3)
<b>Operating cash flow after adjusted items</b>	<b>68.1</b>	51.8
Interest paid	(8.0)	(10.0)
Tax paid	(1.1)	0.4
Capital expenditure		
– Maintenance	(6.2)	(4.0)
– Strategic	(8.3)	(21.6)
Dividends paid	(8.2)	(6.3)
Net cash flow from sale and purchase of shares by Employee Benefit Trust	(0.7)	5.1
Repayment of lease liabilities	(6.0)	(5.9)
Other movements	(0.4)	(1.2)
<b>Decrease in net debt before leases</b>	<b>29.2</b>	8.3

### TAXATION

The adjusted effective tax rate (ETR) excluding the impacts of exceptional and adjusted items was 26.2% (2024: 27.1%). The decrease in the ETR is largely driven by the increase in adjusted profit before tax compared to 2024, and therefore the percentage of the permanent non-deductible items against profit is lower. The ETR is higher than the UK main rate of corporation tax due to the permanent impact of non-deductible items such as depreciation on non-qualifying assets. The statutory ETR was 27.1% (2024: 29.5%), with the decrease due to the impact of non-deductible professional fees incurred on an aborted corporate transaction in 2024.

### EARNINGS PER SHARE (EPS)

Adjusted basic EPS was 12.6p (2024: 7.6p). Statutory basic EPS was 8.1p (2024: 8.3p). EPS is calculated as the weighted average number of shares in issue during the year (excluding those held by the Employee Benefit Trust (EBT)) which in 2025 was 211.0 million (2024: 210.6 million).

### CASH FLOW

The Group has a strong history of cash generation and we have delivered another strong performance in 2025.

Adjusted operating cash flow totalled £68.7m (2024: £60.1m), a year-on-year improvement of £8.6m. This helped drive a £29.2m reduction in net debt before leases to £55.7m (2024: £84.9m) after a total capital expenditure of £14.5m including £8.3m on our three strategic projects at Desford, Wilnecote and Accrington.

Overall, we saw a favourable £7.8m working capital movement with inventories decreasing by £2.5m with further favourable movements in both receivables and payables.

Cash outflows in respect of adjusting items comprised restructuring costs of £1.8m which were associated with exiting the non-core businesses, offset by receipts from settling surplus gas contracts of £1.2m.

The net tax outflow was £1.1m although within this, the Group received a prior year tax refund of £2.3m. The corporation tax charge in respect of 2025 was £4.9m; this liability was satisfied by payments to HMRC of £3.4m and an estimated R&D tax credit claim for 2025 of £1.6m with a refund of £0.1m recoverable at the year end.

## Chief Financial Officer's Review *continued*

Net payments to the EBT in the year were £0.7m (2024: receipts of £5.1m). Whilst challenging trading conditions have dictated that the Performance Share Plan (PSP) awards due to vest in 2025 and 2026 have not done so, accordingly, the EBT's current requirement for shares to satisfy vesting awards was diminished. With a significant Save As You Earn award due to vest at the end of 2026, the EBT has recommenced a modest monthly purchase of shares which is funded by the Group.

As at the year end, the EBT held 2.2 million shares (2024: 1.9 million shares) with a market value of £4.0m (2024: £3.1m).

It remains our policy to provide shares for settlement of our share-based employee reward schemes through open market purchases as opposed to the issue of new share capital.

### CAPITAL EXPENDITURE

The cash outflow in relation to capital expenditure excluding capitalised borrowing costs totalled £14.5m (2024: £25.6m) with strategic capital expenditure totalling £8.3m (2024: £21.6m) with maintenance capital expenditure of £6.2m (2024: £4.0m).

Strategic capital expenditure has been focused upon completing the projects at Wilnecote and Accrington with a small spend at Desford. The Accrington project is substantially complete with the new range of extruded brick slips successfully commissioned.

The Wilnecote project is now nearing completion after a number of supplier driven delays with the commissioning process continuing.

Recent maintenance capital spend reflects our balance sheet management and also the temporary reduction in our output. Our capital allocation priorities anticipate up to £15m of maintenance capital spend annually over the medium-term, with lower spend in recent years demonstrating our ability to flex this.

Our total capex spend in 2026 is again expected to be around £15m, with approximately £8m of this related to the completion of the strategic projects.

### BORROWINGS AND FACILITIES

At 31 December 2025 net debt before leases was £55.7m equating to leverage of c.1.0 times on a banking covenant basis and a £29.2m reduction on 2024 (2024: £84.9m). Net debt after adding lease liabilities of £19.9m (2024: £20.9m) was £75.6m (2024: £105.8m). These leases primarily relate to plant and equipment, in particular the fleet of heavy goods vehicles used to deliver our products to our customers.

After exercising an extension option during 2025, the Group's credit facility comprises a committed revolving credit facility (RCF) of £170m extending to June 2028. At the year-end a total of £62m was drawn on the facility, leaving headroom of £108m.

The facility is subject to normal covenant restrictions of net debt/adjusted EBITDA (as measured before the impact of IFRS 16) of less than three times and interest cover of greater than four times. The Group has traded comfortably within these covenants throughout 2025.

On exercising the extension of our facility, we elected to remove the link to our long-term sustainability targets, as following the sudden decline in our markets in 2023 and the resultant impact on our efficiency, as a result of missing our targets the sustainability link was actually increasing borrowing and compliance costs. We remain committed to our long-term sustainability journey and the linkage of our financing to these targets did not influence our decision-making in this area.

With the announcement of the commencement of a programme of share buybacks and our intention to allocate £20m to the repurchase of shares in 2026, we expect net debt before leases to remain around the current level over the next year. Our net debt does fluctuate seasonally and in line with historical trends our debt levels are likely to be a little higher at the half year.

### DIVIDEND

The Board is recommending a final dividend of 4.3p per share (2024: 2.0p) which, in addition to the interim dividend of 1.9p per share paid in October (2024: 1.0p), will bring the total dividend to 6.2p per share (2024: 3.0p). Subject to approval by shareholders, the final dividend will be paid on 6 July 2026 to shareholders on the register as at 12 June 2026.

### PENSIONS

The Group has no defined benefit pension liabilities. There is a defined contribution arrangement in place and pension costs for the year amounted to £6.4m (2024: £5.9m).

### FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. Because these statements contain risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

### Ben Guyatt

Chief Financial Officer  
10 March 2026

# SUSTAINABILITY REPORT

## IN THIS SECTION

- 33 TCFD Disclosure Navigation
- 34 Letter to Stakeholders
- 36 Double Materiality Assessment
- 38 Sustainability Framework
- 39 Planet
- 52 Product
- 54 People
- 59 Our Reporting Detail

## Task Force on Climate-related Financial Disclosures (TCFD) Navigation

### GOVERNANCE

Disclose the organisation’s governance around climate-related risks and opportunities.

#### Recommended Disclosure

Page

a) Describe the Board’s oversight of climate-related risks and opportunities.

49-51

b) Describe management’s role in assessing and managing climate-related risks and opportunities.

49-51

### 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.

#### Recommended Disclosure

Page

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.

51

Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.

51

Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

41-42

### RISK MANAGEMENT

Disclose how the organisation identifies, assesses, and manages climate-related risks.

#### Recommended Disclosure

Page

Describe the organisation’s processes for identifying and assessing climate-related risks.

41-42, 51

Describe the organisation’s processes for managing climate-related risks.

51

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.

51

### METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

#### Recommended Disclosure

Page

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

47, 59-60

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

40-41, 59-60

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

46-47

## Letter to Stakeholders

# ENGAGING WITH OUR STAKEHOLDERS TO FURTHER OUR PROGRESS



2025 presents an important milestone in our sustainability journey. With many of the targets established in 2020 now at their midpoint – and others reaching the end of their initial timeframe, this is a valuable moment to reflect on the progress made, capture the lessons learned, and set a clear and credible course for the years ahead.

Our long-term focus remains clear and consistent guided by the three pillars of our sustainability framework: Planet, Product and People underpinning our responsibility to act as a good neighbour, a responsible employer, and a business that creates lasting value for future generations. This framework also provides the foundation for delivering our Climate Transition Plan set out in this Report.

We recognise that progress has not been linear and that, in some areas, certain targets may ultimately take longer to achieve than originally anticipated. The pace of technological advancement and the availability of supporting infrastructure required to deliver large-scale decarbonisation to industries like ours has developed more slowly than we had initially anticipated. Today we are actively engaged on a number of hydrogen and carbon capture initiatives although the levels of both

**Gina Jardine**  
Chair of the Sustainability Committee

“With many of the targets established in 2020 now at their midpoint – and others reaching the end of their initial timeframe – this is a valuable moment to reflect on the progress made, capture the lessons learned, and set a clear and credible course for the years ahead.”



private and Government investment and national infrastructure needed to bring these initiatives to fruition suggests that we are unlikely to directly benefit from these game changing technologies before the 2030 target date of our current carbon reduction targets.

Just as reduced output and therefore efficiency as a result of continued challenging market conditions acts as a headwind to our financial performance, the same applies to sustainability with many of our sustainability key performance indicators and targets also impacted, something that wasn't anticipated when we set our targets back in 2020.

Progressing sustainability initiatives is not always straightforward. A clear example is our ambition to reduce the amount of plastic used in packaging our products. While reducing plastic remains an important objective, our unwavering commitment to health and safety means that any change must be assessed through a rigorous safety lens first.

In particular, we have carefully evaluated the potential implications of alternative packaging solutions during transportation, storage and handling. Even where risks may appear unlikely, we will not compromise on safety standards. Protecting employees, customers and contractors remains our foremost priority, and sustainability initiatives must align with and never undermine that commitment.

## Letter to Stakeholders continued



As expectations and priorities continue to evolve, we took the opportunity during the year to revisit stakeholder perspectives and to undertake our first materiality assessment under double materiality principles. This exercise refreshed our original 2020 assessment and provided valuable insight that will directly inform both the replacement of targets concluding in 2025 and the development of those that extend further into the decade.

The engagement and insight gained through this comprehensive process involving customers, suppliers, shareholders along with our own employees has enhanced our perspectives as to how our stakeholders are approaching decarbonisation. In particular, it has reinforced the importance of considering emissions across the full value chain, rather than focusing solely on our own operations. To support this we have produced Environmental Product Declarations, which includes information on the carbon footprint, for a range of products and this will be extended in 2026.

While both absolute emissions and intensity per tonne of product remain important measures, we increasingly recognise that our customers often assess emissions per home or by the area of the façade or wall constructed. Many of our initiatives are focused on reducing material use, for example through larger brick perforations or thinner bricks, where the level of emissions falls in line with a reduction in product weight, recognising that our current intensity per tonne measures of carbon emissions will not fully reflect the progress being made.

For this reason, we are presenting emissions per square metre for façades for the first time. This metric better reflects our customers' perspective and more accurately captures the impact of our near-term emissions reduction initiatives.

Product innovation remains central to our sustainability strategy. The need for lower-carbon, resource-efficient construction solutions continues to shape how we prioritise research and development, from incremental improvements to existing products to the development of new, transformative systems and construction methodologies.

In 2025, this focus resulted in the launch of our Omnia extruded brick slips and the associated mechanically fixed façade system, which reduces material use, minimises waste and supports faster, more efficient on-site assembly. We also maintained momentum in the development and adoption of lower-carbon materials, continuing the transition to CEM II cement and further advancing the use of calcined clay derived from processed brick waste. This innovative material is now incorporated into many of our own concrete products, and will soon be available to external users through our partner. We are also continuing to investigate the opportunities, in partnership with others, to expand upon this exciting opportunity by calcining virgin clay.

The importance we place on sustainability and the expectations of our stakeholders is reflected by the continued inclusion of a sustainability-related target within the long-term performance conditions applied to our Performance Share awards as part of our Long-Term Incentive Plan (LTIP), the changes to which are laid out in our Remuneration Report. This ensures that sustainability outcomes continue to be directly aligned with executive remuneration and long-term value creation.

This Report provides an overview of our key sustainability initiatives and credentials, highlighting both the progress made during the year and our longer-term sustainability journey. As always, we welcome feedback on our approach, as well as on the relevance, transparency and clarity of our disclosures.

**Gina Jardine**

Chair of the Sustainability Committee

## Double Materiality Assessment

# CSRD-ALIGNED DOUBLE MATERIALITY ASSESSMENT COMPLETED

Having first conducted a materiality assessment in 2020, the midpoint of our 2030 target period in 2025 offered an opportunity to revisit what matters most to our stakeholders. We have chosen to do this through an EU Corporate Sustainability Reporting Directive (CSRD) aligned Double Materiality Assessment (DMA).

### BASIS OF PREPARATION

With assistance from third-party consultants, we have performed a DMA in alignment with the CSRD. This voluntarily applied CSRD-aligned approach to our assessment reflects emerging best practice, whilst recognising that certain elements of the CSRD framework and related implementation guidance are still being finalised.

The purpose of the assessment is to identify and evaluate the sustainability topics that are most material to the business, from both an impact perspective and a financial perspective. This assessment considers our impacts, risks and opportunities (IROs) in relation to environmental, social and governance matters across our own operations, as well as both upstream and downstream in the value chain.

### DOUBLE MATERIALITY ASSESSMENT METHODOLOGY

#### Value chain mapping

A comprehensive exercise was undertaken to map our operations, business model, and business relationships across the value chain. This exercise involved categorising critical activities and gaining a detailed understanding of key customers and suppliers, aligning these with relevant European Sustainability Reporting Standards (ESRS) sustainability matters to provide a structured foundation for framing and drafting potential IROs.

Key upstream inputs to the business include the supply of materials such as clay, aggregates and cement; whilst the downstream value chain focuses on ensuring products reach customers efficiently,

including housebuilders, contractors and merchants. The assessment also considers the environment and communities that are impacted through our operations as well as the workers in our value chain.

#### Identifying relevant sustainability matters

CSRD identifies 10 ESRS sustainability matters, categorised across Environmental (E1-E5), Social (S1-S4) and Governance (G1) topics.

A screening exercise was undertaken to identify the key ESRS sustainability matters in our value chain that could give rise to material impacts, risks and opportunities.

The screening process assessed the ESRS sustainability matters by comparing them to relevant frameworks, peers, previous materiality assessments and the Group's existing risk register to help determine whether any ESRS sustainability matters can be initially screened out as not being relevant to Forterra in its upstream, own operations or downstream value chain. At this point, no ESRS sustainability matters were screened out in their entirety.

#### Identification and assessment of material impacts, risks and opportunities

The identification and assessment of material IROs followed a structured double materiality process aligned with ESRS guidance. IROs were identified through internal engagement, expert input and external reference sources, considering both the organisation's own operations and its value chain. For each IRO, the relevant location in the value chain and the applicable time horizon (short-term: 0-1 years; medium-term: 1-5 years; long-term: 5-25 years) were considered as part of the assessment.

Each IRO was then assessed and scored using the Group Risk Framework to ensure consistent evaluation across sustainability and Group-level risk processes. A materiality threshold, set in accordance with ESRS requirements, was applied to determine which IROs were considered significant enough to be included in reporting.

#### Impact materiality

Impact materiality was assessed by evaluating the severity and likelihood of actual and potential positive and negative impacts on people and the environment. Severity was determined by considering the scale, scope and irremediable character of impacts, in line with ESRS guidance. The likelihood of potential impacts occurring was also considered where relevant.

From an impact perspective, a sustainability topic was considered material where it was associated with significant actual or potential impacts arising from the organisation's activities or its value chain.

#### Financial materiality

Financial materiality was assessed by identifying sustainability-related risks and opportunities that could reasonably be expected to affect the organisation's financial position, financial performance or future cash flows. The assessment considered the magnitude and likelihood of potential financial effects over the short-, medium- and long-term.

From a financial perspective, a sustainability topic was considered material where related risks or opportunities could have a significant financial effect on the organisation.

#### Stakeholder engagement

Stakeholder engagement formed an integral part of the DMA, validating the list of IROs. In line with best practice, stakeholders are categorised into two groups: affected stakeholders and users of the sustainability statement.

Both internal representatives and external stakeholders were engaged. Internal stakeholders included representatives from key business functions, including Finance, Strategy, Design & Technology, People, Health & Safety, and Sustainability. External stakeholders included key customers, suppliers and investors. The engagement involved qualitative interviews providing valuable insight and perspectives across the topics. The output of the interviews was used to inform and refine the relevance of identified sustainability topics and to inform the assessment of impact, severity, likelihood and financial relevance.

To ensure the robustness and comparability of the assessment, a top-down review was conducted to confirm consistent scoring across all IROs and alignment with the Group Risk Framework. This ensured methodological consistency and reduced potential bias from individual interviews or functional perspectives.

As a final review step, a selection of internal stakeholders were invited to review and comment on the consolidated list of scored IROs. This final validation ensured that the assessment reflected stakeholder expectations and confirmed the robustness of the identified material impacts, risks and opportunities.

### RESULTS OF THE DOUBLE MATERIALITY ASSESSMENT

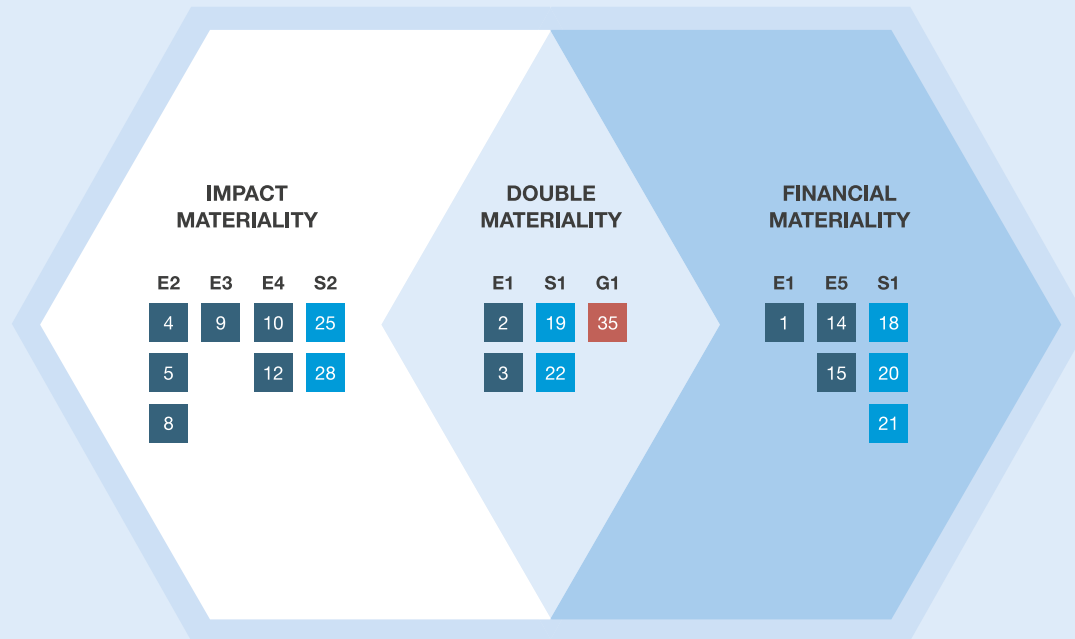
Out of the 96 IROs initially identified across the 10 ESRS topics, 19 sub-topics included material IROs with 5 deemed to be both impact and financially material. These areas are shown below and further mapped at sub-topic level to our sustainability framework on page 38.

The results will be used to prioritise key focus areas for the ESG strategy and framework, ensuring alignment with core business elements such as the corporate strategy and business model.

## Double Materiality Assessment continued

### MATERIAL ESRS SUB-TOPICS

Based on the outcomes of the DMA, ESRS sustainability topics have been considered as not material, impact material, financial material or double material.



#### IMPACT MATERIALITY

E2	Pollution
4	Pollution of air
5	Pollution of water
8	Microplastics
E3	Water
9	Water use including withdrawal, consumption, discharges and storage
E4	Biodiversity and ecosystems
10	Drivers of biodiversity and ecosystem change (terrestrial and marine habitat change, invasive species)
12	The extent and condition of ecosystems
S2	Workers in the value chain
25	Health and safety
28	Other labour-related rights

#### DOUBLE MATERIALITY

E1	Climate change
2	Climate change mitigation
3	Energy
S1	Own Workforce
19	Health and safety
22	Other labour-related rights (including child labour, forced labour, privacy and adequate housing)
G1	Business conduct
35	Corporate culture including anti-corruption and bribery, the protection of whistleblowers and animal welfare

#### FINANCIAL MATERIALITY

E1	Climate change
1	Climate change adaption
E5	Resource use and circular economy
14	Resource inflows
15	Resource outflows related to products and services
S1	Own workforce
18	Social dialogue, freedom of association, works councils, participation rights of workers, and collective bargaining
20	Training and skills development
21	Diversity and equal treatment (including gender equality, equal pay for work of equal value, employment and inclusion of people with disabilities, non-discrimination, anti-harassment, measures against violence)

#### KEY

Environmental Social Governance

## Sustainability Framework

# GUIDED BY OUR SUSTAINABILITY FRAMEWORK

Building on our materiality assessment, we have translated the material areas identified across the 10 ESRS topics into a more detailed set of 19 material ESRS sub-topics, reflecting where impacts, risks and opportunities are most significant for our business.

These material sub-topics have been summarised and mapped to our sustainability framework, shown opposite, providing a clear line of sight between the outcomes of the Double Materiality Assessment and the Planet, Product and People pillars, through which sustainability is governed and delivered across the Group.

Having mapped these to the sustainability framework, the five topics highlighted as double material are also addressed within our wider risk management framework. Two are highlighted explicitly within the Principle Risk disclosures later in this Report and the others deemed suitably mitigated within the Group's Risk Register.



#### KEY

Planet

# OUR CLIMATE TRANSITION PLAN

**INTRODUCTION**

**Purpose of the report**

With the ultimate ambition of reaching net zero by 2050, our medium-term priority is to deliver a significant reduction in our emissions by 2030 and in this timeframe we have targeted to reduce our carbon intensity per tonne by 32% relative to 2019. This target underlines our commitment to both the Paris Agreement and the Race to Zero, and was set using the Science Based Targets initiative (SBTi) well below 2 degree pathway and requires a 27.5% reduction in absolute carbon emissions.

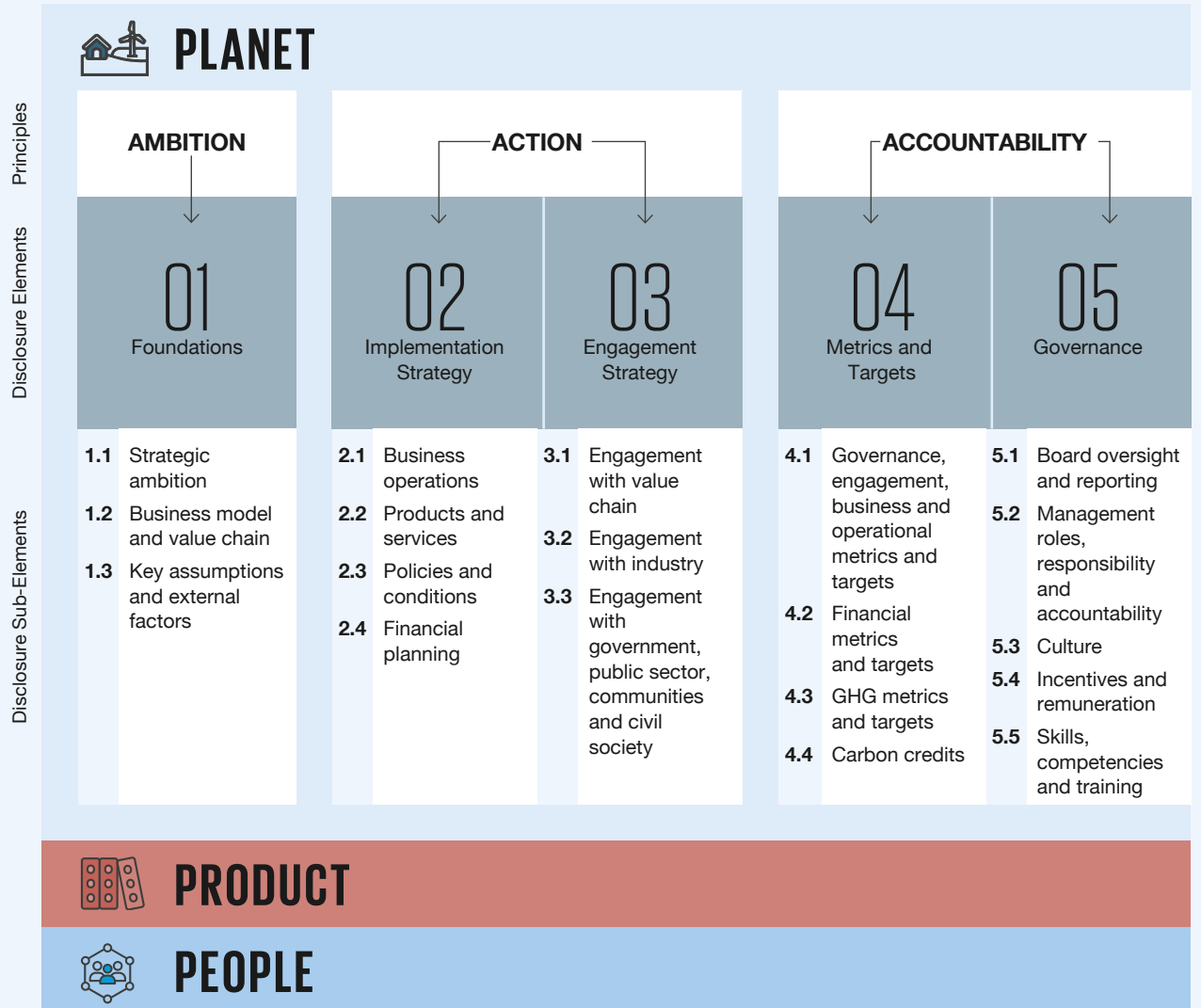
First and foremost, five years into this 2030 target we acknowledge the challenge associated with meeting this. A key component of our decarbonisation strategy is our capital investment projects at our Desford and Wilnecote brick factories, more efficient manufacturing capacity which alongside a number of other initiatives, including the manufacture of brick slips at our Accrington factory, fuel switching and renewable energy usage, will combine to deliver a meaningful reduction in emissions.

Whilst the emerging technologies that form part of our reduction plan have not developed as quickly as originally anticipated, we are continually exploring partnerships with technology providers to gain practical experience in factory environments within both carbon capture and storage and hydrogen fuel, which will likely provide the longer-term pathway to net zero.

The Commission on Climate Change (CCC) sets out a recommended strategy for the UK to reach net zero by 2050 stating that ‘most sectors will need to reduce emissions to close to zero without the use of offsetting.’ Reliance on offsetting does not reduce the burning of fossil fuels which is the primary contributor to climate change.

Our plan for this transition is outlined across pages 39 to 50 of this Report.

OVERVIEW OF THE TRANSITION PLAN TASKFORCE (TPT) DISCLOSURE FRAMEWORK LINKING TO OUR OWN FRAMEWORK

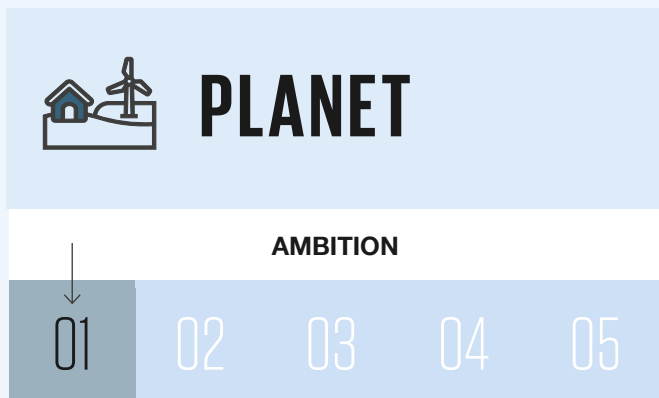


PRODUCT



PEOPLE

Planet continued



FOUNDATIONS

1.1 Strategic ambition

Outline the overarching aims and objectives of the Transition Plan, including how the entity plans to contribute to a low GHG-emissions, climate-resilient economy.

We have a clear strategy to grow our business and create stakeholder value whilst at the same time reducing our impact on the environment. Our strategy recognises that embracing sustainability is critical in ensuring our longevity as a business. Our long-held strategic priorities sit hand-in-hand with our goal of reducing our impact on the environment. Increased use of modern methods of manufacturing improves efficiency, reducing both energy use and waste, reducing not only our costs, but the impact we have on the environment. We have embedded challenging sustainability targets within our strategy (for more information please see our targets on pages 46 and 47).

1.2 Business model and value chain

Describe the current and anticipated implications of the strategic ambition on the business model and value chain.

Our strategy focuses on maximising the investment in our own business to deliver a tangible and transparent reduction in carbon emissions. We will continue to evaluate the benefits carbon offsetting can provide and whilst it is possible that in the future there will be a need to use these in some form in order to reach net zero, we feel that at present we can have the greatest impact through investing to reduce our own emissions.

Using the latest technology as we are doing within our Desford, Wilnecote and Accrington factories, rather than purchasing offsets and allocating them to the emissions from a particular factory, is the most transparent and effective way of meeting our challenging carbon reduction targets and in the longer-term aiming for net zero by 2050.

More information on our approach and progress in this area is available in the 'Implementation Strategy' section of this Sustainability Report.

Our Business Model is detailed on page 18 of this Annual Report, and how these manifest within our Climate Transition Plan is detailed here.

Greenhouse gas emissions

We manufacture two broad categories of products – those made from clay and those made from concrete. These products are regularly supplied in tandem to our customers and are used together in building high-quality homes and buildings. However, the manufacturing processes are very different and their carbon footprints, whilst similar overall, are built up in different ways.

Details of the manufacturing processes can be found in previous Annual Reports, however the key point to emphasise is that both our clay and concrete products contain similar levels of overall carbon dioxide emissions per tonne of product. However, the way in which these emissions are reported within the Greenhouse Gas Protocol scopes is very different.

The majority of the emissions associated with the manufacture of clay bricks are direct emissions under our control and are therefore disclosed in scope 1. The majority of the emissions associated with the manufacture of our concrete products are indirect emissions under the control of our suppliers and included in scope 3, and therefore not disclosed in our figures. Details of our scope 3 emissions are included later in this Report.

Scope 1

When reporting our emissions and setting targets to reduce these emissions, it is necessary to consider our product mix. To ensure full transparency looking forward, and when reviewing our past progress, we provide emissions figures for both our clay and concrete businesses. The scope 3 emissions associated with our concrete manufacture (and to a lesser extent clay) make the direct comparison between our total clay and concrete reported emissions more challenging.

Any change in product mix in our output between clay brick and concrete products could materially distort the comparability of our total reported scope 1 emissions year-on-year. Accordingly, we disclose the carbon emissions for our clay and concrete businesses separately, providing much greater transparency on our carbon reduction progress.

It is important to recognise the amount of carbon we emit is directly related to the volume of product we manufacture.

Our key markets have historically exhibited a trend of cyclicality and as such it would not be meaningful to measure our performance solely on absolute emissions. Never more relevant than the current period, where significant absolute emission reductions have been driven by the reduced output that market forces dictated, we have historically believed the most transparent way of reporting our carbon footprint is to separately report our greenhouse gas intensity ratio CO<sub>2</sub>e (the carbon emitted per tonne of production output) for our clay and concrete products. We previously believed this would provide the most meaningful information from which to measure the reduction in our carbon emissions over time.

## Planet continued

More recently however, we have also recognised the metrics that are most important to our customers, with CO<sub>2</sub>/m<sup>2</sup> of façade being a more reflective measure of how our customers view the carbon footprint of a home. With many of our initiatives focused upon reducing both the weight and embodied carbon of our products, in order to not only best track our own decarbonisation journey but for this to be as meaningful as possible to all stakeholders, we have therefore for the first time in 2025 included the additional metric of CO<sub>2</sub>/m<sup>2</sup>.

We recognise that carbon dioxide emissions are an inherent result of our manufacturing processes. The majority of our emissions are covered by the UK Emissions Trading Scheme (UK ETS). The increasing cost of UK ETS credits as well as a reduction in the number of freely allocated credits will increase our operating costs and by reducing our emissions we can deliver a reduction in these compliance costs.

### Scope 2

Having previously reported zero scope 2 emissions through the purchase of Renewable Energy Guarantees of Origin (REGO), in 2022, having acknowledged the requirement for further new capacity within the grid itself, working with a global leader in the management and development of solar energy projects, we committed to purchasing around 70% (at full production levels) of our electricity requirement from a dedicated solar farm, exceeding 150 acres in size situated in Nottinghamshire. With this long-term agreement now in place and the solar farm operational we are pleased to confirm that our ongoing electricity usage is covered by either REGO's or our own on site generation at our Desford plant.

### Scope 3

The goods and services that we purchase account for c.75% of our scope 3 emissions and we remain committed to working with our supply chain partners to continue minimising this where possible.

One of the interesting discussions raised during the exercise to calculate these emissions focused on 'end of life' treatment of our products. Currently our products would be recycled into secondary aggregate and whilst this is positive within the circular economy, we have still accounted for the current emissions impact of recycled aggregate. However, due to the longevity of our products (>150 years) it is highly likely that there will be no carbon emissions associated with their recovery when the time eventually comes.

Cement continues to be the most significant contributor to our scope 3 emissions and one we are always looking to reduce. Across 2025, the work of our technical team has successfully allowed the utilisation of calcined clay derived from our London Brick production waste as a low-carbon cement substitute and we are delighted to be one of the first in the industry to be commercialising calcined clay in this way.

We are also working with our cement suppliers to reduce carbon in this respect; our 'Product' section later in this Report gives further details around our innovations in cement reduction and replacement.

### 1.3 Key assumptions and external factors

Highlight the key assumptions and external factors that influence the Transition Plan.

#### SCENARIO ANALYSIS

##### Methodology

We have undertaken a scenario analysis exercise to better understand the external factors influencing our Transition Plan, and possible range of risks and opportunities our business could face under different future climate forecasts. The approach consisted of two stages, the first being a qualitative analysis to identify and assess the likely risks, and the second including quantitative modelling. In line with TCFD recommendations, we examined three scenarios (+1.5°C, +2.0°C, +4.0°C above pre-industrialised levels by 2100) in order to capture the widest range of plausible impacts on our business. Both qualitative and quantitative analyses included a thorough assessment of transition and physical risks, and were modelled around the widely recognised Representative Concentration Pathways (RCPs) and Shared Socio-economic Pathways (SSPs).

During the qualitative phase, granular assumptions about the policy (Government), built environment, technological and physical changes associated with each warming pathway were examined by a working group comprised of the respective heads of relevant business functions (Strategy, Operations, Finance, Sustainability, Marketing). The risks and opportunities identified in the qualitative phase were then transferred to the quantitative modelling in order to assess the scale of their potential impact.

The quantitative modelling was undertaken with support from a specialist corporate climate modelling consultancy, and interrogated the warming pathways, modelling impacts across four categories: Operations, Supply Chain, Demand and Physical Effects. The outputs of this quantitative process allow us to better understand the relative impacts and opportunities arising from climate change, and a shift to a lower-carbon macroeconomic model.

##### Steady path to sustainability ~ 1.5°C warming

The 1.5°C pathway assumes significant proactive public and policy support for climate action, and a broadly unified global response. It assumes a wide range of factors including stronger regulatory interventions; enabling and disrupting technologies emerging sooner; and demand-led effects being more material. Rather than a predictive exercise in modelling, the scenario allows us to examine the various impacts of a faster shift towards addressing climate change.

##### Fossil-fuelled global growth ~ 4°C warming

The 4°C warming scenario assumes that the global growth continues to be driven by fossil fuels, with limited changes to current economic models. Regulatory interventions are delayed or absent, with a broad range of achievement of national decarbonisation targets. Towards 2050, the effects of climate change become readily apparent to electorates, and rapid reactive change is effected late in the period. The pathway has limited impact on Forterra's near- and medium-term operations, with significant impact in the long-term.

##### Implications for products (under 2°C – exaggerated under 1.5°C and delayed under 4°C)

- Bricks and blocks that are manufactured at a lower-carbon intensity are likely to gain popularity
- Environmental product declarations (EPDs) and lifecycle assessments are likely to become the norm as product labels become mandatory
- Products that are geared toward refurbishment are likely to gain popularity
- Products with strong thermal characteristics are likely to gain popularity as rising energy costs increase the drive for better insulation
- Production facilities that are close to carbon capture, utilisation and storage (CCUS) cluster zones, or that have hydrogen as part of their decarbonisation plans, will likely benefit from lower costs as carbon prices increase

## Planet continued

### Resilience of our strategy

The scenario analysis we have undertaken has assisted in better understanding the risks and opportunities across a broad range of climate scenarios.

We would likely be subject to transition risks in a 1.5°C and 2°C warming scenario, which, if left unmitigated, would likely lead to potentially higher operational costs and lower revenues. This is especially true if demand for low-carbon products rises, a Government penalty is implemented on high-carbon products, competitors are better able to access low-carbon sources of energy and carbon costs rise. These financial impacts would be higher in a 1.5°C compared to a 2°C scenario as public and policy support for climate mitigation is assumed to be stronger. In order to avoid these risks, our strategy includes reducing the carbon intensity of our products, as demonstrated by our targets (on pages 46 and 47), and actively pursuing the opportunities outlined within this Report.

We would assume more physical risks in a 4°C warming scenario, resulting in increased cost from operational disruption. However, the majority of our factories are at low risk of extreme weather events such as flooding and so the overall financial impact of these risks is considered manageable.

We believe our strategy to be climate resilient, noting that it will continue to respond to evolving climate risk projections, with established procedures in place to identify and escalate climate-related risk as described on page 51.

### MIDDLE OF THE ROAD: 2°C WARMING

The 2°C warming scenario is considered the most likely scenario, and assumes the UK remains on its current path to decarbonisation, broadly meeting its stated policy goals, with a range of adherence to targets by other nations. In specific terms, this means the UK achieves net zero by 2050 and meets its other environmental industrial strategy aims.

The scenario assumes some demand-led growth in low-carbon masonry products, driven by carbon prices inflating the cost of emissions heavy products.

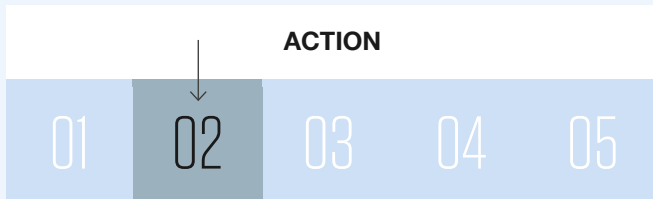
**Policy:** The UK integrates product carbon labelling across sectors in the near-term, although these labels do not become mandatory until the medium-term. The UK phases out coal usage completely by the mid 2020s and it establishes its first net zero industrial cluster by 2040. Building regulations stipulate that public buildings and infrastructure must meet both embodied and whole-life carbon targets.

**Built environment:** Building designs become more energy efficient, helping to drive down emissions and heating costs. Demand for high thermal mass products such as bricks and blocks continues to grow accordingly. Renovation and retrofitting increase in importance as growth drivers in the medium-term, especially as a response to green building regulations and rising electricity prices. As buildings become more thermally efficient, the component of embodied emissions from materials in the whole-life carbon footprint of buildings increases. This helps to drive steady demand for low-carbon products and sustainable alternatives, with potential pricing premiums for the lowest emissions products.

**Technology:** The carbon intensity of the electricity grid is assumed to hit current targets, and is modelled on a linear basis to 2050. Within the building products sector, landfilled pulverised fuel ash (PFA) is being utilised as a raw material as coal fired power plants have closed and in the long-term, the UK's Government directs funds towards CCUS technology, CCUS-enabled 'blue' hydrogen, and electrolytic 'green' hydrogen. Carbon-cured concrete and lighter bricks become increasingly common.

**Physical:** Physical impacts of climate change appear gradually over the period, though effects on the UK are relatively minor to 2050. These effects include having eight days per month above 25°C in summer months. Damage to UK non-residential property is expected to increase by 26% and flooding damage to facilities in UK coastal regions is expected to increase by 48%.

## Planet continued



### IMPLEMENTATION STRATEGY

#### 2.1 – 2.4 Transition activities

We are committed to supporting the UK’s ambition to reach net zero by 2050 and to demonstrate this we declared a near-term carbon reduction target of 27.5% (using the Science Based Targets initiative (SBTi) well below 2°C scenario) running from 2019 through to 2030. This is supported by our Carbon Management Plan which maps out our decarbonisation pathway, including both ongoing projects as well as the further technologies, infrastructure and process changes that will be required for us to meet this target – some of them are already commercially available such as solar panels and electric vehicles, whereas others, such as hydrogen and carbon capture are still, particularly from an infrastructure perspective, emerging within our sector.

Our vision is to take the learnings from the carbon journey of our existing factories and future proof any new developments to make sure all of the potential carbon savings can be incorporated, ultimately achieving a zero carbon production facility.

We recognise that progress in this area has not been linear and that, in some areas, certain targets may ultimately take longer to achieve than originally anticipated. The pace of technological advancement and the availability of supporting infrastructure required to deliver large-scale decarbonisation have developed more slowly than hoped, alongside continued market challenges across the construction sector.

We acknowledge that significant reductions in our carbon footprint can be made by being proactive when designing our new factories; our Desford factory has reduced its energy consumption per brick by c.30% relative to the old factory it replaced. This is, however, only the start of our ambitions. Applying our Carbon Management Plan to this design process contributes to the blueprint for what could come next for our future manufacturing capacity.



### OUR CARBON MANAGEMENT PLAN

Our carbon management plan has historically focused on our scope 1 and 2 emissions, however as part of our continued stakeholder engagement efforts, helping to understand the ambitions of our whole value chain, discussions with our customers made it clear that scope 3 emission are of equal importance and should feature in our plan to fully realise decarbonisation efforts at product level.

#### Energy efficiency

Our brick business is responsible for the majority of both our energy use and carbon footprint, and as such our experts are working to ensure that the kilns and dryers in our factories are working as efficiently as possible, ensuring that when equipment is replaced, we do so with the most efficient alternative.

#### Process change and resource efficiency

We can reduce the carbon footprint of our products by either reducing the amount of raw materials that go into their production or changing them for lower-carbon alternatives. As outlined in previous Sustainability Reports, this work has continued during the year and we are working on a ‘thin’ brick which can be used in the same way as standard brick, but its shallower profile means that the wall cavity can be increased to allow for additional insulation without needing to increase the overall thickness of the wall to meet future building regulations. Finally, the first extruded brick slips have left our Accrington factory, more information can be found on page 8.

In partnership we have commercialised the production of calcined clay (a cement substitute) from the production waste from our Kings Dyke brick factory. This waste was previously used as an aggregate in our block business. Instead it is now being used as a higher value cement substitute, replacing a proportion of the cement content at a number of our facilities.

#### Renewable power

As a business we continue to use 100% renewable power, from either on-site generation or our solar farm, with the shortfall backed by REGOs.

#### Fuel switching

We are continuing to work on projects to enable us to move from fossil fuels towards renewable solutions and work is progressing on the use of biomass. During the year we carried out our most ambitious trial yet where we fired over half a million bricks at our Kings Dyke factory using wood pellets. The trial was successful in that we were able to replicate most elements of firing under gas conditions, though further work is required in 2026 to overcome some colour issues which led to the product being downgraded.

Additionally, we are pleased to report that in 2025 for the first time, our company car fleet was 100% ULEV compliant, with 29% being fully electric.

## Planet continued

### New factories

Our redeveloped Wilnecote factory is nearing completion and undergoing commissioning and will deliver a significant reduction in gas usage per tonne of product when compared to the factory's previous performance. This is the latest in series of factory improvements which began with the development of our Desford site and we are currently considering options beyond our clay business in continuing to upgrade our manufacturing footprint.

### Zero carbon firing and emerging technologies

Within a brick factory, the drying and firing process can be responsible for up to 60% of its carbon emissions. This therefore forms a fundamental area of focus in our decarbonisation strategy and beyond our efforts with biomass explained previously, we also acknowledge that reaching our 2050 goals will require technology to evolve across many other areas.

We have continued to develop our understanding of how we can take advantage of the opportunity presented by hydrogen and in 2025 we have focused on supply, meeting with numerous developers of green hydrogen generation projects, all of whom are being supported by the Government's Hydrogen Production Business Model. The majority of these will supply relatively low volumes to particular factories requiring the use of tankers for transportation. With more clarity in place regarding supply, we will be continuing our research and development work into the use of both 50% and 100% hydrogen blends on our test kilns during 2026.

In the longer-term we are investigating networked approaches, where proposed infrastructure projects would deliver grid supplied hydrogen direct to some of our factories, we have continued to support the East Coast Hydrogen project and in May 2024 were part of a delegation that met with the previous Government's energy advisors in Downing Street to discuss the need for grid supplied hydrogen for sectors unable to electrify their processes or move closer to a hydrogen producer. This has led to the recent announcement regarding the route of the first stage of their ambitious hydrogen network project which could supply our Kirton factory with hydrogen by mid 2030.

Carbon capture continues to be challenging for our sector, somewhat perversely due to our relatively low volume and concentration of CO<sub>2</sub> but we continue to work with suppliers and innovators in the field so that we are ready to take advantage when these solutions become financially viable.

### ADDITIONAL FACTORS

#### Distribution

Around 5% of our carbon footprint can be attributed to our distribution fleet and we have made great strides over recent years in improving the fuel economy of our vehicles. In order to achieve zero carbon emissions we would need to transition to either electric or hydrogen powered vehicles.

Both electric and hydrogen delivery vehicles for our sector are in their early phase of development and as such are markedly more expensive than a diesel equivalent, and particularly in the case of electric vehicles, have a significantly reduced range especially when carrying heavy loads. The weight of our products generally determines that the vehicles carrying our products reach legal maximum weights for UK roads, with electric vehicles currently better suited to delivering lighter products such as consumer goods.

#### Air quality

Air quality is of growing concern in the UK and we understand that we must do all we can to minimise the impact on the communities around our sites. Our plants are subject to the Environmental Permitting Regulations and must operate in accordance with a permit issued by either the Environment Agency or the Local Authority. Each permit has at least one section focusing on emissions to air, with the regulating authority carrying out inspections to ensure compliance. In addition, the majority of our brick manufacturing facilities are required to carry out annual monitoring on the exhaust from the kiln to demonstrate compliance with any emission limits set out in the permit.

Our Kings Dyke brick factory is located close to an air quality management area, and as a requirement of our permit we have installed, and operate, two ambient air quality monitoring stations. Since their installation in 2008 we have operated in accordance with our permits with no breaches of air quality limits.

#### Waste management

As a business we recognise the value of our raw material resources. Our waste quantities are low (c.100,000 tonnes) and represent about 5% of our production output, however almost all process waste streams are diverted and recycled for use in other products. For example, brick waste created at our Kings Dyke London Brick factory is crushed on-site and becomes a raw material for the neighbouring aggregate block plant, and is now also being further processed and used more widely as a cement substitute. All of our aircrete block production waste is recycled into other products in the business.

As a responsible operator, we comply with all waste management legislation and apply the waste hierarchy using segregation of wastes to ensure that the most appropriate disposal routes are utilised.

#### Biodiversity

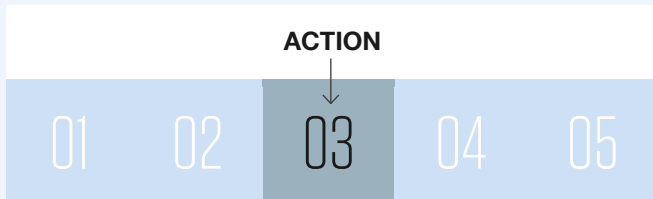
Fragile habitats and associated biodiversity are at risk from climate change and deforestation across the globe. Within the UK, the Government has recognised our diverse range of natural landscapes and habitats, setting out a 25-year environmental plan focused on their protection and enhancement.

We are responsible for almost 2,000 acres of mineral bearing land and are therefore aware of our important role in supporting these national ambitions through the ongoing management, treatment and final restoration of this land after these minerals have been exhausted. Our quarrying operations are covered by planning consents, which include conditions for site restoration in accordance with the local mineral planning authority and taking into consideration local and wider environmental needs.

Depending on future use proposals, the quarry development will often lead to an improvement in the biodiversity value of the land involved, both during operation and when it moves into its restoration phase. The Kings Dyke nature reserve near Peterborough is an excellent example of how exceeding the requirements of the restoration plan has provided a local community asset and enabled a diverse range of habitats to thrive.

Whilst we are not yet reporting in line with the Taskforce on Nature-related Financial Disclosures (TNFD), a review group has been formed with the remit of considering our wider biodiversity agenda and the considerations required around future alignment in this area. We have identified a number of indicators to provide a framework for consideration of land use and environmental change as a result of our quarrying activities, and we support the Council for Sustainable Business Biodiversity commitment.

## Planet continued



### ENGAGEMENT STRATEGY

#### 3.1 – 3.3 Engagement strategy

Outline the approach to engaging with stakeholders, including employees, customers, investors and regulators.

We are proud of our progress and are keen to place our sustainability information in the public domain, ensuring the highest levels of transparency as we engage with our stakeholders.

Ensuring that all of our stakeholders are aware of the business’s ambitions and values has never been more important to us and we communicate this through a number of different routes. For our employees we have regular stand down sessions and the CEO holds ‘Town Hall Talks’ at every site to inform our employees of business initiatives, receive feedback and answer questions relating to employee concerns. We also have quarterly employee forum meetings which are chaired by Martin Sutherland – one of our Non-Executive Directors – allowing nominated representatives of the workforce to discuss issues. And finally, we have the ‘Hear Me’ engagement survey; a key platform for our team members to express their thoughts, challenges, and ideas. A number of our sites operate local liaison committees to ensure that the voices of the local communities are heard and all of our sites operate an open door policy for the local community.

Engagement with customers has been a key factor in a number of decisions made during the year and sessions held with both our commercial and sustainability teams have started to guide strategic decisions when it comes to decarbonisation, particularly in how we measure our efforts, now choosing per m<sup>2</sup> as a meaningful metric to track progress in addition to our current intensity measures.

We also further engaged with our investor base by way of an ‘Investor Audit’, conducted by a third party and giving a group of our top shareholders the opportunity to feedback across a number of areas, including sustainability, helping us ensure their needs are being met and helping to guide our focus moving forwards.

We engage with regulators and government directly or in conjunction with our trade associations where we are active members and chair a number of collaborative committees. Through a combination of these routes we have responded to a number of consultations during the year covering issues such as Landfill Tax, UK ETS Carbon Leakage as well as a framework intended to grow the market for low emission industrial products. In addition, our Head of Sustainability is a member of a technical working group comprising both regulators and operators, which is responsible for the revision of the overarching ceramics sector guidance document for environmental permitting.

#### Describe how progress and updates will be communicated to shareholders

Since 2020 we have been producing a comprehensive Sustainability Report, both in standalone form and within our Annual Reporting. This allows the Group to showcase its sustainability efforts formally, giving shareholders and other stakeholders access to relevant updates regarding our progress.

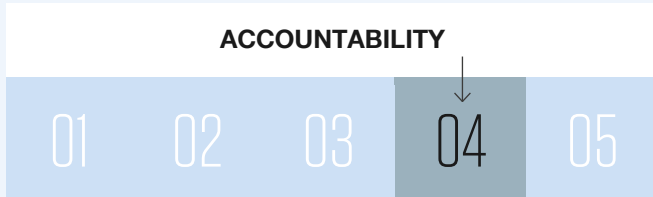
As well as this formal Sustainability Report, sustainability progress forms a core part of our regular communications with shareholders, across investor roadshows, conferences and more ad hoc interactions across the year.

We are committed to actively engaging with a number of sustainability disclosure bodies and rating agencies including CDP, MSCI and Sustainalytics.

In 2025, we are proud to have received a ‘B’ 2025 CDP Climate score, recognising the progress we have made not just in our sustainability efforts, but also how these are disclosed. Whilst our journey towards best practice disclosure is always evolving, maintaining this score is an important result and one we strive to continue to improve.



## Planet continued



### METRICS & TARGETS

#### 4.1 – 4.2 Operational and financial metrics and targets

Collectively, our three pillars guide our future decision-making, ensuring we are successful in our overall objective of being a good neighbour and responsible employer, for generations to come.

It is important to note that our sustainability targets cover all three of our pillars, and whilst this Transition Plan is focused around Climate/ Planet, a number of the targets highlighted in this section reference our equally important People and Product pillars, detailed later in this Report.

#### Our ambitions and targets

The ability to track our progress is essential to realising our sustainability goals and we have considered the most appropriate metrics and targets necessary for users to understand the impacts of our business.

#### 4.3 GHG metrics and targets

In addition to disclosing our absolute greenhouse gas (GHG) emissions, we also provide additional disclosure showing the GHG intensity ratio (level of emissions per tonne of output) for both our clay and concrete products, recognising that absolute emissions vary with the level of our production according to market demand, shown clearly in the current cycle, and as such are not necessarily a meaningful measure of our progress against our targets.

Five years into our 2030 decarbonisation target period, with a number rolling off in 2025, we acknowledge that progress against this will not always be linear. New factories at Desford and Wilnecote are positive milestones in this journey, however risks remain around the speed of technological and infrastructural development required for utilisation of hydrogen in our processes as well as carbon capture.

For the first time in 2025 we have included the additional metric of CO<sub>2</sub>/m<sup>2</sup>, acknowledging the carbon footprint of a façade as a key metric for a large portion of our customers and as such one we should consider actively in our decarbonisation journey.

## OUR SUSTAINABILITY JOURNEY



### 2020-25 ACHIEVEMENTS

#### 30% more efficient

Desford brick factory open

#### Forterra Solar Farm

Generating c.80% of our electricity demand

### 2025 PROGRESS

#### Calcined clay

Utilised as a cement substitute, starting within our own aggregate blocks

#### Fuel switching trials

Working to better understand the use of hydrogen, synthetic gas and biomass within our production processes

### 2025 AND BEYOND

#### Hydrogen

Whilst trials have been undertaken at a small scale, progress in this area will require enhanced infrastructure most likely driven by government policy

#### Carbon capture

We continue to engage with suppliers of carbon capture use and storage technologies (CCUS) monitoring systems in this rapidly developing area

### 2030 TARGETS

→ Read more at [forterra.co.uk/sustainability](https://forterra.co.uk/sustainability)

#### People

Zero harm

#### Climate

27.5%

Absolute reduction in CO<sub>2</sub>

#### Waste

Zero

Waste to landfill




#### Innovation

10%

of revenue from new products

Planet continued

OUR TARGETS

Pillar	Topic	Target	Target type	Target year	Metric	2019	2024	2025	Target	Progress vs. 2019	Comment
<b>PLANET</b> 	Group CO <sub>2</sub> emissions	27.5% reduction vs. 2019 baseline		2030	tonnes	319,296	177,246	<b>195,376</b>	231,489	-39%	Performance against benchmark year reflects market driven reduction in production levels
	Group CO <sub>2</sub> emissions/tonne	32% reduction vs. 2019 baseline		2030	kg CO <sub>2</sub> /tonne	123.4	110.4	<b>109.6</b>	83.9	-11%	2030 target remains reliant on hydrogen/carbon capture developments which are currently constrained by delays in Government strategy and infrastructure
	Clay products CO <sub>2</sub> emissions/ sq metre	n/a		n/a	kg CO <sub>2</sub> /m <sup>2</sup>	30.9	29.9	<b>28.8</b>		-7%	New metric introduced reflecting wider value chain view of our decarbonisation efforts. This measure reflects how customers view our products and reflects the benefits of reducing material content
	Clay products CO <sub>2</sub> emissions/tonne	33% reduction vs. 2019 baseline	PSP	2030	kg CO <sub>2</sub> /tonne	255.6	239.7	<b>232.4</b>	171.3	-9%	2030 target remains reliant on hydrogen/carbon capture developments which are currently impacted by delays in Government strategy and infrastructure
	Concrete products CO <sub>2</sub> emissions/tonne	80% reduction vs. 2019 baseline		2030	kg CO <sub>2</sub> /tonne	21.0	18.8	<b>19</b>	4.2	-9%	Impacted by plant closures at Formpave and Bison Bespoke. Progress reliant on factory upgrades at aircrete facilities
	Power sourced from on-site renewables	10% Group power usage		2025	%	0	3.7%	<b>4.08%</b>	10%		Strategy dictated by solar farm usage which is currently the majority of our power use. Future aspirations in this area to be reviewed in 2026
	Waste to landfill	Zero process waste		n/a	kg/tonne	0.16	0.01	<b>0.01</b>	0.00	-94%	Negligible in 2025 and therefore seen as on track
<b>PRODUCT</b> 	New product index	10% Group revenue		2025	%	0.6%	2.5%	<b>3.0%</b>	10%		New robust calculation established aligned to strategy, updated further in 2025 to include Block and Bison
	Plastic packaging consumed	50% reduction vs. 2019 baseline	PSP	2025	tonnes	1,802	963	<b>1,178</b>	901	-35%	Not met despite market driven reduction in absolute usage. Rollout in reduction initiatives currently paused, ensuring fit for purpose across all areas included Health and Safety
	Plastic packaging	50% reduction vs. 2019 baseline		2025	kg/tonne	0.82	0.66	<b>0.74</b>	0.41	-10%	Not met despite market driven reduction in absolute usage. Rollout in reduction initiatives currently paused, ensuring fit for purpose across all areas included Health and Safety
<b>PEOPLE</b> 	Health and safety – Lost Time Incident Frequency Rate (LTIFR)	Zero harm ambition		n/a	no.	7.35	2.25	<b>0.92</b>	0	-87%	Whilst zero harm is always our goal, 2025 was a pleasing performance
	Membership of 5% Club	5% of employees in earn & learn positions		2025	%	3.2%	3.7%	<b>3.8%</b>	5%	18%	Market downturn has impacted ability to hire into E&L positions whilst also making redundancies

KEY

Ahead of target/target currently met
  Behind target on pro-rated basis
  On track

## Planet continued

### 4.4 Carbon credits

The majority of our emissions are covered under UK ETS and as such our efforts in emissions reduction are aligned with the financial incentives of reducing our compliance obligations under the scheme.

#### Streamlined energy and carbon reporting (SECR)

We have used the operational control approach to determine our organisational boundary for emissions purposes and calculated these emissions based on the UK Government’s Environmental Reporting Guidelines (2019) and emission factors from the DEFRA 2025 Greenhouse Gas (GHG) Conversion Factors for Company Reporting. Scope 2 emissions have been reported using both the location-based method of calculation and, to account for our use of renewable electricity through the purchase of REGOs in prior years, the market-based method for calculation. Our underlying energy use figure has been reported in GWh and includes fuel used in mobile plant, on-site generators and company vehicles. All our facilities are covered by the scope of our ISO 50001 certification which we have held since 2015. This is a third-party audited and certified scheme and has continual improvement at its core. We adopt a number of approaches to maximise energy efficiency; from LED lighting and the installation of variable speed drives on motors, through to the recycling of waste process heat from our kilns to power other areas of the plant.

Streamlined energy and carbon reporting	2025	2024	2023	2019
Scope 1 emissions (location-based) (tCO <sub>2</sub> e)	195,376	177,246	241,598	299,679
Scope 2 emissions (location-based) (tCO <sub>2</sub> e)	9,957	10,812	14,142	19,617
Scope 1&2 emissions (location-based) (tCO <sub>2</sub> e)	205,332	188,059	255,740	319,296
CO <sub>2</sub> e intensity kg per tonne	115.2	117.1	131.2	123.4
Total energy used GWh	635.8	572.9	791.6	956.3
Scope 1 emissions (market-based) (tCO <sub>2</sub> e)	195,376	177,246	241,598	299,679
Scope 2 emissions (market-based) (tCO <sub>2</sub> e)	–	–	14,142	19,617
Scope 1&2 emissions (market-based) (tCO <sub>2</sub> e)	195,376	177,246	255,740	319,296
CO <sub>2</sub> e intensity kg per tonne	109.6	110.4	131.2	123.4
Scope 3 emissions (tCO <sub>2</sub> e)	204,358	196,806	247,348	n/a

## Planet continued

### ACCOUNTABILITY

01 02 03 04 05

### GOVERNANCE

#### 5.1 Board oversight and reporting

Sustainability sits at the heart of everything we do as a business, and as such is at the core of our strategy. Delivery on this strategy, as well as governance and oversight responsibility around climate-related risks and opportunities, ultimately sits with the Board. The Board's Sustainability Committee discharges this responsibility on behalf of the Board.

The Sustainability Committee receives progress updates as to the execution of the Group's sustainability strategy at each of the four committee meetings per year, reviewing ongoing compliance with TCFD requirements and progress against targets. As well as receiving feedback from the Executive Directors, and members of the Executive Committee, the Head of Sustainability and the Head of Health and Safety regularly attend Committee meetings.

The Board's Sustainability Committee includes the following within its terms of reference:

- i. Defining the level of the Group's ambitions with regard to reducing its environmental impact and addressing climate risk;
- ii. Overseeing the development of the Group's sustainability policies, covering both environmental and wider social (people) matters;
- iii. Setting challenging environmental targets in order to meet the Group's goals and monitoring progress against these;
- iv. Monitor the Group's reporting under TCFD, Sustainable Accounting Standards Board (SASB) and other protocols as appropriate;
- v. Overseeing the Group's health and safety performance and progress against its strategy; and
- vi. Ensuring that sustainability policy still satisfies its desired outcomes and evaluating management's performance in implementing policy and achievement against the targets set.

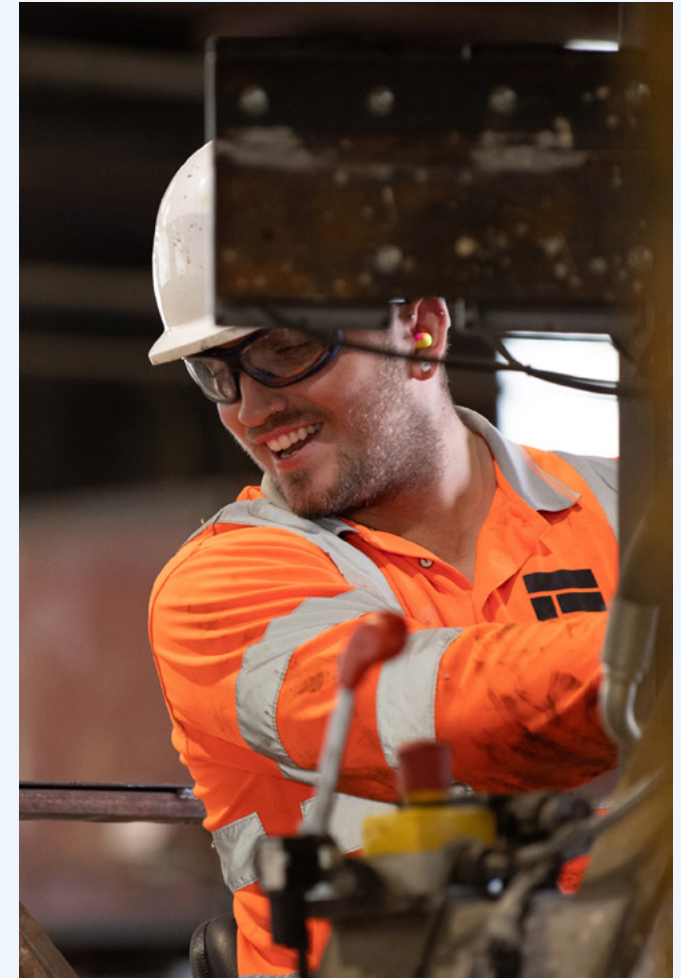
#### 5.2 Management roles, responsibility and accountability

The Group's Head of Sustainability leads the day-to-day sustainability activity and reports to the Chief Financial Officer. The Chief Operations Officer, reporting to the Chief Executive Officer, holds accountability for delivery of the key investments that will facilitate the achievement of our sustainability targets, including reduction of greenhouse gas emissions and reducing our use of plastic packaging. The Group also utilises a bi-monthly sustainability review, with a group comprising the Group's Executive Committee and other members of the senior management team as required. This group is tasked with ensuring that the Company's sustainability ambitions and targets are on track, and that climate-related risks are reported upwards to the Sustainability Committee.

#### 5.3 Culture

We have been reporting sustainability-related metrics and progress for over 20 years (including previous corporate structures and ownership) and therefore at site level it is business as usual that we strive to produce the best quality products with the minimum use of resources. However, to achieve the step change required to meet net zero, we also have a strong leadership team starting at the top of the business with the Board providing oversight and ensuring accountability against our corporate targets.

This approach is underpinned by our corporate values which embrace innovation, collaboration and excellence, to enable us to produce the most sustainable products in the most efficient manner whilst being an important part of the communities we operate in.



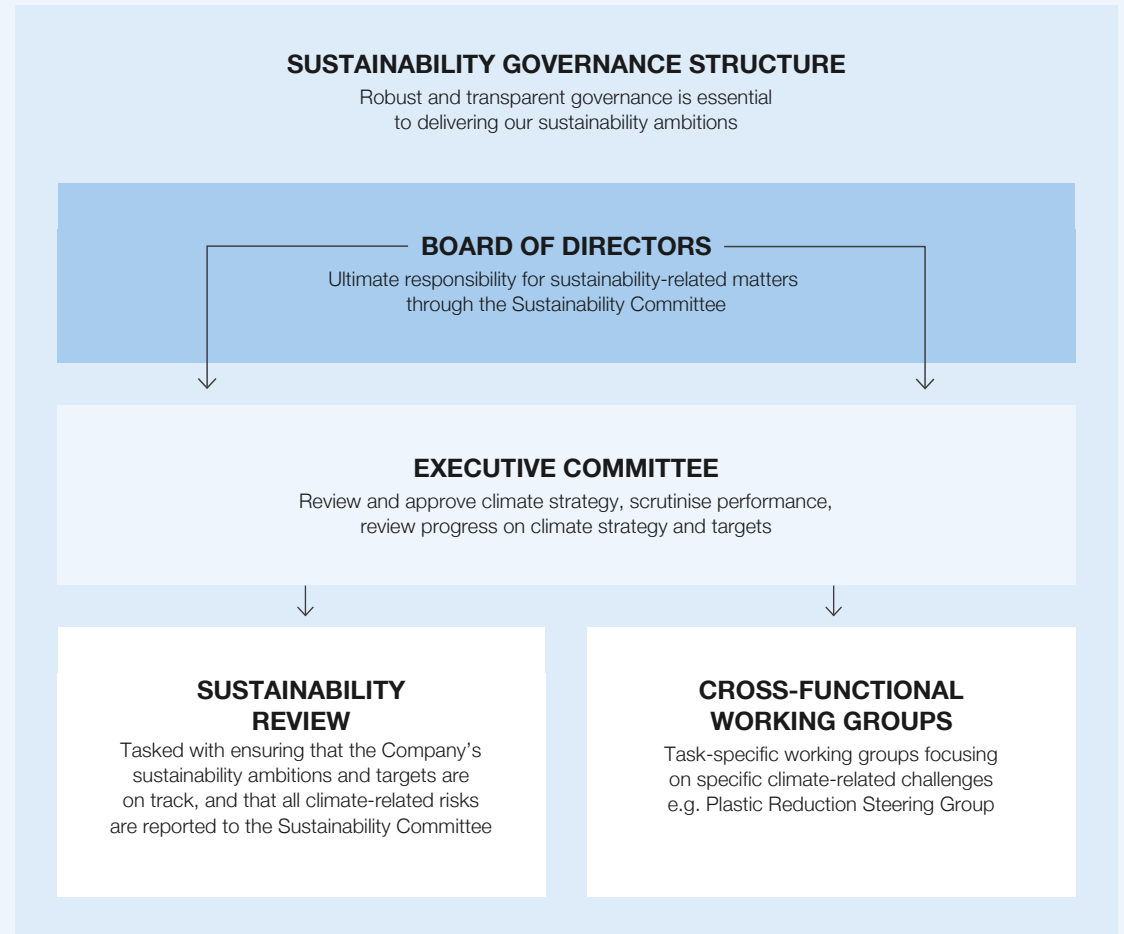
## Planet continued

### 5.4 Incentives and remuneration

The importance attached to sustainability both within our own business and by our stakeholders is evidenced by the inclusion of sustainability-related targets within the Group’s remuneration structure. Sustainability and innovation driven targets may be included as personal objectives in the Annual Bonus Plan in addition to the inclusion of a sustainability target within the performance targets applied to the long-term incentives granted under the Performance Share Plan.

### 5.5 Skills, competencies and training

Our sustainability team has a vast experience of sustainability within the manufacturing sector and is a central resource which provides support to all aspects of our business from operations through to technical sales. Our business recognises that our people require the necessary knowledge and skills to carry out their tasks in a competent, responsible and safe manner. This is achieved by providing training to key personnel and then disseminating this information to site teams via toolbox talks. All of our sites have at least one person who has attended our three-day sustainability training course, which is accredited by the Institute of Sustainability and Environmental Professionals (ISEP) but tailored to the challenges facing our business. We will continue to roll this training out to ensure that sustainability is firmly embedded within our business.



## Risk and Opportunities

### Risk management

*Risk identification: Identify the key risks associated with the Transition Plan.*

Our wider risk management protocols are explained in detail within the Risk Management and Key Risks section of this Annual Report which can be found starting on page 62.

Climate-related risks are captured within our existing risk management process. And we use an expanded risk scanning horizon to allow the capture of longer-term climate-related risks which may not have an immediately measurable financial impact. In identifying climate-related risks, in accordance with the recommendations of TCFD, we have identified both the transitional risks associated with adapting our business to a lower-carbon economy, along with both the longer-term acute risks associated with increasing severe weather events and the physical risks of long-term climate change such as rising sea levels. Our scenario-based analysis, as previously shown, considers both risks and opportunities as well as the different time horizons over which they may impact.

A full list of the risks and opportunities identified as part of this work is available on our website and in previous reports, and opposite summarised are what we deem the most material risks, and the timeframe within which they are deemed to relate under each climate scenario. The impact of these risks within our financial reporting has been additionally considered, and given the mid-long-term nature of the majority of our material risks below, we anticipate climate-related risks will not materially impact the Group in the short-term. Therefore, whilst considered, we do not believe there to be any impact within our modelling for viability purposes.

### KEY

Short: 0-3 years      Mid: 3-10 years      Long: 10-25 years

Topic	Scenarios		
	1.5°C	2.0°C	4.0°C
<b>Transitional risk</b>			
<b>Policy and legal</b> The most material risks relating to our business as a result of changes in policy or legislation relate to the potential for setting mandatory embodied carbon limits for construction products and an increase in financial liability as a result of increasing cost of carbon credits or reductions in free allowances. <b>Metric link:</b> relevant metrics around carbon intensity found on page 59.	Short	Mid	Long
<b>Market</b> As consumers become increasingly aware of the impacts of climate change and their ability to be a positive influence there is an expectation of a trend towards greener processes and products. This may however be offset by the opportunity that presents around thermal mass and the desire to make homes more energy efficient. <b>Metric link:</b> relevant metrics around carbon intensity and new products index found on pages 59 and 60.	Short	Short	Mid
<b>Technology</b> Potential demand impact as we await low-carbon technologies becoming available for our sector. This may then lead to reduced access to capital to implement the necessary changes in our production methods. <b>Metric link:</b> relevant metrics around carbon intensity, renewables and low emissions vehicles found on page 59.	Mid	Mid	Long
<b>Reputational</b> The Forterra brand could be materially impacted as a result of negative perceptions around our products should lower-carbon alternatives become available with similar performance characteristics. This could lead to a shift in consumer preferences to these competing materials. <b>Metric link:</b> relevant metrics around carbon intensity found on page 59.	Mid	Mid	Long

Topic	Scenarios		
	1.5°C	2.0°C	4.0°C
<b>Physical risk<sup>1</sup></b>			
<b>Acute</b> There has been an increase in extreme weather events such as flooding over the last few years. While this poses a risk to our sites in terms of flash flooding in the longer-term, there is also a future opportunity where construction methods favour durable materials such as clay brick and concrete products.	n/a	n/a	Long
<b>Chronic</b> We recognise that the risk of rising sea levels triggered by increase in temperature will potentially lead to some area of the country becoming unsuitable for housing, leading to a requirement for increased housing elsewhere to compensate.	n/a	n/a	Long

1. Noting their long-term horizon, we do not currently report any relevant metrics in relation to our physical risks.

# Product



## PRODUCT INNOVATION

### Sustainability-driven innovation

Sustainability underpins our innovation strategy and is the primary driver of our product development pipeline. The need for lower-carbon, resource-efficient construction solutions shapes how we prioritise research and development, from incremental improvements to existing products through to new, transformative systems and construction methodologies. We focus on solutions that reduce environmental impact while meeting customer requirements for performance, quality, and build efficiency.

Key aspects:

- Carbon reduction underpins our ambition to reach net zero by 2050.
- Innovation targets material efficiency, waste reduction, and improved job site productivity.
- We are increasing our product offer to support off-site and prefabricated construction, enabling faster, lower-carbon builds.

These priorities guide our innovation funnel, ensuring new solutions deliver both environmental and practical benefits.

### Housebuilding solutions

Housebuilding is a critical sector for our business, facing an increasingly stringent regulatory environment, particularly with enhanced Part L standards and the Future Homes Standard. Meeting these requirements alongside ongoing challenges, maintaining build efficiency, managing costs, and addressing skilled labour shortages requires close collaboration.

We are working with housebuilders to deliver:

- Incremental product improvements: e.g., increasing brick perforations by approximately 10% reduces embodied carbon without compromising performance.
- Material-efficient systems: e.g., reduced-section T-Beams for the Jetfloor insulated floor system, using less concrete while enhancing insulation performance.



- Collaborative development of low-carbon solutions: co-creating products to help customers meet regulatory requirements while maintaining build efficiency.

Trials with housebuilders are also underway, representing a longer-term opportunity to test applications, gather insights, and co-create solutions that could reduce carbon and improve build efficiency while remaining compatible with traditional construction practices.

### Omnia brick slips

During the year, Forterra launched its Omnia brick slip system, designed for non-residential and high-rise projects. Key features:

- Purpose-made, extruded brick slips rather than cutting traditional bricks and discarding the remainder.
- Reduces material waste during manufacturing and reduces embodied carbon, whilst preserving the aesthetic qualities of traditional brickwork.
- KIWA certified, providing assurance of high performance for high-rise applications.
- Supports faster assembly and reduces reliance on skilled labour on-site.

### Reducing cement use

Cement is a major contributor to global carbon emissions. Forterra is taking steps to reduce its impact:

- Several factories have transitioned to lower-carbon cement (CEM II), blending cement with limestone to cut embodied CO<sub>2</sub> by up to 16%.
- Development of calcined clay from processed brick waste provides an alternative to cement, rolled out across Forterra's concrete business and externally.

Forterra's partnership-led, sustainability-driven approach ensures innovation delivers measurable environmental benefits while meeting practical customer needs. By combining incremental improvements, co-created solutions, and breakthrough products such as Omnia, Forterra continues to respond to regulatory challenges, improve jobsite productivity, and maintain the aesthetic and performance qualities that define its brick and other masonry products.

## Product continued

### PACKAGING

One of our mid-term targets has been to reduce the amount of packaging we use as a business. This has proved challenging and we have currently achieved a 10% reduction versus our 50% target. The purpose of our packaging is to ensure that the product arrives at the customer's point of use safely, in good condition and ready to be used; it is pivotal that any future packaging solution provides all these elements. Whilst making slower progress than previously hoped, a robust approach to testing and trials and our unwavering commitment to health and safety has ultimately guided our progress.

We have spent the last three years identifying and installing solutions at some of our facilities which have reduced the amount of packaging by up to 55%, however these solutions do require a step change in how the product is handled and stored throughout its journey from factory to point of use. As a result the final deployments have been delayed while we determine how these packaging reductions impact our stakeholders.

### PRICING INTEGRITY AND TRANSPARENCY

We recognise that in many of our product categories our markets are characterised by a small number of large businesses, operating nationally, and enjoying large market share positions. In order to ensure the highest standards of integrity, we enforce a zero-tolerance approach to any anti-competitive activity.

All relevant managers and commercial employees are required to undertake annual online compliance training on both competition law and anti-bribery, with controls in place to record correspondence and communications with competitors.

The fines that can be levied on companies which are found to have breached competition law can reach 10% of annual turnover and companies can face damages claims from those wronged by anti-competitive actions. The risk of such fines, even if senior management were unaware of such behaviours, means that compliance and monitoring obligations are taken extremely seriously.

### ETHICAL AND SUSTAINABLE PROCUREMENT

The procurement of third-party materials and services are critical to our value chain. In 2025 this expenditure totalled over £265m, including materials such as steel, insulation, cement, aggregates, pulverised fuel ash (PFA) and products used in our flooring solutions. Our environmental footprint is minimised through a focus on local sourcing with the majority of our materials procurement (excluding capital items) being UK-sourced, minimising environmental impacts of cross-border transport logistics.

Our procurement management system is audited as part of our ISO 14001 and ISO 9001 accreditations. Compliance plays a key role within the system, covering over 1,400 suppliers' strict adherence with a range of governance topics including anti-slavery, bribery, competition law, data protection and equal opportunities. We adopt the Ethical Trading Initiative code of practice to ensure that worker rights are protected as part of the supplier onboarding process, and this is continuously reviewed.

Larger suppliers are required to meet relevant ISO standards including ISO 9001, ISO 14001 and ISO 45001, or equivalent, for example, all timber procured is FSC accredited. Our health and safety team assists and develops suppliers' standards to help them improve their own safety procedures where necessary.

### SUSTAINABLE SOURCING

Operating responsibly, both environmentally and ethically, extends well beyond our site boundaries. For some of our products, the most significant risks and impacts arise within the supply chain, particularly in relation to the sourcing of raw materials. To provide assurance to our customers, we were an early adopter of the BRE BES 6001 Responsible Sourcing Framework Standard, which has been applied to our products for over 15 years. The standard is independently audited annually, and assesses our performance across supply chain management, organisational governance, and sustainable development. Certification to BES 6001 gives our customers confidence that the materials we procure and the products we manufacture are sourced and produced responsibly. It also enables customers to claim credits within the BREEAM suite of construction standards, supporting their own responsible procurement and sustainability objectives.



# People



## PEOPLE

Our people are at the heart of everything we do. With a workforce of c.1,500 employees across the UK, we are proud to foster a workplace that prioritises engagement, growth, and inclusivity. Over the last year we made significant strides in reinforcing a culture where every individual can thrive and contribute to our success.

### HEALTH, SAFETY AND WELLBEING

The continuous improvement of our health and safety performance remains our number one priority, working towards our goal of zero harm and an 'interdependent' safety culture where all colleagues actively look after not only their own safety and wellbeing but also that of others. We recognise that our workforce is our greatest asset and strive to provide a working environment that is free of accidents and has a proactive awareness and support for positive physical and mental health.

2025 was the first year of our new health, safety and wellbeing strategy Base to Brilliant. The strategy is intended to move the business beyond legal compliance and defines expectations to achieve our interdependent safety culture goal. It is set in three parts (bronze, silver, gold), so the steps of the journey are structured, clear and follow a pathway of continuous improvement. All the sites were assessed against bronze requirements to establish the initial baseline and then worked to achieve the criteria. All sites showed progress as the year progressed and two achieved bronze status by year-end. All sites will use the Base to Brilliant strategy when setting out future objectives and targets in the coming years.

### SAFETY

In 2025, we maintained our certification to the ISO 45001 occupational health and safety management system standard with a programme of robust internal and external audits to ensure continued adherence. This was the end of the three-year certification cycle and had a significant focus on senior management commitment alongside the usual adherence to company policies and legal requirements.



### VISIBLE FELT LEADERSHIP (VFL) CASE STUDY

After our Executive Committee and Board members participated in our VFL training programme during 2024, we moved the focus to our operational management teams in 2025. We trained over 180 front line leaders through the year on how to conduct a safety observation and set them a target of completing at least two formal written conversations a month. By the end of the year we had recorded almost 2,500 individual conversations where HS&W was the core focus of the interaction. This focus drives the health and safety message across the business and helps encourage a psychologically safe work environment where open conversations about safety are a normal part of work. Most conversations are positive and a chance to say thanks to colleagues for working safely and recognise the good work being completed.

Our Lost Time Incident Frequency Rate (LTIFR) in 2025 showed significant improvement running at 0.92 incidents for every million hours worked, compared to 2.25 in 2024 and 3.24 in 2023. This is the lowest LTIFR rate the business has recorded since inception and shows our continued focus on zero harm and positive wellbeing is really starting to take effect. Of the 26 separate business areas monitored, 23 were Lost Time Incident (LTI) free during 2025, six have been LTI free for over three years, seven for over five years and three for over 10 years.

### TRAINING

We continued to provide a range of health and safety-related training, with key highlights within the year being:

- Our visible felt leadership and safety observations training programme;
- For the 8th successive year, running an in-house National Examining Board for Occupational Safety and Health (NEBOSH) Certificate course with 7 delegates attaining the qualification within the year;
- 2 Institute of Occupational Safety and Health Managing Safely courses run; and
- Our colleagues continued to be provided with training, specifically the Institute of Occupational Safety and Health (IOSH) one-day working safely course alongside the traditional risk assessment and standard operating procedure training.

### HEALTH AND WELLBEING

We continued our journey to promote positive mental health and wellbeing throughout 2025. We again targeted three nationally recognised campaigns where the business brought colleagues together to discuss mental wellbeing and encourage healthy conversations. These were:

- 'Time to Talk Day', an event run by Mind and Rethink Mental Illness to encourage open conversations about mental health, break stigma, and show people they aren't alone, by starting simple chats with friends, family, or colleagues to listen and offer support.
- Mental Health Awareness Week, with the theme of 'community'. This raised awareness on the positive impact being part of a safe, positive community can have, how we thrive when we have strong connections with other people and supportive communities that remind us, we are not alone.
- World Mental Health Day, with the theme being access to services – mental health in catastrophes and emergencies. and workplace mental health. The theme highlights the importance of people being able to protect their mental health in times of global instability.

## People continued



### SITE SAFETY DAYS CASE STUDY – A NEW APPROACH

In 2025 we took a new approach to colleague awareness and engagement, by holding health, safety and wellbeing awareness days at each factory. These replaced the single national event held previously, meaning a greater number of operational colleagues attended an event rather than a selected few.

The days were structured around common themes including incident performance, common incident injuries and colleagues’ opinions on HS&W, with each factory also able to focus on site specific subject matter with key messages to be linked to the Base to Brilliant strategy. External presenters delivered sessions on themes including the wider impacts of an accident, personal health and wellbeing and dependent safety culture, where colleagues were provided with tools and knowledge on how to protect their own safety, the precursor to interdependent culture.

The Group continued to offer pro-active support for physical health and wellbeing with its external partners including occupational therapy, health checks and physiotherapy to keep our colleagues physically fit and well. This is all part of our messaging focused on looking after ourselves, so we turn up to work right and are prepared to speak up and offer support to each other in times of need. This was in addition to the statutory medicals received by all operational colleagues at our sites.

### HEALTH AND SAFETY AWARDS

As in previous years, we submitted best practice entries into the Ceramics UK Pledge awards. In 2025 we received 11 individual recognition awards, eight open category awards and two awards in conjunction with our contractors.

### EQUALITY, DIVERSITY AND INCLUSION

Creating a workplace where people from different backgrounds, experiences and perspectives can succeed continues to be an important priority for the Group. We recognise that improving diversity and strengthening inclusion supports better decision-making, performance and culture. Further information on diversity at Board level is included in the Corporate Governance Statement on page 84.

The construction materials sector remains heavily male dominated, and widening participation in operational and technical roles continues to require focused effort. During 2025 we saw positive movement in female representation at management level. Women now hold 26% of management roles (defined as direct reports to Executive Committee members), compared with 18% in the prior year, while overall female representation across the workforce remains at 12%. Gender Pay reporting is included within the Annual Report on Remuneration on pages 120 and 121.

A key area of focus during the year was reinforcing standards of behaviour and awareness across the business. We rolled out Equality, Diversity and Inclusion and Sexual Harassment training to colleagues across the Group, aimed at increasing understanding, supporting inclusive behaviours, and ensuring a clear and consistent approach to maintaining a respectful working environment. This programme will continue into 2026 as we extend coverage further across the workforce.

We also reached an important milestone within our early careers programme with the appointment of our first female mechatronics apprentice. Increasing representation in engineering and operational roles is a long-term focus, and visible role models play an important part in encouraging more women to consider careers in these areas. We will continue to build on this progress as part of our broader inclusion priorities.

We remain committed to ensuring that colleagues of all abilities can contribute and succeed. Our approach includes providing appropriate workplace adjustments and maintaining a working environment free from discrimination, harassment or bias. All colleagues are expected to treat one another with dignity, fairness and respect.

### EMPLOYEE EXPERIENCE

The Employee Forum continued to run throughout the year, with representation from across the Group. Meetings provide an opportunity for open dialogue between colleagues and senior leadership, with CEO Neil Ash and Non-Executive Director Martin Sutherland attending sessions and feedback shared with the Board.

Employee engagement remains a key focus and forms part of a structured, multi-year approach to listening and action planning that began when we introduced our Group-wide survey in partnership with Gallup, a global employee engagement and analytics organisation, in 2021. During 2025 we continued to build on this foundation, using feedback to inform both Group and local initiatives.

**Milie Gibbons**  
Mechatronics Apprentice

“Don’t give up if it feels intimidating because you’re a woman – you’re just as capable as anyone else if you work hard and keep asking questions. Forterra felt welcoming and like a place where there was space for me to fit in and excel.”

## People continued

Our most recent employee survey saw participation increase to 85%, reflecting strong levels of involvement across the business. The overall engagement index improved to 3.83, indicating positive movement in how colleagues experience working at Forterra.

Improvements were particularly evident in areas linked to recognition and development. Scores increased for questions relating to receiving recognition and having conversations about individual progress. These results align with actions taken during the year, including the introduction of a new Group-wide employee recognition scheme designed to make it easier for colleagues to acknowledge one another's contribution.

Feedback from the survey also informed broader improvements to how we support learning and communication. During the year we began work on a new Learning Management System, Forterra Academy, which went live in early 2026 and provides a more accessible and structured platform for development. In response to colleague feedback regarding communication and understanding of business priorities, we are also exploring more collaborative communication channels to strengthen connection across the Group.

Alongside Group-wide initiatives, managers across the business are encouraged to develop local engagement action plans tailored to the needs of their teams and sites. This approach ensures that feedback is addressed both at Group level and within individual areas of the business.

Our next employee survey will be conducted in late 2026, maintaining the 18-month cycle to allow sufficient time for actions to be embedded and their impact assessed.

### GENDER DIVERSITY

#### DIRECTORS OF THE COMPANY



62% MALE  
38% FEMALE

#### EXECUTIVE COMMITTEE<sup>1</sup>



57% MALE  
43% FEMALE

#### DIRECT REPORTS OF THE EXECUTIVE COMMITTEE



76% MALE  
24% FEMALE

#### COMBINED EXECUTIVE COMMITTEE AND DIRECT REPORTS



73% MALE  
27% FEMALE

#### TOTAL EMPLOYEES OF THE GROUP



88% MALE  
12% FEMALE

1. Company Secretary has been included under Executive Committee.

## People continued

### PEOPLE DEVELOPMENT

Developing the skills and capabilities of our workforce remains central to building a resilient and high-performing organisation. During 2025 we continued to strengthen our approach to leadership, capability development and early careers pathways across the Group.

We built further on the competency frameworks introduced for our manufacturing leadership teams, supporting clearer expectations and more structured development planning. Insights Discovery and 360° feedback also continued to form part of our leadership development approach, with a further 50 colleagues across graduate, commercial, operational and finance roles completing Insights Discovery during the year. These tools help individuals better understand their working styles and support more effective collaboration across teams.

Talent and succession planning remained a focus throughout the year. Ongoing career conversations and talent reviews support visibility of future capability needs and help ensure that we are developing colleagues for critical and business-essential roles across the organisation.

A key area of progress during 2025 was the continued development of our early careers and apprenticeship pathways. We welcomed six graduates into the 2025 cohort, our largest graduate intake to date, alongside 11 mechatronic apprentices, two machining apprentices and one quantity surveyor apprentice. In addition, 19 existing colleagues were progressing through apprenticeship programmes in earn and learn positions, bringing the total number of colleagues undertaking formal development programmes during the year to 40. 12 colleagues successfully completed apprenticeship programmes during 2025, further strengthening capability across the business.

Graduates from previous cohorts continue to progress into roles across commercial, operational, engineering, finance and logistics functions, demonstrating the long-term value of investing in early careers development and structured career pathways.

Our broader learning and development offer continued to evolve, supported by the introduction of Forterra Academy, our new Learning Management System, which provides improved access to learning resources and a more consistent approach to development across the Group.

### HUMAN AND LABOUR RIGHTS

We recognise our responsibility to help prevent modern slavery and human trafficking within both our own operations and our wider supply chain. The Group meets its obligations under relevant Modern Slavery and Human Rights legislation through established Company policies, governance processes and formal declarations. Our Anti-Slavery Policy sets clear expectations for suppliers, requiring them to meet the same standards we apply within our own business.

The Board values and appreciates the contribution made by all employees at every level and is committed to protecting and respecting human rights. Each employee is treated fairly and equally, and the Group has measures in place to ensure that the Group is free from discrimination. Throughout the Group there is a zero-tolerance approach to any form of harassment or bullying, forced or involuntary labour, and child labour in any form. The Board is invested in the development of employees and has put in place measures to protect both their physical and mental wellbeing. The Group embeds its commitments to the protection of human rights through its Anti-Slavery and Human Trafficking Policy.

We continue to be an accredited member of the Living Wage Foundation. Paying the real Living Wage reflects our belief that a fair day's work should receive fair pay and supports our ability to attract and retain colleagues across the business.

### LOOKING AHEAD

As we move into 2026, our focus will continue to centre on strengthening capability, engagement and inclusion across the Group. Our priorities are to:

- Continue to develop early careers and apprenticeship pathways, strengthening our pipeline of future talent and creating clearer entry routes into operational, technical and commercial roles;
- Expand access to learning and development through the further embedding of Forterra Academy, supporting role-relevant learning, clearer career pathways and increased visibility of development opportunities;
- Strengthen talent and succession planning processes to ensure we are developing colleagues for critical and business-essential roles across the organisation;
- Enhance communication and engagement by modernising channels and encouraging more two-way dialogue, helping colleagues feel informed, connected and able to contribute;



- Continue to evolve our approach to reward and recognition, ensuring it is transparent, consistent and aligned to performance;
- Build a more inclusive working environment by maintaining focus on equality, diversity and inclusion, and ensuring colleagues feel valued, supported and able to succeed at every stage of their career; and
- Improve the use of people data and insight to support informed decision-making and provide leaders with greater visibility of workforce trends and priorities.

We recognise that the long-term success of the business is closely linked to the capability, engagement and wellbeing of our people, and these priorities will guide our continued progress.

## People continued

### Local community and charity engagement

While our products help shape the built environment, we are also mindful of our impact on the communities near our sites – the towns and villages where many of our colleagues live. During 2025, we continued to support local and national causes through targeted community initiatives, product donations and Group-wide fundraising activity.

### Local community initiatives

During the year, we launched a Local Charity Initiatives Scheme, enabling individual factory locations to support causes that matter most within their local communities. This approach allowed managers to access dedicated funding for grassroots organisations, including youth groups, food banks, sports clubs and environmental projects.

Support included donations to the Chilterns Neuro Centre, helping to fund physiotherapy, occupational therapy and wellbeing support for people living with neurological conditions, and to The Spring Charity in Northamptonshire, supporting vulnerable families with young children through early intervention, practical support and community programmes.

We also contributed to the remediation of Kings Dyke nature reserve, working with local stakeholders to stabilise the hillside following geotechnical challenges and help restore a valued public space for community use.

### Grassroots sport and youth initiatives

We continued to support grassroots sports organisations, providing financial assistance for clubhouse refurbishments, pitch maintenance and equipment. Funding also helped Whittlesey Manor Bowls Club relaunch its under-25s team, encouraging younger people into the sport, and supported new safety equipment for a local trampoline gymnastics academy near our Northampton headquarters.

### Product donations

During 2025, product donations continued to support major community construction projects. Through our partnership with Band of Builders, Forterra materials were used in a home extension project for a former construction worker who had been left paralysed, helping volunteers deliver a life-changing adaptation. We also supported BBC DIY SOS projects, supplying beam and block flooring and additional bricks to help create safer, more accessible homes for families with complex needs.



### Corporate charity and fundraising

We continued to support Cancer Research UK as our corporate charity partner, with colleagues across the business taking part in a wide range of fundraising activities. In total, we raised over £44,000 for Cancer Research UK during the year, supported by our Charity Match scheme which doubles funds raised by employees. A standout contribution came from the 524-mile Beaune Cycle Challenge, where a team of colleagues undertook an endurance ride to raise funds for Cancer Research UK.

Beyond our corporate charity partnership, employees raised funds for a range of other causes through individual and site-led initiatives. Participation in events such as the Great North Run supported colleagues' chosen charities, while teams across the business also supported national campaigns including Macmillan Coffee Mornings, Children in Need, Red Nose Day and the RBL Poppy Appeal.

Colleagues also took part in the Jewson Dragon Boat Race alongside industry partners, contributing to funds raised for Band of Builders and Whiteley's Retreat Children's Hospice.



### Employee wellbeing

Supporting the health, safety and wellbeing of our workforce remains an important priority. During 2025, we delivered monthly internal awareness campaigns focused on topics such as early cancer detection, mental health, healthy living and general wellbeing. These initiatives provide colleagues with practical information to help them maintain healthy lifestyles and recognise key warning signs.

Wellbeing continued to be integrated into plant Safety Days across the Group, with sessions highlighting the importance of physical health, mental resilience and staying alert to potential health risks, reinforcing the link between safety and overall wellbeing.

## Our Reporting Detail

### Group sustainability reporting

The following table covers our wider sustainability metrics, which are aligned where possible to the SASB disclosure for construction materials. We will continue to review this data suite on an ongoing basis for future reporting periods.

Additional disclosure			2025	2024	2019
Pillar	Topic	Metric			
Planet	Carbon emissions (scope 1, 2 and 3)	tonnes	<b>399,734</b>	374,052	
Planet	Group CO <sub>2</sub> emissions (scope 1 and 2)	tonnes	<b>195,376</b>	177,246	319,296
Planet	Carbon emissions (scope 1)	tonnes	<b>195,376</b>	177,246	299,679
Planet	Carbon emissions (scope 2)	tonnes	–	–	19,617
Planet	Carbon emissions (scope 3)	tonnes	<b>204,358</b>	196,806	
Planet	Group CO <sub>2</sub> emissions (scope 1 and 2)	kg CO <sub>2</sub> /tonne	<b>109.56</b>	110.37	123.40
Planet	Clay products CO <sub>2</sub> emissions (scope 1 and 2)	kg CO <sub>2</sub> /tonne	<b>232.41</b>	239.72	256.00
Planet	Concrete products CO <sub>2</sub> emissions (scope 1 and 2)	kg CO <sub>2</sub> /tonne	<b>19.02</b>	18.80	20.90
Planet	Clay products CO <sub>2</sub> emissions (scope 1 and 2)	kg CO <sub>2</sub> /m <sup>2</sup>	<b>28.75</b>	29.94	30.9
Planet	Scope 1 emissions covered under emissions-limiting regulations	%	<b>86</b>	86	88
Planet	Energy consumption	MWh	<b>635,803</b>	572,931	956,266
Planet	Energy consumption	GJ	<b>2,288,892</b>	2,062,552	3,442,558
Planet	Energy consumption	kWh/tonne	<b>357</b>	357	369
Planet	Energy sourced from alternative sources	%	–	–	
Planet	Electricity sourced from on-site renewables	%	<b>4.1</b>	3.7	
Planet	Electricity from renewable sources	%	<b>100.0</b>	100.0	
Planet	Percentage energy from grid electricity	%	<b>8.5</b>	8.8	8.0
Planet	Percentage of power from grid electricity	%	<b>95.9</b>	96.3	100.0
Planet	Ultra low emission vehicles (cars)	% of fleet	<b>100.0</b>	95.4	
Planet	Delivery fleet efficiency	mpg	<b>8.4</b>	8.4	7.5
Planet	Air quality – NO <sub>x</sub> emissions	tonnes	<b>201</b>	152	
Planet	Air quality – SO <sub>x</sub> emissions	tonnes	<b>3,213</b>	3,267	5,783
Planet	Air quality – particulate matter (PM10)	tonnes	<b>131</b>		
Planet	Air quality – dioxins/furans	tonnes	<b>n/a</b>		
Planet	Air quality – volatile organic compounds (VOCs)	tonnes	<b>n/a</b>		
Planet	Air quality – polycyclic aromatic hydrocarbons (PAHs)	tonnes	<b>n/a</b>		
Planet	Air quality – heavy metals	tonnes	<b>n/a</b>		
Planet	Total water withdrawn	m <sup>3</sup>	<b>412,701</b>	400,803	
Planet	Total water consumed	m <sup>3</sup>	<b>412,701</b>	400,803	
Planet	Water withdrawn in areas with high or extremely high baseline water stress	%	<b>40</b>	48	
Planet	Water consumed in areas with high or extremely high baseline water stress	%	<b>40</b>	48	

## Our Reporting Detail *continued*

Additional disclosure					
Pillar	Topic	Metric	2025	2024	2019
Planet	Mains water	m <sup>3</sup>	278,338	249,795	287,101
Planet	Mains water	litres/tonne	156.09	155.54	111.00
Planet	Waste generated	tonnes	71,985	112,637	107,609
Planet	Waste to landfill	kg/tonne	0.01	0.01	0.16
Planet	Waste recycled	%	99.1	99.4	99.0
Planet	Hazardous waste generated	tonnes	163	116	88
Planet	Hazardous waste generated	%	0.2	0.1	
Planet	Terrestrial land area disturbed	hectares (ha)	540	527	
Planet	Impacted area restored	%	–	–	
Product	New product index (revenue from new products)	% revenue	3.5	2.5	
Product	Percentage of products that qualify for credits in sustainable building design and construction certifications	%	100	100	
Product	Total addressable market and share of market for products that reduce energy, water or material impacts during usage or production	%	n/a	n/a	
Product	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and antitrust activities	£	–	–	
Product	Plastic packaging consumed	tonnes	1,178	963	1,802
Product	Plastic packaging consumed	kg/tonne	0.74	0.66	0.82
People	Health and safety – lost time incident frequency rate (LTIFR)	no. of accidents per million hours worked	0.92	2.25	7.35
People	Total recordable incident rate (TRIR) (direct employees)	rate per 200,000 hours worked	1.10	1.28	
People	Near miss frequency rate (NMFR) (direct employees)	rate per 200,000 hours worked	7.70	9.70	
People	Total recordable incident rate (TRIR) (contract employees)	rate per 200,000 hours worked			<i>included within direct employees</i>
People	Near miss frequency rate (NMFR) (contract employees)	rate per 200,000 hours worked			<i>included within direct employees</i>
People	Number of reported cases of silicosis	no.	–	–	
People	% employees in ‘earn and learn’ positions	%	3.79	3.71	3.20
People	Apprentices	no.	30	22	31
People	Graduates	no.	6	1	7
People	Charitable contributions	£	70,761	34,194	41,370
Output data					
Pillar	Topic	Metric	2025	2024	2019
Product	Output clay products	tonnes	756,604	665,659	1,129,173
Product	Output concrete products	tonnes	1,026,617	940,315	1,459,242

Our Reporting Detail *continued*

# NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

This section of the strategic report constitutes Forterra plc’s Non-Financial and Sustainability Information Statement, produced to comply with Section 414CB of the Companies Act 2006. The requirements are addressed in this section by means of cross-referencing to indicate which sections of the narrative they are embedded. Our policies can also be found at [www.forterrapl.com](http://www.forterrapl.com).

Non-Financial Information	Section	Pages
Description of our Business Model	Our Business Model	18
Principal Risks and Uncertainties	Risk Management and Key Risks	62-68
Non-Financial KPIs	Key Performance Indicators/Sustainability Report	26, 47, 59-60
Climate Related Financial Disclosures	Sustainability Report	32-60

Area	Key policies	Further information regarding related risks and performance
Employees	Health and Safety Policy, Health and Wellbeing Policy, Flexible Working Policy, Maternity Leave Policy, Paternity Leave Policy, Adoption Leave Policy, Bereavement Policy, Diversity, Inclusion and Respect at Work Policy	54-58
Climate Related Matters including TCFD disclosures	Sustainability Policy	33, 39-51, 59-60
Human Rights	Anti-Slavery and Human Trafficking Policy	57
Social Matters	Code of Business Conduct Policy	54-60
Anti-bribery and Corruption	Bribery Act Policy, Conflicts of Interest Policy, Whistle Blowing Policy, Competition Law Policy, Gifts and Hospitality Policy	53, 93
Business Model	—	18
Principal Risks	—	62-68

# Risk Management and Key Risks

## OVERVIEW

Effective risk management is critical to successfully meeting our strategic objectives and delivering long-term value to our shareholders. Instilling a risk management culture at the core of everything we do is a key priority. Our risk management policy, strategy, processes, reporting measures, internal reporting lines and responsibilities are well established.

We continue to monitor this alongside numerous other rapidly evolving business risks; implementing mitigating controls and actions as appropriate. Details of our principal key risks are shown further in the table starting on page 64.

Our risk management objectives remain to:

- Embed risk management into our management culture and cascade this down through the business;
- Develop plans and make decisions that are supported by an understanding of risk and opportunity; and
- Anticipate change and respond appropriately.

## SUSTAINABILITY

Sustainability continues to be a key focus within our business with the increasing need to make Forterra more resilient against the potential effects of climate change, and evolving sustainability driven risks are highlighted within extensive disclosure in this Annual Report. These reflect not just the impact of our operations on the environment but also the challenging targets we have set to reduce this, targeting net zero by 2050.

The Board is committed to compliance with the requirements of the Task Force on Climate-related Financial Disclosure (TCFD) and comprehensive disclosure on both short and long-term climate risks (for the first time on a double materiality basis) is included in our Sustainability Report.

The Board's Sustainability Committee has provided oversight and governance over all matters sustainability and climate, including the risks and opportunities this presents over the short, medium and long-term.

## KEY RISKS

Key risks are determined by applying a standard methodology to all risks, considering the potential impact and likelihood of a risk event occurring, before then considering the mitigating actions in place, their effectiveness, their potential to be breached and the severity and likelihood of the risk that remains. This is a robust but straightforward system for identifying, assessing and managing key risks in a consistent and appropriate manner.

Management of key risks is an ongoing process that has had additional focus in 2025 as the Group prepares for the incoming requirements of Provision 29 of the Corporate Governance Code 2024. Under the oversight of the Audit and Risk Committee, a working group of senior management has considered key risks and associated material controls. Looking beyond the risks presented as principal risks, we have taken guidance from various advisors including the Internal Audit function and the External Auditor, as to how best to achieve this. Further detail around this preparedness exercise can be found in the Audit and Risk Committee Report on pages 88 to 93.

Many of the key risks that are identified and monitored evolve and new risks regularly emerge. Emerging risks are reviewed regularly by senior management as part of the Risk Steering Group with a consolidated list of current emerging risks presented and discussed at each Audit and Risk Committee.

The foundations of the internal control system are the first line controls in place across all our operations and activities. This first line of control is evidenced through monthly responsible manager self-assessments and review controls are scheduled to recur frequently and regularly. Policies, procedures and frameworks in areas such as health and safety, compliance, quality, IT risk management and cyber security represent the second line of controls, and internal audit activities represent the third line.

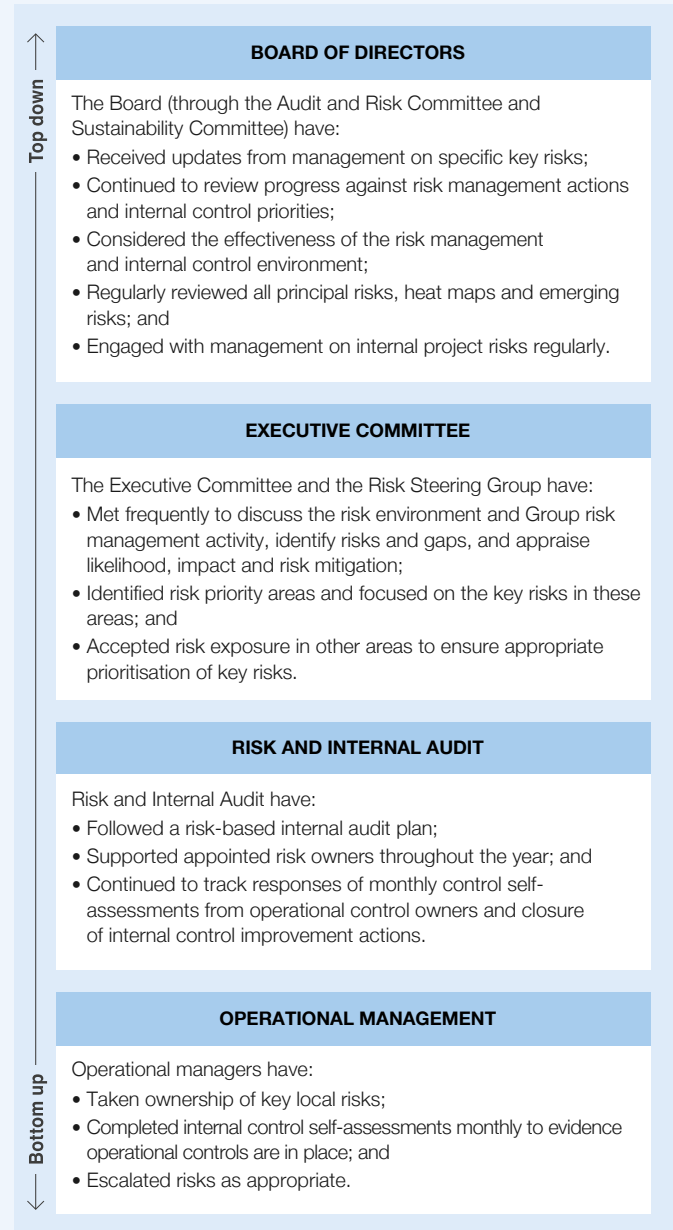
Management continue to monitor risk closely and put in place procedures to mitigate risks promptly wherever possible. Where the risks cannot be mitigated, management focus on monitoring the risks and ensuring the Group maximises its resilience to the risks, should they fully emerge.

## RISK APPETITE

The Group's risk appetite reflects the fact that effective risk management requires risk and reward to be suitably balanced. Exposure to health and safety, financial and compliance risks are mitigated as far as is reasonably practicable.

The Group is however prepared to take certain strategic, commercial and operational risks in pursuit of its objectives; where these risks and the potential benefits have been fully understood and reasonable mitigating actions have been taken.

This approach was evaluated and re-approved by the Board in January 2026.



## Risk Management and Key Risks continued

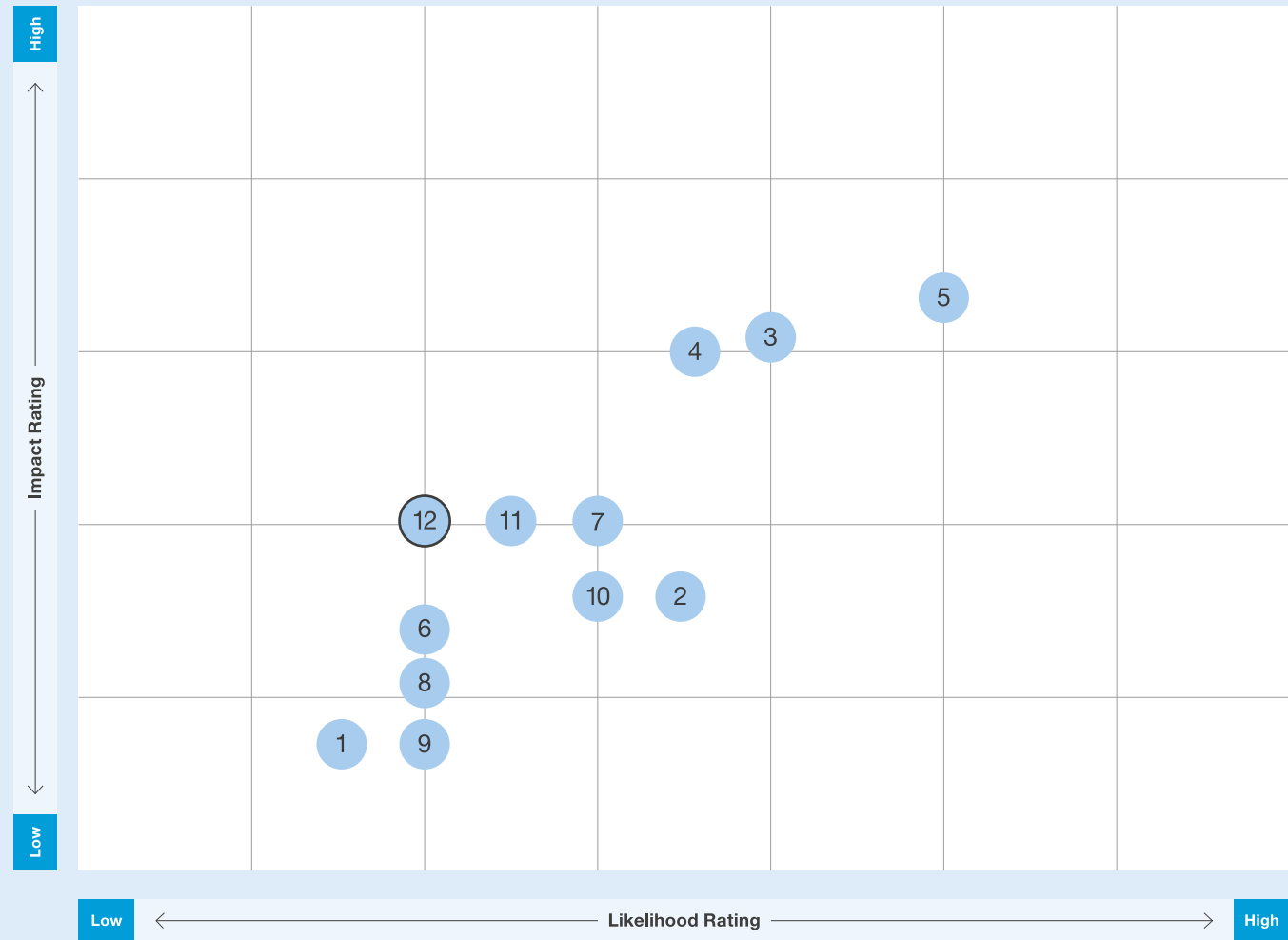
### RISK HEAT MAP

#### Risk heat map reflecting evolving nature of certain risks

Recognising that impact and likelihood are equally important when assessing risk, the chart below demonstrates both of these characteristics. Net impact is a financial measure of severity and net likelihood reflects the chance of the risk occurring within the next three years. Given the risk environment that we are currently operating in, we have additionally highlighted those risks deemed to be evolving.

#### KEY RISKS

- 1 Health and safety
  - 2 Sustainability/climate change
  - 3 Economic conditions
  - 4 Government action and policy
  - 5 Residential sector activity levels
  - 6 Inventory management
  - 7 Customer relationships and reputation
  - 8 Attracting, retaining and developing employees
  - 9 Innovation
  - 10 IT infrastructure and systems
  - 11 Business continuity
  - 12 Project delivery
- Evolving risk



# Risk Management and Key Risks *continued*

**KEY**

**Link to strategy**

Strengthen the Core Beyond the Core

**Risk appetite**

Low appetite Balanced appetite High appetite

**Change**

Increased Decreased No change

Changes noted are since December 2024.

**1 – HEALTH, SAFETY AND WELLBEING**

**Links:**

Strategy: Strongen the Core Beyond the Core Appetite: Low appetite x Gross Change: x Net Change: x

**Principal risk and why it is relevant**

We continue to work to ensure the safety of employees exposed to risks such as the operation of heavy machinery, moving parts, noise, dusts and chemicals.

**Key mitigation, update and sponsor**

Safety remains our number one priority. We target an accident-free environment and have robust policies in place covering expected levels of performance, responsibilities, communications, controls, reporting, monitoring and review. 2025 was the first year of our new health, safety and wellbeing strategy, Base to Brilliant. The strategy is intended to move the business beyond legal compliance and defines expectations to achieve our interdependent safety culture goal. It is set in three parts (bronze, silver, gold), so the steps of the journey are structured, clear and follow a pathway of continuous improvement. 2025 also saw the Group maintain our certification to the ISO 45001 occupational health and safety management system standard with a programme of robust internal and external audits to ensure continued adherence. This was the end of the three-year certification cycle and had a significant focus on senior management commitment alongside the usual adherence to Company policies and legal requirements.

**Executive sponsor:** Neil Ash

**Rationale for appetite**

Safety first is embedded in all decision-making and is never compromised. Reducing accidents and ill-health is critical to strategic success.

**2 – SUSTAINABILITY/CLIMATE CHANGE**

**Links:**

Strategy: Strongen the Core Beyond the Core Appetite: Low appetite x Gross Change: x Net Change: x

**Principal risk and why it is relevant**

We recognise the importance of sustainability and climate change and both the positive and negative impacts of our products and processes on the environment.

**Key mitigation, update and sponsor**

We recognise the positive impact that our products have on the built environment across their lifespan and are keen for the durability, longevity and lower lifecycle carbon footprint of our products to be championed and better understood. Short-term transitional sustainability risks include increasing regulatory burden or cost, an inability to adapt our business model to keep pace with new regulation, customer preferences changing more quickly than anticipated or too quickly for our innovation to keep pace. Several longer-term physical risks could have a material impact on the business. These risks include more severe weather impacts, such as flooding, and potentially changes to the design of buildings in order to adapt to different climatic conditions. A comprehensive Sustainability Report is included within this Annual Report and is also available as a separate document, providing detailed disclosure of the sustainability-related risks faced by our business, considered for the first time this year on a double materiality basis. Our desire to reduce our impact upon the environment sits hand-in-hand with maximising the financial performance of our business; by investing in modernising our production facilities not only do we reduce energy consumption and our CO<sub>2</sub> emissions, but we also benefit financially from reducing the amount of energy and carbon credits we need to purchase. Five years into our 2030 decarbonisation targets we acknowledge that progress against this will not always be linear. New factories at Desford and Wilnecote are positive milestones in this journey, however risks around the speed of technological and infrastructural development required for utilisation of hydrogen in our processes as well as carbon capture, remain. We continue to take this challenge seriously and acknowledging the continued importance of the subject matter, all sustainability risks are governed by the standalone Sustainability Committee.

**Executive sponsor:** Ben Guyatt

**Rationale for appetite**

Focus from all stakeholders has been maintained in 2025 and sustainability remains a high priority for management in the short-, medium- and long-term.

## Risk Management and Key Risks *continued*

### 3 – ECONOMIC CONDITIONS

**Links:**

Strategy: ■ ■

Appetite: B ×

Gross Change: ×

Net Change: ×

**Principal risk and why it is relevant**

Demand for our products is closely correlated with residential and commercial construction activity. Changes in the wider macroeconomic environment can have a significant impact in this respect and we monitor these closely as a result.

**Key mitigation, update and sponsor**

Understanding business performance in real-time, through our customer order book, strong relationships across the building sector, and a range of internal and external leading indicators, help to inform management and ensure that the business has time to respond to changing market conditions. Despite a modest improvement in demand for our products in 2025, the Group remains impacted by the cyclical downturn in the UK housing market, driven primarily by global economic uncertainty, Government policy and low consumer confidence impacting demand for housing in the short-term. We recognise that ultimately there remains a shortage of housing in the UK, financing is accessible and the population continues to grow, and as such we remain confident in market recovery in the medium-term. The trajectory of the recovery, however, remains uncertain and is dependent on the macroeconomic conditions outlined above, as well as broader geopolitical developments. Throughout this period of weaker demand we have continued to display our ability to flex production output both up and down, ensuring production remains closely matched to sales. This has been effective in the past and we believe the changes made to our operational footprint in recent periods, alongside the new flexibility and capacity provided by the Desford factory, leave us well positioned to take advantage of attractive market fundamentals in the medium to long-term.

**Executive sponsor:** Neil Ash

**Rationale for appetite**

Generally weaker macroeconomic conditions in recent years have caused demand for our products to fall. However, with modest improvements in demand seen during 2025, we do believe the bottom of the cycle to have passed. Having already adapted our business to align production to sales, until more consistent demand signals are seen, this risk remains unchanged at December 2025.

### 4 – GOVERNMENT ACTION AND POLICY

**Links:**

Strategy: ■ ■

Appetite: B ×

Gross Change: ×

Net Change: ×

**Principal risk and why it is relevant**

The general level and type of residential and other construction activity is partly dependent on the UK Government's housebuilding policy, investment in public housing and availability of finance. Changes in Government policy and support towards housebuilding could either positively or negatively impact demand for our products.

**Key mitigation, update and sponsor**

We participate in trade associations, attend industry events and track policy changes which could potentially impact housebuilding and the construction sector. Such policy changes can be very broad, covering macroeconomic policy and including taxation, interest rates, mortgage availability and incentives aimed at stimulating the housing market. Through our participation in these trade and industry associations we ensure our views are communicated to Government and our Executive team on occasion meet with both ministers and MPs. Where identified, we factor any emerging issues into models of anticipated future demand to guide strategic decision-making. The need for more quality housing has featured significantly within the political narrative since the Labour Government and it is clear that the aim is to incentivise construction of new homes, even if different political ideologies may demand different models of home ownership. Changes in monetary policy and previous associated increases to interest rates had a significant impact on mortgage affordability. After many years of demand focused policy, current Government policy has been centred on the supply-side and particularly around planning reform. Arguably, planning issues are not at the centre of the current weak demand and it is worth highlighting that for the first time in a long-while there is no Government support to stimulate demand for new housing such as the previous Help to Buy scheme.

**Executive sponsor:** Neil Ash

**Rationale for appetite**

Recent investment in capacity and range has been made despite the uncertainty presented by changes in Government policy. Whilst the UK Government have given renewed focus and prioritisation to housebuilding, we remain watchful in the short- to medium-term as to date these policies do not appear to have been successful in driving the increases in housebuilding the Government might have expected.

## Risk Management and Key Risks *continued*

### 5 – RESIDENTIAL SECTOR ACTIVITY LEVELS

**Links:**

Strategy: ■ ■

Appetite: ■ ×

Gross Change: ×

Net Change: ×

**Principal risk and why it is relevant**

Residential development (both new build and repair, maintenance and improvement) contributes the majority of Group revenue. The dependence of Group revenues on this sector means that any change in activity levels in this sector will affect profitability and in the longer-term, strategic growth plans.

**Key mitigation, update and sponsor**

Government action and policy as laid out above continues to be a key determinant of demand for new build housing. We closely follow the demand we are seeing from our key markets, along with market forecasts, end-user sentiment, mortgage affordability and credit availability in order to identify and respond to opportunities and risk. Group strategy focuses upon our strength in this sector whilst also continuing to strengthen our commercial and specification offer.

The impact of higher interest rates and wider macroeconomic circumstances on this sector has had a notable impact on demand levels in recent years, though 2025 has seen a modest improvement in this respect, with borrowing costs slowly falling and housebuilding forecasts projecting growth in the coming years.

During 2025 we have benefited from the weighting of our manufacturing capacity toward extruded brick over soft mud, with demand for extruded brick showing an increase where soft mud demand has been more muted.

The investment in the redevelopment of the Wilnecote brick factory, which will supply the commercial and specification market, will in due course provide a degree of diversification away from residential construction, offering some insulation from the impact of future residential demand cycles.

**Executive sponsor:** Neil Ash

**Rationale for appetite**

Serving the residential construction market lies at the heart of our strategy. Whilst we will seek opportunities to broaden our offering, we continue to see residential markets as core.

Whilst modest improvement in 2025 suggests recent cyclical lows in the housebuilding sector have started to ease, at December 2025 this risk remains unchanged.

### 6 – INVENTORY MANAGEMENT

**Links:**

Strategy: ■ ■

Appetite: ■ ×

Gross Change: ×

Net Change: ×

**Principal risk and why it is relevant**

Ensuring sufficient inventories of our products is critical to meeting our customers' needs, though this should not be at the expense of excessive cash tied up in working capital.

Whilst the ability to serve our customers is key, where excessive inventory starts to be built, management must ensure that production is aligned to forecast demand. Cash tied to surplus working capital increases financing costs and could ultimately impact the Group's liquidity, restricting the amount of cash available for other purposes.

**Key mitigation, update and sponsor**

After a long period of historically low stock levels, a softening in demand in recent years has allowed stocks to be replenished. Strong customer relationships and some degree of product range substitution have historically mitigated the risk of inventory levels being too low, and now that levels have grown these relationships remain key, ensuring that visibility of our customers' needs and demand levels can accurately be matched to our production levels.

2025 saw a previously unseen dynamic in this respect, whereby growth in the demand for extruded bricks was much stronger than the demand for our soft mud and London bricks, creating some conflicting challenges, with some factories facing low inventory levels whilst others faced higher inventory levels necessitating cuts to production.

**Executive sponsor:** James Cornish and Mark Davies

**Rationale for appetite**

Managing capacity sufficiently to prevent tying up excessive amounts of working capital in stock, but ensuring that customer demand can continue to be met is crucial to our success. It is important that whilst ensuring we do not build excess inventory, we are also able to continually meet demand where it occurs. At December 2025 this risk remains unchanged.

## Risk Management and Key Risks *continued*

### 7 – CUSTOMER RELATIONSHIPS AND REPUTATION

<b>Links:</b>		Strategy: <span style="color: red;">■</span> <span style="color: blue;">■</span>	Appetite: <span style="color: blue;">L</span> ×	Gross Change: ×	Net Change: ×
<p><b>Principal risk and why it is relevant</b></p> <p>Significant revenues are generated from sales to a number of key customers. Where a customer relationship deteriorates, there is a risk to revenue and cash flow.</p>	<p><b>Key mitigation, update and sponsor</b></p> <p>One of our strategic priorities is to be the supply chain partner of choice for our customers. By delivering excellent customer service, enhancing our brands and offering the right products, we seek to develop our longstanding relationships with our customers. Regular and frequent review meetings focus on our effectiveness in this area.</p> <p>Failure to maintain these relationships could manifest itself in loss of market share, and if not managed correctly, be detrimental in the longer-term in periods of stronger demand. To mitigate these risks we remain in constant communication with our customers, ensuring they are well informed of the challenges faced by our business. We remain particularly conscious of potential impacts on our customer service and selling prices as we aim to retain our margins in a time where our customers are also facing challenging conditions.</p> <p><b>Executive sponsor:</b> James Cornish</p>	<p><b>Rationale for appetite</b></p> <p>Customer focus is a key priority for all employees. This risk remains equally heightened across periods of both stronger and weaker demand and as such remains unchanged at December 2025.</p>			

### 8 – ATTRACTING, RETAINING AND DEVELOPING EMPLOYEES

<b>Links:</b>		Strategy: <span style="color: red;">■</span> <span style="color: blue;">■</span>	Appetite: <span style="color: blue;">L</span> ×	Gross Change: ×	Net Change: ×
<p><b>Principal risk and why it is relevant</b></p> <p>We recognise that our greatest asset is our workforce and a failure to attract, retain and develop talent will be detrimental to Group performance.</p>	<p><b>Key mitigation, update and sponsor</b></p> <p>We understand where key person dependencies and skills gaps exist and continue to develop succession, talent acquisition and retention plans. We continue to focus on safe working practices, employee support and strong communication and employee engagement.</p> <p>Notwithstanding a softer demand environment, challenges associated with labour availability remain across the business in key skilled areas, and it is crucial that this continues to be addressed to ensure the ongoing success of the Group, which remains dependent on our people.</p> <p><b>Executive sponsor:</b> Sarah Renton</p>	<p><b>Rationale for appetite</b></p> <p>Our people have always been pivotal to our business and we must remain cautious of the previously increased risk associated with ensuring we attract, retain and develop our employees.</p>			

### 9 – INNOVATION

<b>Links:</b>		Strategy: <span style="color: red;">■</span> <span style="color: blue;">■</span>	Appetite: <span style="color: blue;">H</span> ×	Gross Change: ×	Net Change: ×
<p><b>Principal risk and why it is relevant</b></p> <p>Failure to respond to market developments could lead to a fall in demand for the products that we manufacture. This in turn could cause revenue and margins to suffer.</p>	<p><b>Key mitigation, update and sponsor</b></p> <p>Strong relationships with customers as well as independently administered customer surveys ensure that we understand current and future demand. Close ties between the Strategy, Operations and Commercial functions ensure that the Group focuses on the right areas of research and development (R&amp;D).</p> <p>Providing innovative products for both our core markets to ‘Strengthen the Core’ and the wider construction market, ‘Beyond the Core’, is of increased importance following a period of weaker demand, and we strive to ensure that we are in a position to do so.</p> <p>New product development and related initiatives are therefore ongoing and we continue to commit to further investment in R&amp;D with clear links between investment in R&amp;D and the work undertaken in relation to sustainability.</p> <p><b>Executive sponsor:</b> Nicola Chapman</p>	<p><b>Rationale for appetite</b></p> <p>The Group is willing to invest in order to grow where the right opportunities present themselves. We have invested in the appropriate skills so that opportunities can be identified and progressed, and we are committed to deploying R&amp;D to reduce the environmental footprint of our operations.</p>			

## Risk Management and Key Risks continued

10 – IT INFRASTRUCTURE AND SYSTEMS					
<b>Links:</b>					
		Strategy: <span style="color: red;">■</span> <span style="color: blue;">■</span>	Appetite: <span style="color: blue;">L</span> <span style="color: grey;">×</span>	Gross Change: <span style="color: grey;">×</span>	Net Change: <span style="color: grey;">×</span>
<p><b>Principal risk and why it is relevant</b></p> <p>Disruption or interruption to IT systems could have a material adverse impact on performance and position.</p>	<p><b>Key mitigation, update and sponsor</b></p> <p>We have continued to invest in, consolidate and modernise our IT systems, maintaining ISO 27001 Information Security accreditation and strengthening our ability to both resist the threat of a cyber attack and also restore our systems should the need arise. This investment supports our ability to maintain the levels of service that our customers expect.</p> <p>We continue to increase our resilience in this area, ensuring that our people understand their role in any attempt to compromise our cyber security, and regular training and tests are carried out as such.</p> <p><b>Executive sponsor:</b> Ben Guyatt</p>		<p><b>Rationale for appetite</b></p> <p>The downsides to IT risks significantly outweigh any upside and our risk appetite reflects this.</p> <p>Our assessment of the risk in this area remains unchanged.</p>		
11 – BUSINESS CONTINUITY					
<b>Links:</b>					
		Strategy: <span style="color: red;">■</span> <span style="color: blue;">■</span>	Appetite: <span style="color: blue;">L</span> <span style="color: grey;">×</span>	Gross Change: <span style="color: grey;">×</span>	Net Change: <span style="color: grey;">×</span>
<p><b>Principal risk and why it is relevant</b></p> <p>Group performance is dependent on key centralised functions operating continuously and manufacturing functions operating uninterrupted. Should we experience significant disruption, there is a risk that products cannot be delivered to customers to meet demand and all financial KPIs may suffer.</p>	<p><b>Key mitigation, update and sponsor</b></p> <p>Plans are in place to allow key centralised functions to continue to operate in the event of business interruption and remote working capabilities have been maintained and continually strengthened in recent years, ensuring the business is able to continue operating with minimal disruption. During 2025 we have focused on increasing our resilience and flexibility, strengthening our ability to continue operating in periods of system interruption. Given the number of news reports highlighting the disruption faced by well known businesses in the aftermath of cyber attacks, this will continue to be a focus in 2026.</p> <p>We consider climate-related risks when developing business continuity plans and have learnt lessons from weather-related events in recent years which inform these plans. Loss of one of our operating facilities through fire or other catastrophe would impact upon production and our ability to meet customer demand. Working with our insurers and risk advisors, we undertake regular factory risk assessments, addressing recommendations as appropriate. We accept it is not possible to mitigate all the risks we face in this area and as such we have a comprehensive package of insurance cover including both property damage and business interruption policies.</p> <p><b>Executive sponsor:</b> Neil Ash and Ben Guyatt</p>		<p><b>Rationale for appetite</b></p> <p>The potential for significant disruption dictates the low appetite for risk in this area, a risk that at December 2025 remains unchanged.</p>		
12 – PROJECT DELIVERY					
<b>Links:</b>					
		Strategy: <span style="color: red;">■</span> <span style="color: blue;">■</span>	Appetite: <span style="color: blue;">L</span> <span style="color: grey;">×</span>	Gross Change: <span style="color: grey;">↓</span>	Net Change: <span style="color: grey;">↓</span>
<p><b>Principal risk and why it is relevant</b></p> <p>We are coming to the end of an extensive programme of capital investment within our business which sees a number of large projects add production capacity. Ensuring these projects are delivered and commissioned as intended is essential to the future success of the business.</p>	<p><b>Key mitigation, update and sponsor</b></p> <p>Despite the virtually complete Desford project, our vigilance in managing project delivery across the business has not diminished and the focus of this risk has in turn shifted to ongoing projects at both Wilnecote and Accrington.</p> <p>Management closely monitor all current strategic projects for potential challenges, cost over-runs and delays, and act promptly to ensure that risks are mitigated. Redevelopment of the new Wilnecote factory is nearing completion with the commissioning of a new specification focused product range underway. Challenges faced by the Group's suppliers and connected to wider global economic and supply chain challenges impacted the project timetable, though despite this, Wilnecote (as with Desford previously) has been procured under a fixed price supply contract ensuring that the price we paid was certain at the outset. Given the unusually high levels of inflation and supply chain challenges in recent years, the Group has benefited significantly from these contract terms.</p> <p>Management recognise the additional risks posed by running concurrent major projects, and to mitigate, separate project management structures are in place for each respective project and where common suppliers are involved, procedures are in place to ensure they retain sufficient capacity to deliver on both projects without significant risk.</p> <p><b>Executive sponsor:</b> Mark Davies</p>		<p><b>Rationale for appetite</b></p> <p>Management and the Board are closely monitoring the ongoing expansion projects at Wilnecote and Accrington.</p> <p>We acknowledge that progress made at both Wilnecote and Accrington across 2025 has reduced the inherent risk in this area and the rating at December 2025 has been reduced to reflect this. We do however continue to recognise the strategic imperative of both projects to the future success of the Group.</p>		

## Viability Statement

In accordance with the provisions of the UK Corporate Governance Code 2018, the Board has assessed the prospects of the Company and has a reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due. The Board has reviewed the Group's position and principal risks over a period of three years from the balance sheet date, which it considers appropriate as it aligns with the Group's strategic and financial planning horizon. In making this assessment, the Board considered the principal risks set out on pages 62 to 68, together with climate-related risks detailed on page 51 of the Sustainability Report.

The Group's credit facility comprises a committed revolving credit facility (RCF) of £170m extending to June 2028, which was extended following the exercise of a 17-month extension option during 2025. At the balance sheet date, borrowings against the facility totalled £62m with £108m of headroom remaining. The cash balance stood at £6.1m with reported net debt before leases of £55.7m (2024: £84.9m) (net debt is presented inclusive of capitalised arrangement fees). The Group also benefits from an uncommitted overdraft facility of £10m which was undrawn at the year-end.

The facility is subject to covenant restrictions of leverage (net debt/adjusted EBITDA) (as measured before leases) of less than 3 times and interest cover of greater than 4 times. The covenants are subject to testing on a half yearly basis. The Group has comfortably traded within its covenants throughout 2025 and anticipates remaining within these throughout 2026.

The Board has reviewed the Group's financial forecasts and any consequential future funding requirements against committed external borrowing facilities regularly to confirm ongoing viability. The scenarios modelled include a base case, a severe but plausible downside scenario and a reverse stress test scenario, which is considered remote. These scenarios have been modelled using management's experience of the business, including the impact of the 2008 global financial crisis and more recently the global pandemic and subsequent cost of living crisis. The scenarios remain framed against the backdrop of continuing market uncertainty. The plausible downside scenario modelled for viability purposes is aligned to that used for going concern modelling, from the perspective of assumed EBITDA.

Assumptions underpinning these scenarios follow. Under all scenarios it is assumed that financing will be available to the Group throughout the period modelled, with refinancing on similar terms to that currently in place.

### Base case

- The base case scenario is aligned to our current demand expectations, with 2026 sales volumes expected to be similar to 2025;
- Management continues to align production to anticipated sales, minimising inventory growth. In addition, capital expenditure continues to reduce from prior years, with the Group's spend on strategic projects largely complete, increasing free cash flows;
- With leverage now returned to normalised levels, and reflective of our lower capital expenditure requirements going forward, the Board's intention to commence the return of surplus capital to shareholders with a £20m share buyback programme has been included;
- Sales volumes are modelled to remain between 12% and 25% below 2022 in 2026. Volumes improve in 2027 but remain up to 22% below 2022 (product dependent). 2028 sees a recovery in volumes to nearer 2022 levels, however brick volumes remain 8% below 2022; and
- Under this scenario, net debt is forecast to remain under 1.5 times adjusted EBITDA in each year, in line with our capital allocation policies and reflecting the announced programme of share buybacks.

### Plausible downside

- The Group's plausible downside scenario takes into account the lowest levels of market demand seen across our products since 2022. Product dependent, this ranges up to 40% below the levels last seen in 2022, which is considered to be representative of a normalised market for the Group, and as such is seen as a reasonable benchmark for scenario modelling. It is not considered plausible that demand could fall further than the assumptions detailed within the downside scenario laid out below;
- The scenario assumes that sales volumes return to their lowest level since 2022, which, product dependent, is a reduction of between 23% and 38% relative to 2022. Volumes begin to recover in 2027 but remain up to 36% below 2022. For 2028, despite a continued recovery, brick volumes remain 33% below 2022; and
- Under this scenario, net debt is forecast to remain stable, however the announced programme of share buybacks is paused.

### Reverse stress test

- The reverse stress test is modelled to support management and the Board in understanding what the quantum of fall in Group trading and financial performance would need to be to result in a covenant breach. The reverse stress test indicated that should volumes fall by a further 16% beyond those modelled in the plausible downside scenario, the Group would be at risk of breaching its covenants. This scenario is considered remote.

The scenarios above have been modelled with consideration given to several of the Group's key risks, and the quantitative impact of these risks should they occur. Potential contributing factors include Government policy, a continuing economic downturn, consideration of inventory management, a prolonged reduction in residential sector activity levels or new product development in the sector.

Management is comfortable confirming that the Group remains profitable under both the base and plausible downside scenarios. In addition, in the event of sales volumes falling in line with those modelled in the reverse stress test, the Group would seek to enact further mitigating actions including additional cost savings, production reductions, curtailment in the quantum of dividend distributions and the sale of surplus land and buildings.

# GOVERNANCE

## IN THIS SECTION

- 72 Board of Directors
- 75 Executive Committee
- 76 Corporate Governance Statement
- 86 Nomination Committee Report
- 88 Audit and Risk Committee Report
- 94 Sustainability Committee Report
- 96 Remuneration Committee Report
- 124 Directors' Report
- 127 Statement of Directors' Responsibilities

# Governance at a Glance

## GOVERNANCE HIGHLIGHTS

### Board changes

Nigel Lingwood and Aysegul Sabanci join the Board in April 2025.

→ See pages 76 and 77

### Succession planning

Structured search initiated for new Independent Non-Executive Directors.

→ See page 76

### Capital investment programme

£140m capital programme largely complete; Desford operating two kilns, Wilnecote nearing completion.

→ See page 78

### Remuneration Policy and shareholder engagement

Proposed revisions to the Remuneration Policy following shareholder consultation.

→ See pages 101 to 109

## MEETING ATTENDANCE

→ See page 80

Attendance	B	A	S	R	N
Justin Atkinson <sup>1</sup>	4/4	n/a	2/2	2/2	0/0
Nigel Lingwood <sup>2</sup>	6/6	n/a	2/2	3/3	2/2
Neil Ash	8/8	n/a	4/4	n/a	n/a
Ben Guyatt	8/8	n/a	4/4	n/a	n/a
Katherine Innes Ker	8/8	4/4	4/4	5/5	2/2
Vince Niblett	7/8	4/4	4/4	5/5	2/2
Martin Sutherland	8/8	4/4	4/4	5/5	2/2
Gina Jardine	8/8	4/4	4/4	5/5	2/2
Aysegul Sabanci <sup>2</sup>	6/6	2/2	2/2	3/3	2/2

1. Justin Atkinson retired from the Board on 20 May 2025.  
 2. Nigel Lingwood and Aysegul Sabanci joined the Board on 1 April 2025.

### KEY

**B** Board    **A** Audit and Risk Committee    **S** Sustainability Committee  
**R** Remuneration Committee    **N** Nomination Committee

## BOARD SKILLS MATRIX

→ See page 85

Risk Management	
Strategy	
M&A	
Construction Sector	
Manufacturing	
Finance	
Corporate Governance	
Commercial	
Health & Safety	
HR and Talent Development	
Sustainability	

## BOARD DIVERSITY

→ See page 85

### GENDER DIVERSITY



### TENURE NON-EXECUTIVE DIRECTORS



### INDEPENDENCE



## Board of Directors



### NIGEL LINGWOOD

Chair

#### Appointment

Nigel Lingwood joined the Board on 1 April 2025 and was appointed Chair in May 2025.

#### Skills, experience and qualifications

Nigel is an experienced FTSE 250 chair and former CFO with extensive public company experience and wide ranging experience of industrial businesses. Prior to joining Forterra he was Group Finance Director at Diploma PLC, where he spent 20 years overseeing significant business growth. He qualified with Price Waterhouse and has a BSc in Economics from the University of Hull.

#### Other Directorships

- Chair of Volution Group Plc
- Senior Independent Director and Audit Chair of Dialight plc



### NEIL ASH

Chief Executive Officer

#### Appointment

Neil Ash was appointed to the Board as Chief Executive Officer on 25 April 2023.

#### Skills, experience and qualifications

Neil has almost three decades' experience in the building materials sector and an impressive track record of improving performance and delivering growth. Previously at Etex, the Belgian lightweight building materials manufacturer, he led the €2.4bn revenue Building Performance division. During his time at Etex, Neil oversaw major capex projects, significant acquisitions, and developed its sales approach which delivered strong top line growth.

His experience includes 15 years at Lafarge, where he undertook many roles, including Vice President International Business Development and Sales and Commercial Director UK & Ireland of Lafarge Plasterboard.

Neil has attended executive education programmes at INSEAD (France) and IMD (Switzerland).



### BEN GUYATT

Chief Financial Officer

#### Appointment

Ben Guyatt was appointed to the Board on 1 January 2020 and prior to this, served as Director of Finance and Company Secretary.

#### Skills, experience and qualifications

Prior to his appointment as CFO, Ben held the role of Director of Finance and Company Secretary, playing a key role in the separation of the business from HeidelbergCement and the subsequent listing on the London Stock Exchange. Drawing upon his extensive experience with the business and financial acumen, Ben keeps the Board updated, enabling informed decision-making. Ben joined Hanson plc in 2006 and held a variety of senior finance and strategy roles within Hanson and HeidelbergCement. Previously, Ben held financial management roles at insurance broker, Heath Lambert. Ben is a Chartered Accountant and holds a Bachelor of Arts degree with honours in Accounting and Finance from the University of the West of England.

## KEY

### Committee membership

- A Audit and Risk Committee
 S Sustainability Committee
 R Remuneration Committee
 N Nomination Committee
 ■ Chair

## Board of Directors continued



### KATHERINE INNES KER

Senior Independent Non-Executive Director

#### Appointment

Katherine Innes Ker was appointed to the Board on 1 September 2017 as an Independent Non-Executive Director and was appointed as Senior Independent Non-Executive Director in May 2019.

#### Skills, experience and qualifications

Katherine has gained extensive executive and non-executive experience across a range of sectors in a career spanning over 30 years. Katherine began her business career as a city financial analyst and has since held many non-executive directorships with a particular wealth of experience in the housebuilding sector. Katherine was a Non-Executive Director of Taylor Woodrow/Taylor Wimpey for 10 years and subsequently of St Modwen Properties and Vistry Group plc. This experience allows Katherine to provide valuable insight into our markets from a customer perspective. Katherine has over 20 years' experience as a Chair of Remuneration Committees, and as a Senior Independent Director. Katherine is a Graduate of Oxford University, holding a Masters degree in Chemistry and a Doctorate in Molecular Biophysics.

#### Other Directorships

- Non-Executive Director at Ground Rents Income Fund plc
- Senior Independent Director at Stelrad Group plc



### VINCE NIBLETT

Independent Non-Executive Director

#### Appointment

Vince Niblett was appointed to the Board on 8 February 2019 as an Independent Non-Executive Director.

#### Skills, experience and qualifications

Vince was previously a Partner at Deloitte where he held a number of senior roles including membership of the UK Board of Directors and Global Managing Director, Audit & Enterprise Risk Services before retiring in 2015. During his career at Deloitte, he served some of the firm's most significant public company clients, working with them on commercial and strategic issues as well as providing audit services. Vince uses his significant financial experience to both guide and challenge the Board on important decisions as well as offering advice on governance and compliance matters. Vince is a Chartered Accountant and holds a Bachelor of Arts degree in Economics from Reading University.

#### Other Directorships

- Non-Executive Director at Big Yellow Group plc
- Non-Executive Director at Target Healthcare REIT plc



### MARTIN SUTHERLAND

Independent Non-Executive Director

#### Appointment

Martin Sutherland was appointed to the Board on 23 May 2017 as an Independent Non-Executive Director.

#### Skills, experience and qualifications

Martin has over 20 years of international experience at senior management or director level in technology and manufacturing businesses, focused on the government and commercial sectors. Martin was previously CEO of IT security business Reliance ACSN. Prior to this Martin held the position of CEO at De La Rue plc and various roles at Detica plc, Andersen Consulting and British Telecom. Martin brings his experience as a CEO in both public and private companies to Board discussions on operational and strategic matters, as well as providing practical advice based on his expertise in the application of technology. As the Non-Executive Director responsible for employee engagement, he attends and feeds back from the Employee Forum. Martin holds a Masters degree in Physics from Oxford University, and a Masters degree in Remote Sensing from University College and Imperial College London.

#### Other Directorships

- Non-Executive Director at XPS Pensions Group plc

## Board of Directors continued



### GINA JARDINE

Independent Non-Executive Director

#### Appointment

Gina Jardine was appointed to the Board as an Independent Non-Executive Director on 3 April 2023.

#### Skills, experience and qualifications

Gina has over 25 years of experience in senior human resources roles in Australia, Canada and the UK. She has worked in publicly listed and private organisations across multiple sectors, from building products to mining, logistics, automotive and telecoms. Previously Gina held the position of Chief Human Resources Officer at global materials business CRH plc, and before that held roles at Kinross Gold Corp, Rio Tinto Group, Linfox Logistics, Sensis Pty Ltd and Honda Motor Co Ltd. Her global experience brings insight and helps guide the Board in the areas of corporate culture, talent management, organisation design and safety. Gina holds a BA in Social Sciences from Monash University and an MBA from Melbourne Business School.



### AYSEGUL SABANCI

Independent Non-Executive Director

#### Appointment

Aysegul Sabanci was appointed to the Board as an Independent Non-Executive Director on 1 April 2025.

#### Skills, experience and qualifications

Aysegul has extensive international experience across commercial, procurement and supply chain leadership roles, bringing expertise in supply chain resilience, enterprise risk management and climate transition and sustainability across complex industrial and construction sectors. She most recently served as Group Head of Procurement and Supply Chain at ISG Ltd and previously held senior commercial and supply chain leadership roles at SPIE SA, supporting large-scale infrastructure and engineering projects. Aysegul previously served as a Non-Executive Director of T Clarke plc and currently serves as a Non-Executive Director of the Code for Construction Product Information, supporting stronger standards and transparency across construction product information. She holds an MBA from Durham University, an MSc in Innovation, Creativity and Enterprise Management from Newcastle University and a BSc in Mechanical Engineering from Yildiz Technical University.



### FRANCES TOCK

Company Secretary

#### Appointment

Frances Tock was permanently appointed to the position of Company Secretary on 14 December 2023, having previously held the position on a temporary basis.

#### Skills, experience and qualifications

Frances qualified as a Certified Accountant with Grant Thornton and worked in finance positions across a number of industries including leisure, renewable energy and IT services before joining Forterra in 2015. In her previous role as Group Financial Controller, Frances played a key role in the separation of the business from HeidelbergCement and the subsequent listing on the London Stock Exchange, more recently project-managing the Group's IT and business change projects before taking on the role of Company Secretary.

## Executive Committee



**NEIL ASH**

Chief Executive Officer  
 – See Neil Ash’s biography on page 72.

**BEN GUYATT**

Chief Financial Officer  
 – See Ben Guyatt’s biography on page 72.

**1 MARK DAVIES**

Chief Operations Officer  
 Mark joined the Group in July 2024 and has over 30 years of manufacturing and business experience. He has held senior manufacturing roles in Tata Steel and more recently, Welsh Water. Mark holds a Master of Business Administration degree from Warwick Business School and a Bachelor of Science degree in Applied Mathematics from the University of Reading.

**2 JAMES CORNISH**

Group Commercial Director  
 James joined Forterra in December 2025 and has extensive commercial and leadership experience, having held senior roles with Travis Perkins, Samworth Brothers, Tesco, GSK and Premier Foods. James holds a Bachelor of Science degree in Business and Management Studies from The University of Bradford School of Management.

**3 SARAH RENTON**

Group People Director  
 Sarah joined Forterra in February 2025. Prior to joining, Sarah held senior leadership roles at SIG, Lyreco UK and TJX Europe. Sarah is a member of the Chartered Institute of Personnel and Development and has a Bachelor of Arts degree in Human Resources from Teesside University.

**4 NICOLA CHAPMAN**

Strategy & Marketing Director  
 Nicola joined Forterra in May 2024. Prior to joining Forterra, Nicola held Marketing Director, Head of Market Intelligence and Head of Products roles for the Etex Group. Nicola has a Bachelors degree in Business Administration and Management from the University of Bradford.

# CORPORATE GOVERNANCE STATEMENT



## Dear Shareholder

As Chair of the Company, I am pleased to present the Governance Report for the year ended 31 December 2025. The Report provides an insight into the work and activities of the Board and its Committees during the year.

## Code compliance

The Board operates in accordance with the UK Corporate Governance Code 2024 (the Code) which was issued by the Financial Reporting Council and which is available on their website: [www.frc.org.uk](http://www.frc.org.uk)

We are preparing for the introduction of Provision 29 of the 2024 Corporate Governance Code, which will be applicable for us from 1 January 2026. Over the year, we have reviewed our governance framework and have begun making any adjustments needed to remain compliant with the requirements of Provision 29. Further detail can be found in the Audit and Risk Committee Report on pages 88 to 93.

## Nigel Lingwood

Chair of the Board and the Nomination Committee

“The Board continues to place strong governance at the heart of its long-term success, and I am pleased to present this year’s statement, which outlines Forterra’s adherence to the Code together with the key activities undertaken by the Board and its Committees during the year ended 31 December 2025.”

The Board remains committed to the highest standards of corporate governance, recognising that strong governance is fundamental to the long-term sustainable success of Forterra.

This Corporate Governance Statement, together with the reports of the Nomination, Audit and Risk, Sustainability and Remuneration Committees on pages 86 to 123, sets out in detail how the principles and provisions of the Code have been fulfilled and how the Board and its Committees have discharged their responsibilities for ensuring robust governance practices operate across the Group.

## 2025 Board highlights

During 2025, the Board has continued to demonstrate effective leadership, accountability and oversight in a year characterised by both external market uncertainty and meaningful strategic progress across the Group. The following summarises the areas of specific Board focus during the year and is not intended to reflect the wide-ranging recurring responsibilities of the Board.

## Board succession planning and recruitment

As part of our ongoing commitment to strong governance and effective succession planning, the Board oversaw a structured recruitment process during the year. Following the planned retirement of Justin Atkinson who served as a Board member for nine years, including six years as Chair, I was appointed as Chair. I also Chair the Nomination Committee. The Board extends their thanks to Justin for his long and valued contribution to the Board and the wider organisation.

To further strengthen the Board’s composition and complement the skills of existing members, we also appointed Aysegul Sabanci as a new Independent Non-Executive Director. Aysegul brings valuable additional expertise and will serve on all Board committees, supporting robust governance and oversight across the Group.

## Corporate Governance Statement *continued*

After serving for nine years as an Independent Non-Executive Director, Martin Sutherland will not seek re-election at the forthcoming AGM. The Board would like to thank Martin for his important contribution during his tenure and wishes him every success in the future.

Looking ahead, our Senior Independent Non-Executive Director and Chair of the Remuneration Committee, Katherine Innes Ker, will reach the ninth anniversary of her appointment during 2026.

To ensure a smooth and well-planned transition of responsibilities, the Nomination Committee has initiated a search process to identify new Independent Non-Executive Directors, ensuring the Board continues to retain the right balance of skills, experience, independence and diversity.

### Strategic investment

The Board has continued to oversee and support the Group's strategic progress, both in strengthening our core operations and advancing opportunities beyond our core. During the year, the Board monitored the successful milestone at Desford, where both kilns are now operating simultaneously for the first time, and supported the recommissioning of the Wilnecote factory following its redevelopment enabling the expansion of our product range and our re-established presence in the commercial and specification markets. The Board has also overseen the launch of the innovative Omnia extruded brick-slip range at our Accrington facility.

### Health and safety culture

The Board remains fully committed to fostering a strong and proactive health and safety culture across the business. Throughout the year, the Board continued to engage closely with management on health and safety performance and initiatives, and demonstrated its support for the Company's behavioural safety programme by completing the Visible Felt Leadership (VFL) training. All Board members have now undertaken the training and have utilised these skills in undertaking two factory health and safety walks in the year. In addition, the Board completed three factory visits as a group during the year, reinforcing the Board's collective leadership role in promoting safe behaviours and embedding safety as a core value throughout the organisation.

### Vision, values and culture

The Board received regular updates of the Group's progress towards achieving its goals and the embedding of its vision, mission, purpose and values.

To monitor the success of our culture within the business and ensure compliance with the Code, Martin Sutherland has continued as the Non-Executive Director responsible for employee engagement, attending meetings of the Employee Forum and reporting back to the Board following each meeting. The Forum meets quarterly at different locations to discuss subject matters raised by our colleagues to their Forum constituency representative including culture, operational and commercial performance, customer feedback, health and safety and mental health awareness.

In addition, Board members undertake regular health and safety walks, as well as Board site visits across the business. Each of these occasions provides Board members with opportunity for one-to-one engagement with the workforce.

Board members also take the opportunity to attend and participate in health and safety related events including Building Safety Together (BST) meetings at factories.

The Board further strengthened its engagement with the wider leadership team, enabling meaningful relationship building and early involvement in the development of key initiatives.

### Corporate governance

The Board has ensured that, through the work of the Audit and Risk Committee, it has continued to be fully appraised of the Group's response to the new requirements of the UK Corporate Governance Code 2024.

During the year the Remuneration Committee liaised closely with major shareholders in proposing a new remuneration policy to be adopted at the forthcoming Annual General Meeting in May 2026. Further details of the new Remuneration Policy can be found in the Remuneration Committee report on pages 96 to 123.

The Board commissioned a Failure to Prevent Fraud review, initiating a programme of workshops to assess the business's risk under the new regulations and ensure appropriate processes are in place to mitigate those risks where possible.

### Sustainability

Sustainability progress during the year is laid out in our comprehensive Sustainability Report included on pages 32 to 61. This Report includes the conclusions from the Corporate Sustainability Reporting Directive aligned Double Materiality Assessment and details of the Company's new health, safety and wellbeing strategy 'Base to Brilliant'.

### Board effectiveness

We monitor Board effectiveness in accordance with the requirements of the Code and conducted an internally facilitated review during the year. More information about this process is laid out on page 84.

### Diversity

The Board remains committed to furthering all aspects of diversity throughout the organisation and additional information is included within this Corporate Governance Statement on page 85.

### Board priorities for 2026

In 2026 the Board expects to focus upon the following non-recurring priorities.

#### *Response to market conditions*

The Board will continue to closely monitor the Group's key markets and maintain oversight of management's actions in response to evolving conditions. Given the ongoing uncertainty in the external environment, the Board remains focused on ensuring that appropriate measures are taken so the Group is well positioned to respond swiftly and effectively to changes in demand.

#### *Induction*

Following the ongoing recruitment process, the Board and the Company Secretary will work closely with management to ensure that all newly appointed Non-Executive Directors receive a personalised and comprehensive induction programme. This will be tailored to their individual experience and background, and will include visits to key sites, meetings with members of the Executive Committee and senior management, as well as a full briefing on the Group's governance framework and policies, enabling them to contribute effectively from the outset.

## Corporate Governance Statement *continued*

### *Corporate Governance Code 2024*

Following adoption of the Corporate Governance Code 2024, the Board will continue to work closely with management, via the Audit and Risk Committee, to progress the Group's strategy to formally document and test key controls ahead of changes to Provision 29 of the Corporate Governance Code which takes effect from 1 January 2026.

### *Capital investment programme*

Having overseen the completion of c.£140m of capital investment over a six-year period, capital expenditure is likely to be lower over the coming years. The Board will continue to support selective strategic investments, including completion of a £1.5m brick cutting facility at our Measham site, as well as overseeing important maintenance capital expenditure to ensure the most efficient running of our existing facilities.

### **Nigel Lingwood**

Chair of the Board and the Nomination Committee  
10 March 2026

## COMPLIANCE WITH THE UK GOVERNANCE CODE 2024

The Code focuses on the application of principles and supporting provisions that emphasise the value of good corporate governance to long-term sustainable success. The relationship between companies, shareholders and stakeholders is critical to this, as is a focus on culture through alignment of purpose, strategy, integrity and diversity.

Certain provisions of the Code do not apply to smaller companies defined as those, like Forterra plc, outside of the FTSE 250. The Board is, however, committed to sustaining the higher standards of corporate governance and the application of these principles, provisions and outcomes achieved are disclosed in the Annual Report as required for companies in the equity shares (commercial companies) category. The Board confirms that throughout the year ended 31 December 2025, and as at the date of this report, the Company has complied with all relevant provisions set out in the Code.

### THE KEY COMPONENTS OF THE CODE ARE:

#### **1. Board leadership and purpose**

Led by an experienced Chair (succeeding the outgoing Chair), supported by a decisive and diverse Board with a broad range of experience setting the values, culture and purpose which are embedded across the business.

Engagement with shareholders and stakeholders enables the Board to understand their views and promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society, particularly regarding sustainability and our roadmap to net zero.

#### **2. Division of responsibilities**

The Board has an appropriate mix of Executive and Non-Executive Directors for balanced decision-making, with clear lines of communication to receive accurate and timely information to make informed decisions.

There is a clear division of responsibilities between the leadership of the Board and the executive leadership of the business, and the Non-Executive Directors have sufficient time to meet their Board responsibilities.

#### **3. Composition, succession and evaluation**

The Board and its Committees have a combination of skills, experience and knowledge to discharge their duties, and undergo an annual evaluation as to their effectiveness.

Succession planning remains high on the agenda for the Nomination Committee whilst acknowledging the increased need to promote diversity of gender, social and ethnic backgrounds and how effectively members work together to achieve objectives.

#### **4. Audit, risk and internal controls**

The Board has a structured oversight of the internal and external audit function through the establishment of the Audit and Risk Committee. In addition, the Committee monitors the Company's risk register with a focus on emerging risks. The work of the Audit and Risk Committees is covered in more detail from page 88.

#### **5. Remuneration**

The Remuneration Committee aligns executive remuneration to the Company's purpose and values by setting clear objectives, which are linked with the successful delivery of the long-term strategy, including environmental, social and governance (ESG) factors. This is covered in more detail on pages 96 to 123. The Committee also has the discretion to override formulaic outcomes to remuneration calculations.

The Remuneration Committee has retained remuneration advisors, Willis Tower Watson, who are independent of both the Company and the individual Directors, to assist the Committee in making informed remuneration decisions.

## Division of Responsibilities

### THE BOARD

Provides high level oversight and supports strategy setting

### NOMINATION COMMITTEE

Oversees the composition of the Board and Committees, considering succession planning, balance of skills and experience and diversity in making recommendations to the Board.

→ See page 86

### AUDIT AND RISK COMMITTEE

Oversees the Group's corporate financial reporting, the internal control system, risk management and the relationship with both the external auditor and the outsourced Internal Audit function.

→ See page 88

### SUSTAINABILITY COMMITTEE

Review and monitor the Company's attitude and approach to ESG matters and risks, and ensure compliance with related reporting requirements.

→ See page 94

### REMUNERATION COMMITTEE

Responsibility for recommending overall Remuneration Policy and the setting of executive and senior management remuneration.

→ See page 96

### EXECUTIVE COMMITTEE

Responsible for day-to-day management of the business

### Board Committees

The Board operates four Committees to which it delegates responsibility: the Audit and Risk Committee, Nomination Committee, Remuneration Committee and Sustainability Committee. Each of these Committees provides a report within the Governance section of this Annual Report, detailing information as to their responsibilities, activities in the past year and future priorities. The terms of reference of each of these Committees are each reviewed on an annual basis. The Board believes each of the Committees has the necessary skills and resources to fulfil its brief and each of the Committees has access to appropriate legal and professional advice where necessary.

### Chair

The Chair, Nigel Lingwood, leads the Board and is responsible for its overall effectiveness. The Chair sets the Board's agenda, encourages the Directors to contribute openly to debate and ensures the Directors receive accurate, timely and clear information via the Company Secretary to stimulate this debate.

### CEO

The CEO, Neil Ash, is responsible for the day-to-day management of the Group, including embedding the purpose, values and strategic objectives established by the Board.

### CFO

The CFO, Ben Guyatt is responsible for the Group's financial matters, supports the CEO in the achievement of the Group's strategic objectives and manages the relationships with investors, lenders and research analysts.

### Executive Committee

The Executive Committee, which currently comprises six senior managers including the two Executive Directors, has been established to support the CEO in his management of the business and in exercising the authorities delegated to him by the Board. Membership of the Executive Committee along with biographies is detailed on page 75.

### Senior Independent Non-Executive Director

In the Senior Independent Non-Executive Director role, Katherine Innes Ker provides a sounding board for the Chair, serves as an intermediary for the other Directors and meets the other Independent Non-Executive Directors without the Chair present to appraise the Chair's performance. The Senior Independent Director is available to shareholders if they wish to meet to discuss any matters related to the Group.

### Company Secretary

Frances Tock, in her role as Company Secretary, works closely with and supports the Chair, and the Chairs of the Board Committees in setting agendas and planning meetings, ensuring efficient distribution of the complete, accurate and timely information necessary to facilitate Board and Committee discussion. She also advises the Board and management on all matters relating to corporate governance and is responsible for the management of the AGM.

### Independent Non-Executive Directors

Independent Non-Executive Directors are not involved in the day-to-day running of the business and as such are able to provide an external perspective alongside sound judgement and objectivity. Non-Executive Directors receive a fixed level of remuneration for their services and do not benefit from variable remuneration based on Group performance. Given the size of the Group and its Board, it is thought appropriate and beneficial that each Non-Executive Director sits on each Committee. This better allows the Non-Executive Directors to effectively fulfil their responsibilities in providing constructive challenge, strategic guidance, specialist advice and holding Executive Directors to account for both the Group's and their own personal performance. All Non-Executive Directors have the required time to devote to Forterra with the Chair regularly keeping this under review.

## Division of Responsibilities *continued*

### INDEPENDENCE OF THE BOARD

The Company recognises the importance of its Non-Executive Directors remaining independent throughout their appointment, as it enables them to provide objective advice and guidance to the Executive Directors and senior management.

In considering the independence of each Non-Executive Director, the Board has taken into consideration the guidance provided by the Code, and as such, considers all Non-Executive Directors to be independent in accordance with Provision 10 of such Code.

### Summary of matters reserved for the Board

The Board has a formal schedule of matters reserved for its decision which is reviewed annually to ensure it remains appropriate and which is summarised below:

- Approval of the Group’s long-term objectives and strategy;
- Approval of the Group’s business plans, operating and capital budgets;
- Approval of the Group’s sustainability targets and reporting;
- Approval of the annual and interim accounts;
- Changes in the Group’s capital or financing structure;
- Approval of significant transactions including acquisitions and disposals;
- Approval of the dividend policy and any changes thereto;
- Ensuring the maintenance of a sound system of internal control and risk management;
- Carry out an assessment of the Group’s emerging and principal risks;
- Board appointments;
- Succession planning and setting terms of reference for Board Committees;
- Approval of the Remuneration Policy and remuneration arrangements for the Executive Directors and senior management; and
- Creation, ongoing assessment and monitoring of Company culture.

### Time commitments

The Board acknowledges the importance of directors having enough time to perform effectively. After reviewing their external commitments, it concluded each Director has sufficient time for the Company. Their contributions to Board discussions reflect the time spent on Forterra matters outside of meetings, and they are often available for unscheduled activities as needed.

### Conflicts of interest

Directors have a statutory duty to avoid situations in which they may have interests which conflict with those of the Company. The Board has adopted procedures as provided for in the Company’s Articles of Association for considering and if appropriate, authorising any potential conflicts of interest and for the consideration of, and if appropriate, authorisation of new situations which may arise.

The Company maintains a conflict register which is reviewed periodically. Currently the only situations authorised and listed on the register are the Directors holding directorships and other similar appointments in companies or organisations not connected with the Company where no conflict of interest has been identified.

### Board meetings

It is the intention of the Board to meet on at least eight occasions a year. In 2025 the Board met on eight scheduled occasions.

Standing items on the Board agenda include the CEO report covering health & safety, market conditions, competitor activity and progress on major projects; a CFO report covering financial performance; a review of investor-related activity; and the Company Secretary’s report outlining regulatory updates.

The Directors regularly communicate and exchange information regardless of the timing of meetings and should the need arise, a meeting of the Directors can be convened at short notice. In addition to the scheduled meetings, the Board also held a number of updates and briefings by video conference during the year.

There were four meetings of the Audit and Risk Committee, four of the Sustainability Committee, five meetings of the Remuneration Committee and two of the Nomination Committee during the year under review.

The table below only includes attendance where each Director attended as a member. The Chair, CEO and CFO also attended certain Committee meetings, or parts thereof, as invitees.

Attendance	B	A	S	R	N
Justin Atkinson <sup>1</sup>	4/4	n/a	2/2	2/2	0/0
Nigel Lingwood <sup>2</sup>	6/6	n/a	2/2	3/3	2/2
Neil Ash	8/8	n/a	4/4	n/a	n/a
Ben Guyatt	8/8	n/a	4/4	n/a	n/a
Katherine Innes Ker	8/8	4/4	4/4	5/5	2/2
Vince Niblett	7/8	4/4	4/4	5/5	2/2
Martin Sutherland	8/8	4/4	4/4	5/5	2/2
Gina Jardine	8/8	4/4	4/4	5/5	2/2
Aysegul Sabanci <sup>2</sup>	6/6	2/2	2/2	3/3	2/2

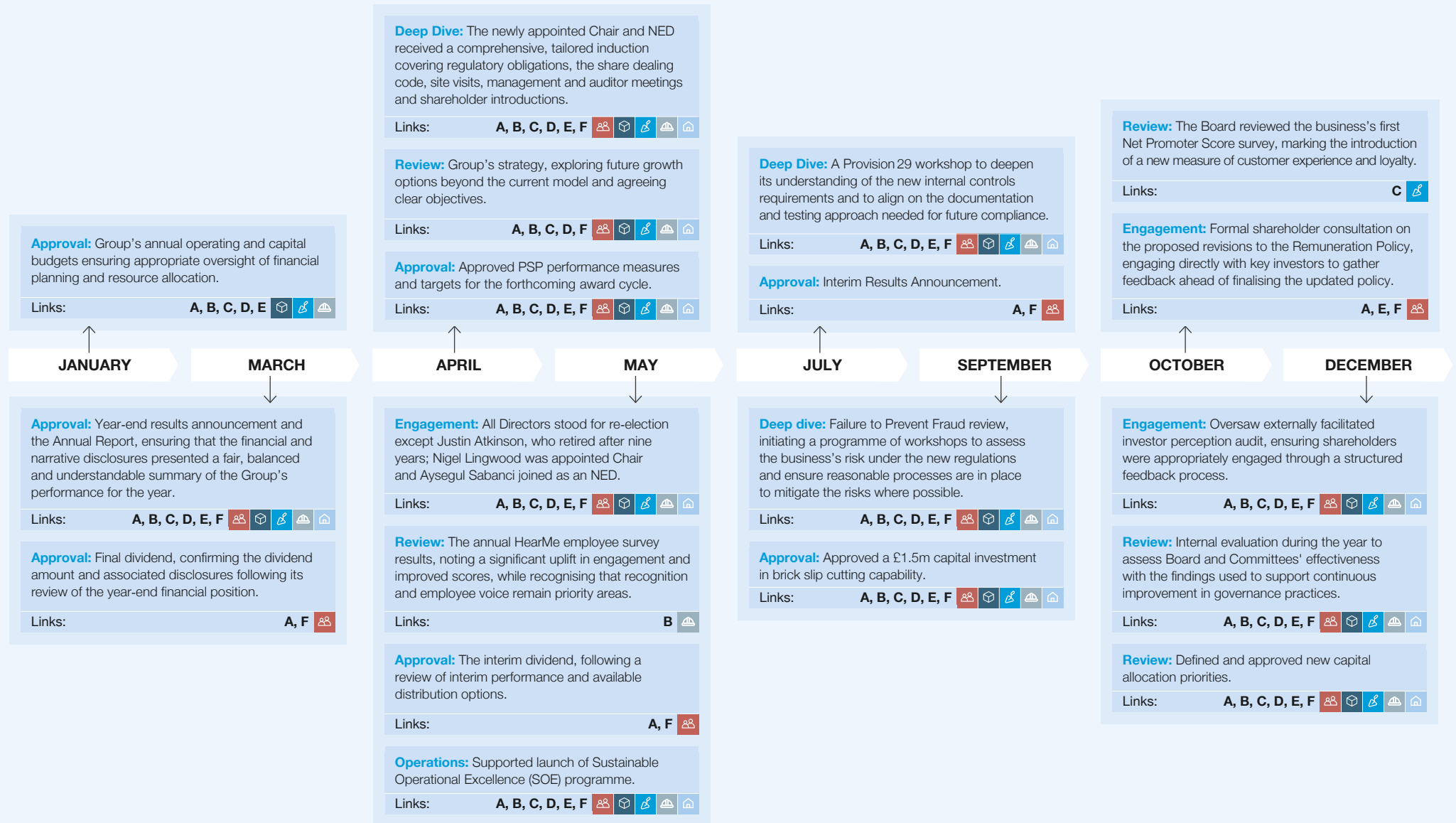
1. Justin Atkinson retired from the Board on 20 May 2025.

2. Nigel Lingwood and Aysegul Sabanci joined the Board on 1 April 2025.

### KEY

- B** Board
- A** Audit and Risk Committee
- S** Sustainability Committee
- R** Remuneration Committee
- N** Nomination Committee

# Board Activities and Decisions



**KEY**

**Stakeholders**

- Shareholders
- Suppliers
- Customers
- Employees
- Communities

**Section 172 factors**

- A** Long-term consequences
- B** Employees
- C** Business relationships
- D** Community and environment
- E** Business conduct
- F** Members of the Company

## Board Leadership and Company Purpose

### Promoting long-term sustainable success

The Board is responsible for successfully leading the Group in delivering long-term sustainable value to shareholders and for making a positive contribution to wider society. The Board establishes the Company's purpose, values and strategic objectives and ensures that sufficient financial and human resources are in place for the Group to meet its objectives. The Board ensures that a framework of effective controls are in place to enable risk to be assessed and managed.

### Monitoring culture

The Board ensures that the Group's culture aligns with the Company's purpose, values and strategy and that Directors lead by example in promoting the right culture.

Our corporate values, being the principles of behaviour that will allow us to achieve our strategic goals, are defined below and following the refresh in 2024, the Board has continued throughout 2025 to oversee and support management's progress in embedding these values across the organisation, ensuring they are reflected in day-to-day behaviours and decision-making.

- Innovate to lead: We're empowered to continuously improve;
- Pride in excellence: We relish achievement and success; and
- Collaborate and care: We work in partnership and look after each other.

The Board monitors culture through feedback from the Employee Forum, discussions with employees during site visits and evaluation of employee survey results.

### Stakeholder engagement

Board members engage with stakeholders directly to ensure that the Group is meeting its responsibilities towards them. This engagement with stakeholders allows any matters of concern to be raised and addressed by the Board. Stakeholders not only include shareholders but our workforce (many of whom are also shareholders), lenders, suppliers, customers and the communities in which we operate.

In performing their duties under S172(1) of the Companies Act 2006, the Directors give careful consideration to any concerns which the Group's key stakeholders may have, and how these matters are factored into decisions and proposals requiring Board approval.

### Shareholder engagement

The CEO and CFO meet regularly with major shareholders and work together with the joint corporate brokers to ensure there is effective communication with shareholders on matters including business performance, strategy and sustainability.

As part of the Group's investor relations programme, meetings with major shareholders are scheduled to discuss the Group's interim and full-year results. The brokers obtain feedback from these meetings and this is considered by the Board, allowing all Board members to gain a better appreciation of shareholder views and expectations.

FTI Consulting conducted an interview-based audit of its investor base, providing the Board with independent insights to support its ongoing oversight of shareholder engagement.

Factory tours are provided for major institutional shareholders who express an interest in visiting our facilities.

### Engaging with employees

Engagement with our employees is an area which we have continued to develop throughout the year, enabled directly via the Employee Forum which met four times in 2025. Martin Sutherland is the Non-Executive Director designated with responsibility for understanding the views of the workforce, he attends meetings of the Employee Forum in this capacity and has built a rapport with the forum over his tenure. The CEO undertook a roadshow of town hall talks at each of the Group's facilities and the CEO supported by other members of the management team has continued to present regular podcasts to keep employees updated on the Group's progress.

We completed our latest Gallup employee engagement survey in 2025, achieving an 85% participation rate, another record high for the Group. This strong level of engagement provides a robust and representative view of employee sentiment and confidence in the actions taken to date. The results demonstrated clear progress, with the engagement mean increasing to 3.83, ahead of our anticipated trajectory.

## Board Leadership and Company Purpose *continued*

Details of how the Group engages with all of its stakeholders are shown on pages 23 and 24 alongside the Directors' statement in relation to their statutory duty in accordance with S172(1) of the Companies Act, however engagement specifically at Board level is detailed in the below table:

Attendance	Subject	Board engagement
<b>Employees</b>	Health, safety and wellbeing Culture, equality and diversity Talent development	Board members undertake regular health and safety walks, as well as full Board site visits across the business. Each of these occasions provides Board members with opportunity for one-to-one engagement with the workforce. Board members also take the opportunity to attend and participate in health and safety related events including training courses and Building Safety Together (BST) meetings at factories. Non-Executive Director Martin Sutherland attends the Employee Forum meeting up to four times per year. Defining culture and leading from the top is core to the Board's activities. The Board considers the results of employee engagement surveys. The Board meets with senior managers at Board meetings and workshops and working dinners including an annual dinner with high potential employees.
<b>Customers</b>	Customer service and satisfaction New product development	The Executive Directors regularly meet with customers. An annual corporate event is held where Non-Executive Directors meet with key customers. Net Promoter Score (NPS) surveys are carried out to gauge customer satisfaction and gather actionable feedback.
<b>Suppliers</b>	Sustainable and ethical sourcing Maintaining supply chain security	Sustainability is a key focus for the Board and delivering against the challenging targets set in 2020 remains a priority. Scope 3 emissions are becoming an area of increased focus which will prompt additional supplier engagement. The Executive Directors regularly meet with key suppliers with a focus on health, safety and wellbeing and on occasion, it may be appropriate for other Board members to meet with key suppliers.
<b>Community</b>	Being a good neighbour	Delivering against the sustainability targets approved by the Board will improve the environment we live in.
<b>Shareholders and Lenders</b>	Group performance ESG matters Strategy	Executive Directors, along with the Chair and Senior Independent Director, regularly meet with large shareholders. Executive Directors regularly meet with lenders. Our full Sustainability Report is included within this Annual Report on pages 32 to 61.

## Board Composition, Succession, Evaluation and Risk

### BOARD EVALUATION

Following the externally facilitated Board effectiveness review in 2024, and in line with our established three-year review cycle, the Board undertook a comprehensive internal evaluation of its own performance and that of its Committees during 2025. This process drew on the findings and development areas identified in the prior external review, with progress against those recommendations monitored throughout the year.

Their findings were summarised in a report to the Chair and then presented at a meeting of the Board. The review confirmed the Board continues to operate effectively with strong leadership, constructive challenge and a positive culture.

The review identified further opportunities to improve Board effectiveness including:

- Enhance strategic focus and sharpen agenda prioritisation to ensure time is directed to the most material issues;
- Continue to strengthen succession planning to further diversify Board and senior leadership competencies, ensuring the recruitment and development of high-calibre leaders capable of supporting the Group's strategic ambitions; and
- Strengthen KPI reporting and expand the use of dashboards to provide clearer, more timely and more transparent performance tracking.

An action plan is being developed and progress will be reviewed during the year.

Notwithstanding these actions, the Board can conclude that its composition and that of its Committees is appropriate, procedures in place are effective, responsibilities are clearly divided, and that the Directors have the skills, experience, independence and knowledge to allow the Board and its Committees to successfully and effectively discharge their duties.

During the year the Senior Independent Non-Executive Director met the other Non-Executive Directors without the Chair being present; and the Chair met at least once with each Director on a one-to-one basis. These meetings allowed a full discussion of each Board member's contribution, any feedback from the Board evaluation process and a focus on personal development.

### Appointment and re-election of Directors

The Company's Articles of Association contain certain powers of removal, appointment, election and re-election of Directors and provide that each Director should retire at the Annual General Meeting if they had been a Director at each of the two preceding Annual General Meetings and are not re-appointed by the Company in the general meeting or since such meeting. A retiring Director shall be eligible for re-appointment. In practice it is intended that all Executive and Non-Executive Directors will retire and put themselves forward for re-election annually at each Annual General Meeting and as such all Directors will stand for re-election at the 2026 Annual General Meeting with the exception of Martin Sutherland who, after nine years as an Independent Non-Executive Director, will not seek re-election.

On appointment, Board members disclose their other commitments and agree to allocate sufficient time as necessary to the Company in order to discharge their duties effectively. The current disclosable external commitments of the Board are shown on pages 72 to 74. Any conflicts of interest are dealt with in accordance with the Board's conflict procedures, however this situation has not arisen this year.

### Induction

A structured induction programme is in place to ensure new Directors are quickly integrated into the Board and given the necessary insight and information to allow them to quickly become effective. The induction programme includes:

- Meetings with the Directors, Company Secretary, members of the Executive Committee and other members of management;
- Guided visits to the Group's manufacturing facilities;
- Meetings with external advisors including corporate brokers, auditors and remuneration consultants as appropriate; and
- Being given access to historic Board papers and minutes.

### BOARD DIVERSITY

The Board is committed to furthering diversity at all levels. The Board acknowledges the recommendations of the Hampton-Alexander Review which recommends that at least 33% of the Board should be female. In addition, the Board recognises that the Financial Conduct Authority (FCA) Listing Rules targets for at least 40% of the Board to be female, at least one senior member of the Board to be a woman and at least one member of the Board to be from a non-white ethnic minority background.

At present 38% of the Board are female and one of the senior Board members is a woman. Diversity covers many facets other than gender and race. The Board has a strong balance of diverse skills, knowledge, experience, upbringing and education.

Forterra has made strong progress toward the Hampton-Alexander Review target, which calls for women to make up at least 33% of senior management roles (defined as the Executive Committee and their direct reports). Female representation at this level has risen to 27%, up from 18% the previous year. This marks a notable improvement and reflects Forterra's growing commitment to diversity across the organisation.

Gender diversity is a wider issue within our industry. Presently only 12% of our employees are female with many of our roles, especially those which are factory based, traditionally being less popular with women, and we remain committed to further improvement of our diversity statistics.

The Company does not presently track statistics of ethnicity below Executive Committee level.

### Internal controls and risk management

The Board acknowledges its responsibility under Principle O of the Code for establishing procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks it is willing to take to achieve its long-term strategic objectives.

In order to allow the Board to discharge its obligations, the Board has, either directly or through the Audit and Risk Committee, reviewed the operation of the risk management and control systems for the Group throughout the year. In addition to the work undertaken to review opportunities to develop, strengthen and improve the effectiveness of the Group's risk management and internal control systems ahead of changes to the 2024 UK Corporate Governance Code, the Audit and Risk Committee reviewed a management prepared paper which outlined the effectiveness of the risk management and internal control systems within the Group, along with any areas for improvement identified. In conducting this work, the Audit and Risk Committee acts on behalf of the Board, and its activities remain the responsibility of the Board.

## Board Composition, Succession, Evaluation and Risk continued

The Board confirms that:

- There is an ongoing process for identifying, evaluating and managing the principal risks faced by the Group;
- The systems have been in place for the year under review and up to the date of the approval of the Annual Report and Accounts;
- They are regularly reviewed by the Board along with the Audit and Risk Committee where appropriate; and
- The systems accord with the Financial Reporting Council (FRC) guidance on risk management, internal control and related financial business reporting.

The key risks faced by the Group together with their potential impact and mitigating actions are laid out in the Risk Management section of the Strategic Report on pages 62 to 68.

### Directors' and Officers' insurance

The Company maintains Directors' and Officers' liability insurance policies to cover against legal proceedings taken against its Directors and Officers acting in their capacity as such. The Company has also granted indemnities to its Directors to the extent permitted by the law in respect of liabilities incurred as a result of their office. Neither the insurance cover or the indemnities would provide any coverage in the event that a Director is proven to have acted fraudulently or dishonestly.

### Share dealing code

The Company has adopted a code of securities dealing in relation to the Ordinary Shares which is based on, and is at least as rigorous as, the Model Code as previously published in the Listing Rules. The code adopted applies to the Directors and other relevant employees of the Group.

Approved by the Board and signed on its behalf by:

### Nigel Lingwood

Chair of the Board and the Nomination Committee  
10 March 2026

### BOARD SKILLS MATRIX

1	Risk Management	
2	Strategy	
3	M&A	
4	Construction Sector	
5	Manufacturing	
6	Finance	
7	Corporate Governance	
8	Commercial	
9	Health & Safety	
10	HR and Talent Development	
11	Sustainability	

- 1 Provides a practical understanding of risk management in a listed organisation.
- 2 Experience of developing and implementing successful strategy in large corporations.
- 3 Experience of mergers, acquisitions, disposals and investing.
- 4 Senior Executive experience in the construction and housebuilding industry, with in-depth knowledge of markets, strategy, operational issues and regulatory concerns.
- 5 Senior executive experience in a large manufacturing organisation.
- 6 Able to support the oversight of our financial statements and strategy and financial reporting to investors and other stakeholders.
- 7 Experience on the Board of a major listed corporation subject to vigorous corporate governance standards.
- 8 Experience of developing and leading commercial strategy in a large corporation.
- 9 Experience related to workplace health and safety at an executive level.
- 10 Experience in overseeing the management and development of labour and human resource at a large corporation.
- 11 Experience in overseeing environmental compliance and overseeing responsible, long-term value creation.

### Board and Executive Committee reporting on ethnic background






	No. of Board members	% of the Board	No. of senior positions on the Board	No. in the Executive Committee (inc. Company Secretary)	% of the Executive Committee
Male	5	62%	3	4	57%
Female	3	38%	1	3	43%
<b>Total</b>	<b>8</b>	<b>100%</b>	<b>4</b>	<b>7</b>	<b>100%</b>
White British or other White	8	100%	4	7	100%
Asian/Asian British	–	–	–	–	–
Black/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Mixed/multiple ethnic groups	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–
<b>Total</b>	<b>8</b>	<b>100%</b>	<b>4</b>	<b>7</b>	<b>100%</b>

# NOMINATION COMMITTEE REPORT



## MEMBERSHIP

The members of the Nomination Committee are appointed by the Board. As at 31 December 2025 members of the Committee were as follows:

- |  |   |
|--|---|
|  Nigel Lingwood (Chair) |  Katherine Innes Ker |
|  Martin Sutherland      |  Vince Niblett       |
|  Gina Jardine           |  Aysegul Sabanci     |

## Dear Shareholder

I am pleased to present the report of the Nomination Committee (the Committee) for 2025. The content below describes the main responsibilities of the Committee. I chair Nomination Committee meetings but would not participate in meetings when the Committee is dealing with my own position as Chair.

## Nigel Lingwood

Chair of the Nomination Committee

“As the newly appointed Chair of the Nomination Committee, I am pleased to present my first report, set against an important phase of Board renewal as we oversee the recruitment of new Non-Executive Directors in line with our succession strategy.”

## RESPONSIBILITIES

The principal responsibilities of the Committee are as follows:

- To regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and to make recommendations to the Board with regard to any changes;
- To plan for succession for both Executive and Non-Executive Board roles along with senior management positions; to identify and recommend to the Board for approval candidates to fill Board and senior management vacancies as they arise; and
- To make recommendations to the Board in respect of the performance of Directors standing for election or re-election in advance of the Annual General Meeting.

The full responsibilities of the Committee are set out in its terms of reference which are available on the Company’s website.

The terms of reference are approved by the Board and are reviewed annually to ensure they remain appropriate.

## Nomination Committee Report *continued*

### Activities during the year

The Committee has at least one standing meeting a year. There were two scheduled meetings in 2025 and an additional meeting held during the year to support the Non-Executive Director search process.

### Board appointments

The Committee adopts a formal and transparent procedure for the appointment of new Directors to the Board.

During the year, the Committee oversaw a number of important succession-related developments.

As previously disclosed, the Committee undertook a selection process to appoint executive search agencies to assist with the identifying and subsequent recruitment of a new Chair and Independent Non-Executive Director.

In February 2025 we announced the appointment of Nigel Lingwood as Chair designate, with effect from 1 April 2025. He was subsequently appointed Chair following the Annual General Meeting in May 2025. In March 2025, the Company announced the appointment of Aysegul Sabanci as Non-Executive Director, also effective from 1 April 2025.

After nine years of valued service as an Independent Non-Executive Director, Martin Sutherland confirmed that he will not seek re-election at the forthcoming AGM. The Board has expressed its appreciation for his significant contribution and extends its best wishes for the future.

The Committee also considered the longer-term composition of the Board. Our Senior Independent Director and Chair of the Remuneration Committee, Katherine Innes Ker, will reach the ninth anniversary of her appointment during 2026.

In preparation for these planned changes, the Committee has initiated a structured search for new Independent Non-Executive Directors, ensuring continuity of experience and maintaining an appropriate balance of skills, independence and diversity across the Board.

### Executive performance and succession planning

The Board undertook a structured review of Executive Team performance during the year, evaluating leadership effectiveness, capability and readiness to support the Group's long-term strategy. Supported by the newly appointed Group People Director, the Committee also conducted a detailed assessment of high-performing talent across the business. This formed an important part of our wider succession-planning work, ensuring we maintain a strong, diverse and sustainable leadership pipeline and can identify individuals with the potential to progress into critical roles over the medium to long-term.

### Priorities for 2026

Board succession planning will continue to be a significant focus area for the Committee throughout 2026. Ensuring continuity of leadership remains essential to maintaining the Board's effectiveness, particularly as we prepare for planned Non-Executive Director transitions over the coming years. The successful completion of the current recruitment process, together with the thorough onboarding and integration of the two new Independent Non-Executive Directors, will be critical in sustaining the right balance of skills, experience, independence and diversity. This work forms an integral part of our broader succession planning framework, supporting long-term Board resilience and ensuring that governance remains robust and future-ready.

### Executive skills and succession planning

A key role of the Committee is ensuring the effectiveness of the Board and its ability to deliver long-term success for the business. Included in this is the continual review of the skills, experience, independence and knowledge required to ensure the right individuals are in place to support the Company's continued progression and effective implementation of the Group's strategy. See the Board Skills Matrix on page 71.

As described above, the executive succession plan is monitored by the Committee, alongside the development initiatives to identify and nurture future leaders of the business.

### Diversity and equality

The Group has an Equality and Diversity Policy and is committed to encouraging diversity across the business at all levels and to being inclusive. The percentage of females on the Board is 38% and one of our senior Board members is a woman.

Approved by the Board and signed on its behalf by:

#### **Nigel Lingwood**

Chair of the Nomination Committee  
10 March 2026

# AUDIT AND RISK COMMITTEE REPORT



## MEMBERSHIP

The members of the Audit and Risk Committee are appointed by the Board. As at 31 December 2025 members of the Committee were as follows:

-  Vince Niblett (Chair)
-  Katherine Innes Ker
-  Martin Sutherland
-  Gina Jardine
-  Aysegul Sabanci

## Dear Shareholder

I am pleased to present the Audit and Risk Committee Report, which sets out how the Audit and Risk Committee (the Committee) has discharged its responsibilities during the year and provides an understanding of work done to provide assurance over the integrity of the Annual Report and Accounts for the year ended 31 December 2025.

## Vince Niblett

Chair of the Audit and Risk Committee

“Efforts in our response to requirements under Provision 29 of the 2024 Corporate Governance Code have shifted towards ensuring consistency of approach and the development of a proportionate and effective testing methodology.”

## RESPONSIBILITIES

The principal responsibilities of the Committee are as follows:

### Financial reporting

- Monitor the integrity of the Financial Statements, interim report, and any other announcements relating to the Group’s financial performance or position;
- Review significant estimates and judgements disclosed within the Financial Statements and how each was addressed;
- Review and challenge where necessary the consistency of, and any changes to, significant accounting policies; and
- Review the Annual Report and Accounts and provide assurance to the Board that they present a fair, balanced and understandable assessment of the Group’s position and prospects.

### External audit

- Review the effectiveness and independence of the external auditors, negotiate and agree their remuneration and make recommendations to the Board in respect of their appointment.

### Internal audit

- Review and approve the Group’s internal audit plan and monitor progress against it; and
- Determine the structure and operating model of the Group’s Internal Audit function and evaluate its effectiveness.

### Risk management and internal control

- Define and keep under review the Group’s appetite for risk;
- Review the effectiveness of risk management processes in determining whether risks are being identified, evaluated, monitored and managed appropriately;
- Review the Group risk register and consider its appropriateness and completeness, along with the appropriateness of the mitigating actions being taken;
- Consider emerging risks which have the potential to impact the business;
- Keep under review the adequacy and effectiveness of the Group’s internal financial control and risk management systems;
- Monitor the effectiveness of the Group’s procedures on whistleblowing, anti-bribery, corruption and anti-money laundering; and
- Review modelling and analysis used to support the going concern assessment and long-term viability of the Group.

## Audit and Risk Committee Report *continued*

The full responsibilities of the Committee are set out in its terms of reference which are available on the Company's website. The terms of reference of the Audit and Risk Committee are approved by the Board and are reviewed annually to ensure they remain appropriate.

### Meetings

During 2025 the Committee formally met on four occasions. In addition to the members of the Committee, other members of the Board and senior management, including the CEO, CFO, Group Financial Controller, Head of Corporate Finance and Investor Relations and both the External and Internal Auditor, were invited to, and attended, each meeting of the Committee in 2025. The Company Secretary provided secretarial services to the Committee and attended meetings in this capacity.

In addition to the scheduled meetings, the Committee Chair meets regularly with the CFO, Group Financial Controller, the Internal Audit function and External Auditor, providing additional opportunity for open dialogue and feedback.

### Key activities and highlights during the financial reporting cycle

During the year under review and to the date of this Annual Report the agenda items and principal activities of the Committee are outlined below.

#### Financial reporting

- Review of the Group's annual and interim Financial Statements and preliminary results' announcements, including accounting policies and compliance with accounting standards;
- Review of significant financial reporting issues and matters of judgement within the Financial Statements (further details can be found on pages 90 and 91);
- Review and approval of the viability statement, including the scenarios modelled and assumptions made within;
- Review and approval of the going concern statement for the Group, and recommendation to the Board that the Directors can justifiably state that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities in the period to June 2027;
- Review of the Annual Report and Accounts and advice to the Board on whether, taken as a whole, these are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's financial position and performance, business model and strategy; and
- Consideration and challenge of the Group's use of alternative performance measures (APMs) and their appropriateness within the Annual Report and Accounts.

#### External audit

- In accordance with regulatory requirements, the Audit and Risk Committee oversaw and completed the mandatory external audit tender, resulting in a recommendation to the Board that Deloitte be appointed incoming External Auditor for the period ending 31 December 2026. This recommendation was endorsed by the Board (further detailed on page 93);
- Consideration of the 2025 external audit plan including the scope of audit work and approval of the audit fee for both audit and non-audit services;
- Review and approval of reports presented by the External Auditor following the half year review and year-end audit;
- Consideration of the annual letter to those charged with governance and other reports prepared by the External Auditor; and
- Receipt of updates from the External Auditor on published changes to the Corporate Governance Code, in particular Provision 29, and understanding of the implications this may have for the Group and Committee going forward.

#### Internal audit

- Monitoring of progress against the approved 2025 internal audit programme and review of reports prepared by the Internal Audit function;
- Setting of the 2026 internal audit programme;
- Monitoring of the Group's fully outsourced Internal Audit function, and reviewing the performance of PwC as outsourced provider;
- Review of the audit reports prepared by the Internal Audit function with subsequent oversight of the implementation of recommended improvements; and
- Receipt of updates from the Internal Auditor on published changes to the Corporate Governance Code, in particular Provision 29, and understanding of the implications this has for the Group and Committee going forward.

#### Risk management and internal control

- Review and challenge of the Group Risk Register as presented by management, with developments monitored through the year;
- Review of emerging risks for the Group at each Audit and Risk Committee, using risk heat maps to monitor risk likelihood and impact. Challenge to management on actions and monitoring;
- Review and approval of external disclosures in relation to risk management and internal controls, primarily principal risk disclosures;
- Receipt of regular updates from management on the progress of the Group's strategy to formally document and test key controls ahead of changes proposed in the 2024 Corporate Governance Code, specifically those relating to risk and internal control management, as due to take effect for all periods from 1 January 2026 onwards. Further detail on this is provided on page 92 of this Committee report; and
- Receipt of a report detailing the risk and internal control systems operating in the business and their effectiveness, along with areas for improvement to support the proposed changes outlined in the 2024 Corporate Governance code.

#### Other

- Receipt of compliance updates from the Company Secretary in relation to whistleblowing.

## Audit and Risk Committee Report *continued*

### Significant financial reporting risks and judgement areas considered

The Committee, in carrying out its responsibilities, is required to assess whether suitable accounting policies have been adopted and consistently applied in the preparation of the Financial Statements.

The Committee considers the following to be the most significant financial reporting matters based on their potential effect on the Group's Financial Statements. During the year and to the date of this report, the Committee has reviewed and challenged papers prepared by management, confirming these remain appropriate for the Group and relevant in the approval of the Financial Statements for the year ended 31 December 2025.

#### Revenue recognition

The Group recognises revenue on a point in time basis when performance obligations are met, which is usually on delivery to the customer, but may vary by product and under different agreements. In addition to this, a number of contracts contain volume driven rebate mechanisms.

#### Committee action

The Committee reviewed and reaffirmed its understanding of the Group's policy for recognising revenue and recording rebate obligations, noting that the underlying accounting policy remained consistent with prior periods.

Through discussions with management, the Committee challenged the basis for key assumptions, including the identification of performance obligations, the evidence supporting transfer of control, and the completeness and valuation of rebate accruals. The Committee also reviewed the External Auditor's findings from their substantive testing, analytical procedures and data-driven audit work. The Committee concluded that the Group's assessment of the point at which control transfers to the customer has been appropriately assessed and applied, and was satisfied that the Group has robust systems, controls and processes in place to support the accurate and consistent recognition of revenue.

#### Restoration and decommissioning provisions

The Group recognises provisions for restoration and decommissioning obligations based on a combination of third-party specialist assessments and management's judgement regarding the scope, timing and cost of future activities.

#### Committee action

The Committee reviewed the work undertaken by management to ensure the completeness and accuracy of provisions for restoration and decommissioning. This included consideration of the use of independent third-party experts and management's assessment of key assumptions such as discount rates, expected timing of restoration activities and the useful economic lives of relevant assets.

The Committee also received and considered the External Auditor's report, which covered the procedures performed to assess the appropriateness of discount rates, useful lives, management's underlying data, and the scope of third-party specialists engaged by the Group. The Committee discussed with the External Auditor the degree of estimation uncertainty inherent in long-term decommissioning obligations and the sensitivity of the provision to changes in key assumptions.

This process enabled the Committee to challenge and understand the basis, methodology and judgements applied in determining the provisions as at 31 December 2025, and to confirm that the Group's policy has been applied consistently. The Committee was satisfied that appropriate systems, internal controls and oversight mechanisms are in place to ensure that restoration and decommissioning provisions are reasonable, supportable and accurately reflected in the Financial Statements.

#### Inventory valuation and provisioning

Inventory carrying value in the Financial Statements is stated after recognising inventory provisions, with particular reference to the judgemental nature of the obsolescence and capping provisions. These provisions use past sales data, with manual adjustments as determined necessary (an example of this being new product ranges) to calculate a provision at the balance sheet date. These judgements require management to evaluate the likely saleability, ageing profile and expected net realisable value of certain finished goods, taking into account current market conditions and commercial expectations.

#### Committee action

The Committee reviewed management's assessment of the valuation of finished goods inventory, including the methodologies and assumptions applied in determining obsolescence and capping provisions. Particular attention was given to the impact of current economic conditions, changes in customer demand patterns and the potential effects on stock utilisation and saleability.

The Committee also considered the work performed by the External Auditor in this area. This included attendance at stock counts, procedures to assess the accuracy of recorded inventory quantities, sample testing and an evaluation of the reasonableness of both the model and the management adjustments within.

Based on the information presented, the Committee concurred with management's assessment that there are appropriate policies, systems and controls in place to ensure the carrying value of the Group's inventories is accurately stated.

#### Impairment

The Group holds significant assets in the form of brands, land and buildings, and plant and machinery. At both the interim and year-end reporting dates, these assets were assessed for indicators of impairment. Management carried out a structured review of potential impairment triggers and, where indicators were identified, performed detailed assessments for the relevant cash-generating units (CGUs). These assessments used either value-in-use calculations or estimates of fair value less costs of disposal, as appropriate at a CGU level, and required judgement in areas such as long-term cash flow forecasts, discount rates and growth assumptions.

In 2025 management has proposed impairments to both the Bison Bespoke Precast (£1.3m) and Formpave (£2.7m) factories, reflecting the cessation of operations at these two sites. These impairments, covering property, plant and equipment, right-of-use assets and inventories have been recorded as exceptional items in the year. Further details can be found within note 8 to the Consolidated Financial Statements.

## Audit and Risk Committee Report *continued*

### *Committee action*

The Committee reviewed management's impairment assessments, including the identification of impairment indicators and the selection of CGUs requiring detailed review. These assessments included the key assumptions used in the value-in-use and fair value models, including forecast cash flows, discount rates and long-term growth rates.

The Committee also evaluated the proposed impairments relating to the Formpave and Bison Bespoke Precast factories, which reflect the cessation of operations at these sites. This included reviewing the basis for impairing property, plant and equipment, right-of-use assets and inventories, and ensuring the classification of these charges as exceptional items was appropriate.

In addition, the Committee considered the External Auditor's findings, including their procedures over the impairment models, assessment of key assumptions and review of the evidence supporting the impairments.

Based on the information and assurance received, the Committee was satisfied that the impairment reviews had been conducted appropriately, that the judgements applied were reasonable, and that the resulting impairments were correctly reflected in the Financial Statements.

### *Alternative performance measures (APM): exceptional items*

Exceptional items have historically been disclosed separately in the Financial Statements where management believes it is necessary to show an APM in presenting the financial results of the Group. Management assesses the nature, size and incidence of items when judging what should be disclosed separately.

In the current year, management has considered restructuring costs associated with the exit of the two non-core businesses, Formpave and Bison Bespoke Precast, to be exceptional in nature and has presented these as such. Full details can be found within note 8 to the Consolidated Financial Statements.

### *Committee action*

The Committee reviewed the rationale for classifying the restructuring costs associated with the exit of the Formpave and Bison Bespoke Precast businesses as exceptional items. This included assessing the nature, size and non-recurring characteristics of the costs, and considering whether separate disclosure would provide users of the Financial Statements with a clearer understanding of the Group's underlying performance. In addition, the Committee considered the External Auditor's procedures in this area, including its assessment of the appropriateness of the exceptional classification and the evidence supporting the costs recognised.

Based on these discussions and the assurances received, the Committee was satisfied that the items presented as exceptional in the year have been appropriately identified, consistently applied, and clearly disclosed in the Financial Statements.

### *Alternative performance measure (APM): adjusting items*

In addition to exceptional items, as in the prior year the Group is disclosing certain adjusting items separately within the Annual Report and Accounts. This has led to the presentation of 'adjusted' results, which are presented before both exceptional and adjusting items. Management believes the presentation of this APM is beneficial and necessary in allowing users of the accounts to understand the performance of the Group.

In the current year, the Group has presented the below as adjusting items:

- The realised gain recognised within the Statement of Total Comprehensive Income for the sale of excess energy in 2025, where committed volume exceeded actual consumption by the Group, totalling £1.2m; and
- The impact of fair value accounting for forward energy contracts held, whereby committed future volume is expected, as at 31 December 2025, to exceed total consumption by the Group. For these future contracts, the Group can no longer apply the own use exemption under IFRS 9 and instead recognise these as derivatives held at fair value on the balance sheet at 31 December 2025.

### *Committee action*

The Committee assessed the categories of items proposed for inclusion as adjusting items and considered their appropriateness. In doing so the Committee sought views from the External Auditor as to the use of adjusted results within the Annual Report and Accounts. Upon conclusion of this review, the Committee concurred with management's analysis of proposed items and their disclosure as an APM.

### *Alternative performance measure: accounting for carbon credits*

Under the UK Emissions Trading Scheme, the Group receives an annual allocation of free carbon credits, which are used to satisfy a portion of the Group's carbon emissions liability as incurred over the compliance period, which falls in line with the accounting period of the Group. These are recorded at nil value within the Financial Statements. As this allocation is less than the total carbon compliance liability incurred by the Group over the compliance period, additional carbon credits are purchased to satisfy the shortfall.

The liability for the shortfall is measured, up to the level of credits purchased, at the cost of the purchased credits. Where the liability to surrender carbon credits exceeds the carbon allowances purchased, the shortfall is measured at the prevailing market price and remeasured at the reporting date. The Group's free allocation of carbon credits is based on expected emissions over the full compliance period, which is in line with the Group's financial year. As such, management believes this operationally aligned method for measurement recognises these free allowances over the full financial year using a weighted average basis, aligned proportionately with the production which drives carbon emissions, in line with management reporting. This weighted average basis is presented as an APM in the interim financial statements.

The interim statutory results showed carbon credits as being utilised on a first in, first out basis, fully utilising the Group's free allocation of carbon credits before recognising any liability to purchase further credits. The above differing treatments only affect the interim results for the Group and have no impact on the full-year Financial Statements.

### *Committee action*

The Committee received updates from management and the External Auditor on the appropriateness of the Group's accounting policy for the treatment of carbon credits, including the measurement basis applied at both the interim and year-end reporting dates. The Committee reviewed and discussed the relevant accounting standards underpinning the policy and considered management's rationale for disclosing a weighted-average measurement basis as an APM within the interim Financial Statements.

The Committee also sought the External Auditor's views on the suitability, transparency and consistency of the APM presentation and the supporting reconciliations provided by management.

Following its review, the Committee concluded that the disclosure continued to offer users additional clarity over performance and that the reconciliations and supporting explanations were sufficiently detailed and appropriately prominent within the Financial Statements.

## Audit and Risk Committee Report *continued*

### Risk management and internal controls

Throughout the year and to the date of this Annual Report, the risk register for the Group has been reviewed and updated by management, considering completeness, likelihood and impact of risks, along with controls and actions in place to mitigate risks. Emerging and principal risks for the Group (as described in the Strategic Report on pages 62 to 68) are reviewed regularly and the full risk register is presented to the Board at least annually.

During 2025, the Committee received regular updates on emerging and evolving risks, with continued focus on the risks surrounding, and subsequent responses to, current market conditions. Risks deemed as emerging in 2025 included an evolving market and how we as a business respond. The Committee considered the likely implications and potential mitigations of each risk and reviewed the Group's overall approach to determining risk appetite, which was formally approved in January 2026.

The Committee continues to review emerging risks alongside the Group's principal risks to provide assurance that all risks continue to be afforded proper attention.

Further information regarding the risks faced by the Group is included in the Strategic Report on pages 62 to 68.

### Internal audit

The Internal Audit function exists to provide the Board and management with independent assurance that internal controls and risk management processes are both appropriate and operating effectively.

The Group operates an outsourced Internal Audit function which is supported by the Company Secretary and members of the senior finance team. The Committee believes this operating model provides the Group with a wide pool of external experience and specialist skill sets to deliver the most effective and responsive solution, alongside strong internal business support provided internally.

The Internal Audit function operates to an agreed 12-month audit programme which is set by the Committee after considering recommendations from the outsourced Head of Internal Audit as well as senior management. Internal audit programmes are designed following an assessment of risk and materiality. The Committee retains the ability to bring in independent specialists to assist with audit work where more specialist knowledge and understanding is required.

During 2025 and to the date of this report the Internal Audit function performed work covering areas including: Corporate governance code preparedness, assessment of cyber security maturity, along with the scoping for an IT disaster recovery audit and planned reviews of the Groups business continuity plans.

The outcomes of those that have reached completion were presented to the Audit and Risk Committee ahead of approval of the Financial Statements for the year ended 31 December 2025. These set out any control weaknesses identified as well as management's actions to address control recommendations. A report on the status of open management actions was presented by the Internal Audit function at each meeting of the Committee during 2025 and challenged as necessary.

Overall the Internal Audit function operated effectively and contributed strongly to the Group's overall governance framework.

The Chair of the Audit and Risk Committee regularly met with the Internal Audit function during the year and the function had confidential access to the Chair of the Committee as required.

### Committee experience and competence

Provision 24 of the revised Code requires that the Board should satisfy itself that at least one member of the Audit and Risk Committee has recent and relevant financial experience. The Committee as a whole shall have competence relevant to the sector in which it operates.

The Board has concluded that Vince Niblett meets the recent and relevant financial experience requirement. Vince Niblett was previously Partner at international professional services firm, Deloitte, where he held a number of senior roles including membership of the UK Board of Directors and Global Managing Director, Audit & Enterprise Risk Services before retiring in 2015. Vince is a Chartered Accountant and also a Non-Executive Director and Chair of the Audit Committee at Big Yellow Group plc and Target Healthcare REIT plc.

The Board also considers the wider Committee to have the required competence, skills and experience, and that it is operating effectively and is providing robust challenge to the Executive Directors and the wider business.

### STRATEGIC RESPONSE TO THE REVISIONS TO THE UK CORPORATE GOVERNANCE CODE COVERING RISK MANAGEMENT AND INTERNAL CONTROL EFFECTIVENESS

During the year, supported by the Internal Audit function and an established working group of senior management, the Committee has continued to oversee the Group's response to the revised UK Corporate Governance Code and the evolving expectations arising from the Government's programme on audit and corporate governance reform. In particular, the Committee has focused on the practical implementation of the requirements under Provision 29, and the implications these place on the Board and the Committee.

Following the revisions to the Corporate Governance Code published by the FRC in January 2024, the Group has made significant progress in strengthening its approach to risk management and internal control. The working group has now reached a well-developed position on the identification of material risks and the associated material controls, informed by guidance from Internal Audit and external advisers. The focus has therefore shifted from design to execution, with current activity centred on ensuring robust documentation, consistency of approach and the development of a proportionate and effective testing methodology.

Internal Audit has continued to provide regular input throughout this phase of the programme, offering challenge and insight as the control framework has been refined and as plans for testing have been developed. A clear roadmap to the Group's first Provision 29 declaration is now in place, setting out the key milestones required to support Board assessment and disclosure. Design effectiveness testing is scheduled across 2026 to ensure that controls are fit for purpose, and by Q3 the Committee expects to have a clear view of the proposed disclosure approach.

The Committee has received regular updates on progress during the year and will continue to oversee the further embedding, documentation and testing of the Group's material controls, as the Group moves towards full compliance with the 2024 UK Corporate Governance Code in 2026, alongside any further policy or legislative developments.

## Audit and Risk Committee Report continued

### Fair, balanced and understandable

At the request of the Board, the Audit and Risk Committee has considered whether the 2025 Annual Report and Accounts is fair, balanced and understandable and whether it provides the necessary information for the Group's shareholders to assess the Group's position, performance, business model and strategy.

As part of its review the Committee considered:

- The messaging and balance of key disclosures in the Strategic Report;
- Presentation of APMs, including the balance between statutory and non-statutory measures;
- Advice from external professional advisors on complex matters where appropriate;
- Reviews performed by senior management over the Annual Report and Accounts;
- Disclosures related to the Group's sustainability objectives, as well as climate risk and opportunities; and
- Consistency of reporting within the Annual Report and Accounts, including disclosure of judgements and estimates.

The Committee has concluded that the disclosures, and the process and controls underlying their production, were appropriate to enable it to determine that the 2025 Annual Report and Accounts is fair, balanced and understandable.

### Viability statement and going concern

Ahead of the publication of the full-year financial results for 2025, the Committee undertook a detailed review of the prospects of the Group to ensure ongoing viability. A viability statement was prepared which carefully considered possible adverse scenarios resulting from continued economic uncertainties, against a budgeted base case. This was used to support a recommendation to the Board that the Directors can justifiably state that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities to the end of 2028. The viability statement is included in the risk management and key risks section of the Strategic Report.

The Committee also reviewed and challenged the going concern statement included in the Directors' Report, along with the underlying assessment prepared to support this statement.

### External audit

In accordance with the regulatory requirement to conduct an external audit tender at least every 10 years, the Committee undertook a competitive tender process during the year for the statutory audit for the financial year ending 31 December 2026. The Committee approved the tender participants, scope, timetable and evaluation criteria, ensuring the process was consistent with the FRC's Audit Committees and the External Audit: Minimum Standard.

The tender was open to all eligible audit firms. Participating firms, including the incumbent auditor (Ernst & Young), were given access to a comprehensive data room providing detailed information on the structure and operations of the Group. This was supplemented by a factory site visit and meetings with senior management, the Chair of the Board and the Chair of the Audit Committee to support the firms' understanding of the business. In parallel, each firm completed an independence assessment for the proposed audit period.

The second phase of the process focused on the proposed approach of each audit firm, including the structure of the audit team, proposed use of data analytics and digital audit tools, and how the firms intended to address the more complex areas of the audit. The Committee reviewed written proposals, held detailed presentation sessions, and assessed the firms against a range of criteria, including audit quality, sector experience, independence, robustness of challenge, and the resourcing and depth of the engagement team.

Upon completion of this process, the Committee concluded that Deloitte best met the Group's requirements in delivering a high-quality, independent and effective audit. The Committee therefore recommended to the Board that Deloitte be appointed as External Auditor. The Board endorsed this recommendation, and Deloitte will be proposed for appointment by shareholders at the 2026 AGM. A transition plan has begun in early 2026, with Deloitte attending key meetings in relation to the 2025 audit to ensure an effective handover from the incumbent auditor, Ernst & Young.

Going forward, in line with regulatory expectations, the Committee anticipates that the statutory audit will be tendered at least every 10 years to support ongoing audit quality, independence and value for shareholders.

### Non-audit services policy

The Group's non-audit services policy restricts the External Auditor from performing certain non-audit services in accordance with the Revised Ethical Standard 2024. It is the policy of the Company that the only non-audit services provided by the external auditor should be the review of the Group's interim financial statements. Any further non-audit services require the specific approval of the Committee.

The amounts paid to Ernst & Young for non-audit services during the year are disclosed in note 5 of the Financial Statements. Non-audit services provided in the year were in respect of the review of the Group's interim financial statements and results announcement. Ernst & Young also has its own policies and procedures in place to ensure it maintains its independence and objectivity and regularly reports to the Committee on its independence.

### Whistleblowing, fraud and the Bribery Act

The Board has reviewed and approved the Group's policies and procedures covering whistleblowing, anti-bribery and corruption including the controls in place to detect fraud and to ensure compliance with both competition and anti-bribery legislation. The Group maintains a zero-tolerance approach to breaches of this legislation and certain employees in commercial roles, selected using a risk-based approach, are provided with dedicated training and guidance appropriate to their roles.

The Group operates a MySafeWorkplace anonymous incident reporting system, allowing employees to report any wrongdoing or concerns with confidentiality assured. There were no concerns notified to the Group that required the attention of the Committee during the year and up to the date of this report.

Approved by the Board and signed on its behalf by:

#### Vince Niblett

Chair of the Audit and Risk Committee  
10 March 2026

# SUSTAINABILITY COMMITTEE REPORT



## MEMBERSHIP

The members of the Sustainability Committee are appointed by the Board. As at 31 December 2025 members of the Committee were as follows:

 Gina Jardine (Chair)	 Nigel Lingwood
 Neil Ash	 Ben Guyatt
 Katherine Innes Ker	 Vince Niblett
 Martin Sutherland	 Aysegul Sabanci

## Dear Shareholder

I am pleased to present the report of the Sustainability Committee (the Committee) for 2025. The purpose of the Committee is to guide the business towards successful long-term sustainability, overseeing the effective management of risks and opportunities across areas of environmental, social and governance.

### Gina Jardine

Chair of the Sustainability Committee

“Our commitment to health and safety is unwavering, and the Committee takes clear responsibility for driving this agenda forward across the Group.”

## RESPONSIBILITIES

The role of the Committee is to review and monitor the Company’s attitude and approach to sustainability matters and risks and ensure compliance with sustainability reporting requirements under relevant frameworks. As part of this it is responsible for the review and monitoring of health and safety policy and performance, along with the process for compliance with applicable laws, regulations and ethical codes of practice.

The principal responsibilities of the Committee are as follows:

- Oversee the Group’s sustainability policies;
- Review of the health and safety policy, considering whether it complies with legislation and best practice, and recommend improvements as appropriate;
- Define the level of the Group’s ambitions with regards to reducing environmental impact and addressing climate-related risk;
- Set challenging environmental targets and monitor progress against these;
- Monitor the Group’s compliance with the requirements of TCFD and other reporting protocols as appropriate;
- Ensure that the Group’s sustainability policy satisfies its desired outcomes and monitors achievement against the targets set; and
- Implement changes in the health and safety policy as necessary.

The Committee’s full terms of reference are available on the Company’s website.

The terms of reference of the Sustainability Committee are approved by the Board and are reviewed annually to ensure they remain appropriate.

## Sustainability Committee Report *continued*

### Meetings

During the year under review, the Committee held four meetings. In addition to the Committee members, other members of the management team with responsibilities covering health and safety, sustainability, commercial and operations regularly attended and actively contributed to the meetings.

### Activities during the year

During the year under review and to the date of this Annual Report the agenda items and principal activities of the Committee are outlined below.

### Health and safety strategy

Health and safety remains our number one priority as a Group and accordingly continued to be an area of significant focus for the Committee during the year.

2025 was the first year of our new health, safety and wellbeing strategy, Base to Brilliant. The strategy is intended to move the business beyond legal compliance and defines expectations to achieve our interdependent safety culture goal. It is set in three parts (bronze, silver, gold), so the steps of the journey are structured, clear and follow a pathway of continuous improvement. The Committee has been regularly updated on progress in this area as each site has been assessed against bronze requirements to establish an initial baseline, working to then achieve the criteria going forwards.

The Committee has continued to demonstrate the Board's commitment towards Visible Felt Leadership (VFL) as all Board members have now undertaken the training and have utilised these skills in undertaking two factory health and safety walks in the year.

Whilst the Group's Lost Time Incident Frequency Rate (LTIFR) in 2025 showed significant improvement, the Committee has remained involved in ensuring the recent high standards of Health and Safety would be maintained when future capacity was increased. A number of 'deep dive' incident reviews were presented to the Committee across the year, giving the Committee the opportunity to both understand incidents that have occurred and challenge the proposed learning and improvement actions.

### Decarbonisation

Reducing our carbon emissions is a core focus for the Group, with the ultimate ambition of reaching net zero by 2050, our medium-term priority is to deliver a significant reduction in our emissions by 2030.

The Committee continues to play a key role in the Group's decarbonisation activities, receiving regular updates as to performance against key carbon reduction targets and helping to shape the Group's Climate Transition Plan.

During the year, the Group took the opportunity to seek stakeholder views as part of a Double Materiality Assessment process, and the Committee was kept regularly apprised of progress throughout the exercise. In addition, a number of Committee members including the Committee Chair and CFO participated in the stakeholder interview process, providing direct input and oversight at a key stage of the assessment. Having been finalised in early 2026, conclusions from the assessment will be reviewed by the Committee and utilised in strategic decisions and target setting going forwards.

Decarbonisation activities in the year focused at product level, as detailed below, however the Committee was kept updated with developments in the Group's longer-term activities around hydrogen usage and carbon capture. These updates looked at supply and transport with significant progress being made with the East Coast Hydrogen pipeline project, which could connect to one of our facilities in the early 2030s, as well as opportunities for on-site production under the Government's hydrogen production business model. The Committee were also presented with potential longer-term options around Carbon capture, reviewing an opportunity to install a small scale pilot plant on one of our sites to determine if new technology in this field would be suitable for the relatively low carbon dioxide concentrations found in brick factory emissions.

### Product innovation

The Committee received updates regarding the Group's ongoing work to reduce raw material usage and support housebuilders in their decarbonisation efforts recognising their focus on embodied carbon per m<sup>2</sup> of façade.

On this basis, the Committee also reviewed the metrics through which Group emissions are measured and agreed that intensity per m<sup>2</sup> should be included within our reporting going forwards, allowing this to be measured on an ongoing basis and aligning how we think about emissions to how our customers look at this.

The Committee continues to challenge and guide the Group's innovation strategy acknowledging that continued investment in product development and innovation is critical to our future success.

### Focus for 2026

The Committee's focus in 2026 will remain in the governance of the Group's sustainability strategy, with health and safety, decarbonisation and the Group's wider sustainability targets at its core.

Having taken the opportunity to seek stakeholder views through our double materiality assessment in 2025, 2026 will offer a key opportunity to build on this and set targets to replace those that have concluded in 2025.

Approved by the Board and signed on its behalf by:

### Gina Jardine




Chair of the Sustainability Committee  
10 March 2026

# REMUNERATION COMMITTEE REPORT



## MEMBERSHIP

The members of the Remuneration Committee during the year and as at 31 December 2025 were as follows:

-  Katherine Innes Ker (Chair)  Nigel Lingwood
-  Martin Sutherland  Vince Niblett
-  Gina Jardine  Aysegul Sabanci

### Katherine Innes Ker

Chair of the Remuneration Committee

“On behalf of the Board, I am pleased to present our Directors’ Remuneration Report for the financial year ended 31 December 2025. The Report explains how the Remuneration Committee has applied the Directors’ Remuneration Policy during the year and outlines proposed changes to the Policy which will be submitted for shareholder approval at the Company’s 2026 Annual General Meeting.”

## RESPONSIBILITIES

The principal responsibilities of the Committee are as follows:

- Design and implement Remuneration Policy and practices of the Company to support strategy and promote long-term sustainable success;
- Ensure executive remuneration is aligned to Company purpose and values and linked to delivery of the Company’s long-term strategy;
- Ensure the engagement and independence of external remuneration advisors; and
- Review workforce remuneration and related policies and the alignment of incentives and rewards with culture.

The full responsibilities of the Committee are set out in its terms of reference which are available on the Company’s website.

The terms of reference are approved by the Board and are reviewed annually to ensure they remain appropriate.

### Dear Shareholder

I am pleased to present, on behalf of the Board, the 2025 Directors’ Remuneration Report (Report).

The Group aims to attract and retain talented people to deliver sustainably high levels of performance, ensuring the ongoing success of the Group. Our Remuneration Policy (Policy) aligns the Group’s strategic goals with the pay and incentives of Executive Directors, senior management, employees, and with the long-term interests of our shareholders. Alongside this, the Policy is designed to create an environment of achievement and delivery, with appropriate reward for good performance and for behaviours which support the culture promoted throughout the Group, without incentivising the taking of unnecessary risks, and is designed to be both transparent and understandable.

The current Remuneration Policy was approved by shareholders at the 2023 AGM, and received 98.14% of the votes cast in favour.

The Policy has reached the end of its three-year term and a new Policy is now being presented for approval by our shareholders at the 2026 AGM. A major focus of the Committee over the course of 2025 has been to undertake a detailed review of the Policy to ensure that it continues to effectively support Forterra’s strategy and culture.

## Remuneration Committee Report continued

This review was informed by principles of good governance, current market practice, and included an investor consultation exercise. Forterra's business context, the cyclical nature of our industry, opportunities for growth arising from market recovery, continued enhanced and more efficient production capacity, and the development of new products to broaden our market reach were all taken into consideration. A key objective is to ensure that the remuneration arrangements and incentives support the Board's objective to motivate and retain the current leadership team. While some aspects of the Policy continue to work well in this regard, the Committee has concluded that some changes to our incentive arrangements will be important in supporting the Board's strategy and Executive Management retention.

Full details of the changes proposed are set out within this Report.

### Trading performance

Notwithstanding only a modest improvement in market conditions, we have returned a strong financial performance in 2025. Group revenue increased by 12.1% to £386.0m (2024: £344.3m) outperforming the wider market, driven by increased sales volumes, with our brick market share returning to historical levels. Adjusted EBITDA was £61.6m (2024: £52.0m) with adjusted profit before tax increasing 62.9%, from £22.1m to £36.0m. The Group delivered another solid adjusted operating cash flow in the year of £68.7m (2024: £60.1m)

Adjusted earnings per share increased by 65.8% to 12.6p (2024: 7.6p). Net debt excluding leases was £55.7m, a reduction of £29.2m (2024: £84.9m). Having reduced our net debt, with leverage now around 1 times Adjusted EBITDA, we are now able to provide greater clarity on our capital allocation priorities looking forward, which will include additional returns to shareholders in the form of share buybacks.

### Strategic progress

During the year we made good progress in Strengthening our Core. At our Desford brick factory, both kilns ran simultaneously for the first time, increasing production output and efficiency. Redevelopment of our Wilnecote factory is nearing completion, and commissioning of an enhanced product range is underway. This will enable us to regain and grow our position in the commercial and specification markets. Beyond the Core, we successfully launched our Omnia extruded brick slip range at Accrington. Combined with the Omnia mechanically fixed façade system, these products position us to increase our share of the growing façade market and ensure brick remains a relevant and attractive choice for multi-family and high-rise developments.

### Remuneration in context

In making decisions in relation to the Executive Directors' remuneration outcomes for 2025, the Committee has taken into account key measures of the Group's performance as well as the experience of wider stakeholders as outlined within this Report.

### Employees

We are committed to the provision of an inclusive working environment and ensuring fair reward for all employees, regardless of seniority across the business. In addition to the Executive Directors and senior management, the Committee considers wider workforce remuneration and conditions.

The Committee also continued its commitment to encouraging employee share ownership by approving the offer and subsequent grant of share options under the Forterra Sharesave Plan. There was continued uptake of this offer from employees, with over half of our workforce continuing to save in this way.

In line with established protocols, wages and salaries were reviewed at the beginning of 2025 with an increase of 3% awarded to salaried and hourly paid employees from January 2025.

During the year, management met with representatives from the Employee Forum on a quarterly basis, with discussion topics including employee reward amongst many others.

### Shareholders

We remain in close contact with major shareholders, with the Executive Directors regularly meeting shareholders to discuss business performance, strategy, capital allocation, sustainability and other matters. Discussion in 2025 centred upon market conditions, our balance sheet and capital allocation, as we successfully reduced our indebtedness.

The Chair of the Board is always available to discuss matters with major shareholders and held a number of meetings during the year.

Ahead of proposing the amendments to our Remuneration Policy, I wrote to major shareholders seeking feedback on proposed amendments. We have acted upon the feedback received, details of which can be found within this Report.

### 2025 salary and fees

The base salaries of the Chief Executive Officer, Neil Ash; Chief Financial Officer, Ben Guyatt; the Chair's fee; and the Non-Executive Directors' base fee were all increased by 2.75% from January 2025.

### 2025 annual bonus

Reflecting the fulfilment of personal objectives and Company performance, the 2025 annual bonus will be paid in March 2026.

The adjusted profit before tax (PBT) of £36.0m exceeds the maximum threshold of £32.5m and will result in the Executive Directors receiving 100% of their maximum profit-related bonus entitlement.

The maximum and minimum thresholds were set by the Committee in early 2025 and reflected the Board's expectations at the time for the Group's 2025 performance, recognising that market uncertainty was likely to impact recovery, with higher inflation and interest rates.

The achievement against the personal objectives' element has been determined at 80% for the Chief Executive Officer (CEO), Neil Ash, making his total bonus earnings 95% of his maximum potential annual bonus for 2025. Ben Guyatt, Chief Financial Officer (CFO) was determined to have achieved 75% of his personal objectives, making his 2025 bonus earnings 93.75% of his maximum potential annual bonus.

No adjustments or discretion have been applied to the formulaic outcome for the 2025 annual bonus.

Under the current rules of the Annual Bonus Plan, the first 10% of salary is payable in cash, with half of the remainder of any bonus being normally deferred into shares under the Deferred Annual Bonus Plan (DABP).

## Remuneration Committee Report continued

### Performance Share Plan (PSP) awards vesting in 2025

The 2022 PSP award was due to vest on 17 March 2025. The award was granted with half of the award subject to an earnings per share (EPS) performance condition and half subject to a total shareholder return (TSR) performance condition, both measured over the three year period ended 31 December 2024. Neither the EPS nor the TSR performance conditions were met and therefore the 2022 PSP awards did not vest.

### Performance Share Plan (PSP) awards vesting in 2026

The 2023 PSP award is due to vest in April 2026 although each of the performance conditions are assessed as at 31 December 2025. The award was granted with 40% of the award subject to a stretching EPS performance condition, 40% of the award subject to a TSR performance condition, and the remaining 20% of the award determined by sustainability-based targets. Neither the EPS, TSR or sustainability performance conditions were met and therefore the 2023 PSP awards will not vest in April 2026.

### Performance Share Plan (PSP) awards granted during the year

The 2025 grant of awards under the PSP was made in accordance with the Policy at 175% of salary for the CEO, Neil Ash, and 150% of salary for the CFO, Ben Guyatt. This represents an increase on 2024 award levels, which were 150% and 125% respectively, to reflect the stretch in the performance criteria.

The performance targets applicable to this award are disclosed within this Report. The awards are structured with 40% of the awards granted subject to an EPS performance condition, 40% of the awards granted subject to a TSR performance condition and 20% of the awards subject to sustainability targets.

### 2026 OVERVIEW

#### Review of the Directors' Remuneration Policy

The current Remuneration Policy was approved by shareholders at the 2023 AGM and received 98.14% of the votes cast, in favour. This Policy is now due for renewal and will be put to shareholders at the 2026 AGM in May. The Remuneration Committee has conducted a thorough review of the current Policy to ensure it remains appropriate to support the business and would like to take the opportunity to make a number of changes, all of which are intended to bring the Policy further in line with best and market practice. Details of these changes are enclosed within this Report.

The approach to structuring pay, and the remuneration framework, has been in operation since the Initial Public Offering (IPO) in 2016. Alongside fixed pay, it consists of a Deferred Annual Bonus Plan (DABP), wherein bonus is delivered as a mix of cash and deferred shares, and awards of performance shares under a Performance Share Plan. In considering the current Policy and its application to date, the focus has been on three issues: the level of fixed pay, the quantum of potential reward, and the structure of the long-term incentive arrangements.

#### 2026 salary and fees

In line with the Policy, the Committee considered the base salaries of the Executive Directors, Neil Ash (CEO) and Ben Guyatt (CFO). The Committee considered benchmark data with caution, choosing to use two bases for assessing the relative base salaries of the Executive Directors. Benchmarking was conducted against a group of sector peers and against the lower quartile of the FTSE 250. In both assessments it was identified that the base salary of the CEO was significantly below relevant market peers, therefore a one-off adjustment of 10% has been proposed for 2026, taking the base salary of the CEO to £550,777 per annum. Future adjustments are expected to be in line with increases for the wider workforce.

The CFO's base salary review determined that no adjustment was required, therefore the base salary of the CFO was increased by 3.15% to £369,696, in line with that awarded to the wider workforce.

### 2026 annual bonus

The Committee reviewed the operation of the Annual Bonus Plan during the year. The objective is to achieve a balance between financial performance and, through a clear link with objectives and reward, ensure that the right behaviours are being driven. It was agreed that financial performance and personal business objectives continue to form the basis of the 2026 annual bonus, however, there has been a change to the metrics used to measure performance and to the balance between financial and non-financial metrics. Under the existing policy, the 2025 annual bonus was structured as follows:

- 75% of maximum opportunity: Adjusted Profit before Tax (PBT); and
- 25% of maximum opportunity: non-financial/strategic objectives.

The following metrics and weightings will apply for the 2026 annual bonus:

- 60% of maximum opportunity: Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA);
- 20% of maximum opportunity: Average working capital as a percentage of sales; and
- 20% of maximum opportunity: non-financial/strategic objectives.

The market remains challenging, and industry analysts are currently forecasting only modest growth through 2026, which is reflected in their expectations of 2026 performance for the Group. Annual Bonus Plan thresholds have been set accordingly with a significant stretch to the maximum opportunity. These targets will be reported retrospectively following the end of the performance period, as they are considered to be commercially sensitive.

The Committee assessed that the current Policy maximum, in place since the IPO in 2016, should be revised, in particular with respect to the levels typically observed within sector peers. The Committee proposes an increase to the maximum bonus potential from 100% to 200%. This is intended to allow the Committee flexibility to increase the maximum potential annual bonus for Executive Directors; however this maximum would only be awarded in exceptional circumstances.

It is proposed that for 2026, the maximum bonus opportunity for the CEO will be increased from 100% to 150% of base salary and from 100% to 130% of base salary for the CFO.

## Remuneration Committee Report continued

### 2026 Long-term incentive awards

As part of the proposed 2026 Remuneration Policy changes, the Committee is proposing to introduce flexibility under the Policy to grant hybrid long-term incentive (LTI) awards to Executive Directors, comprising a combination of performance and restricted shares.

This blended approach seeks to strike an appropriate balance between motivating and rewarding for performance and, importantly, supporting executive retention. It introduces a predictable reward framework in a highly cyclical sector, whilst preserving a strong alignment with long-term corporate performance. The long-term incentive arrangements for executive management below Board level will be aligned to this hybrid structure, to maintain a consistent pay policy across the Group as a whole. Executive management incentive and retention remain key objectives of the Policy.

No change is proposed to the current Policy maximum notional performance share award level of 200% of salary (250% in exceptional circumstances). However, a 50% discount rate will be applied to the restricted share portion of the award.

The notional performance share award level for the CEO (prior to any reduction for restricted share conversion) will remain at a maximum of 175% of base salary. The award will be split 50% performance shares (a face value of 87.5% of base salary) and 50% restricted shares (a face value of 43.75%, after applying the discount for these awards), reducing the award face value to 131.25% of base salary.

The notional performance share award level for the CFO will remain at a maximum of 150% of base salary, and under the 50:50 split, the performance share award would equate to 75% and the restricted share award to 37.5% of salary face value, reducing the award face value to 112.5% of base salary.

The Committee will review the appropriateness of the split between performance and restricted shares for each LTI award in succeeding years. Performance shares will be subject to the achievement of stretching performance conditions. Awards granted in 2026 will continue to be based on relative TSR compared to the constituents of the FTSE 250 excluding investment trusts, EPS growth and an Environmental, Social, and Governance metric – with weightings of 45%, 45% and 10%, respectively.

It is also proposed that each LTI award (both performance and restricted share elements) will be subject to an underpin of satisfactory Return on Capital Employed (ROCE) and health and safety performance. The Committee will retain discretion as to whether to reduce the total award at vesting if this underpin has not been met. The Committee also retains discretion to adjust formulaic vesting outcomes if circumstances are considered appropriate.

This longer-term incentive award structure underscores the Company's commitment to combining a focus on financial performance with sustainability and broader corporate responsibility to deliver acceptable returns on capital investment.

Once finalised, the 2026 LTI award targets will be communicated by way of a Regulatory News Services (RNS) announcement and placed on the Group's website. It is intended that LTI awards will be granted following the AGM, subject to shareholder approval of the new Policy.

### Shareholder engagement

Shareholder views have been sought as part of a consultation to get a clear understanding of their views and perspectives, given the range and extent of the changes to the Remuneration Policy being proposed. Engagement was constructive and positive overall, and good feedback was received. The initial proposal put to shareholders had included increases to three components of remuneration for the CEO (base salary, annual bonus, and long-term incentive plan), and to both the annual bonus opportunity and long-term incentive plan for the CFO.

Reflecting shareholders' concerns that there were increases proposed for all three elements of the CEO remuneration, and for two of the CFO remuneration, the increase to the long-term incentive plan was considered and the Committee agreed that it should be amended. In the revised proposal, the current total potential award under the long-term incentive plan would remain unchanged at 175% of base salary for the CEO and 150% base salary for the CFO.

Shareholders were supportive of a corrective adjustment to the base salary of the CEO, while a few shareholders requested that a phased increase be considered. The Committee discussed this and concluded that the proposed increase still left the CEO base salary in the lower quartile of the peer group, therefore the proposed 10% increase to the base salary of the CEO has been retained.

The decision to make the increase in one step was accompanied by a confirmation of the undertaking made in the original proposal that the annual increases would thereafter revert to the average awarded annually to the workforce.

The current maximum annual bonus opportunity of 100% of salary has been in place since IPO in 2016. Shareholders were supportive of an increase to the maximum annual bonus opportunity if it were accompanied by sufficiently stretching performance metrics and targets, to reflect the increases. The increase in the annual bonus opportunity from 100% to 150% of base salary and from 100% to 130% of base salary for the CEO and CFO respectively were retained by the Committee, undertaking that targets set would be sufficiently stretching.

The change to the performance measures from 75% Adjusted Profit before Tax and 25% personal business objectives, to 60% Adjusted Earnings Before Interest Tax, Depreciation and Amortisation (EBITDA), 20% on average working capital as a percentage of sales, and the remaining 20% for personal business objectives that reflected the key strategic objectives, was welcomed, in particular the introduction of a cash-based metric.

The rationale for, and introduction of, a hybrid long-term incentive plan was broadly understood, given the highly cyclical nature of the sector, and the objective to retain management at both Executive Director and senior executive levels, alongside the ambition to deliver returns over the cycle from the extensive capital investment programme, which is near complete.

We take a keen interest in our shareholders' views on executive remuneration and welcome any feedback on the Remuneration Committee Report.

This Remuneration Committee Report will be subject to an advisory vote and the revised Remuneration Policy subject to a binding vote at the 2026 AGM. Our goal has been to be clear and transparent in the presentation of this Report and I look forward to your support on these resolutions.

Approved by the Board and signed on its behalf by:

**Katherine Innes Ker**

Chair of the Remuneration Committee  
10 March 2026

This report has been prepared in accordance with Schedule 8 to the large and medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in 2013, the provisions of the UK Corporate Governance Code and the Listing Rule.



## Remuneration Committee Report Summary of Remuneration Policy

### INTRODUCTION

As described in the Chairman’s introduction, the revised Remuneration Policy will be put forward to a binding shareholder vote at the 2026 AGM. Subject to shareholder approval, it is intended that the new Policy will apply until the 2029 AGM. The proposed Policy as set out overleaf describes the pay structures that the Company will operate and summarises the approach that the Committee will adopt in certain circumstances such as the recruitment of new Directors and/or the making of any payments for loss of office. The Remuneration Committee conducted a comprehensive review and has proposed changes that bring the Policy in line with best and market practice.

### Policy overview

The Committee has responsibility for determining the remuneration of the Chairman, Executives and Non-Executive Directors and other senior management. The Committee’s terms of reference are available on the Company’s website.

The Company’s Remuneration Policy has been designed based on the following key principles:

- to promote the long-term success of the Group, with stretching performance targets which are rigorously applied;
- to provide appropriate alignment between the Group’s strategic goals, shareholder returns and executive reward; and
- to have a competitive mix of base salary and short and long-term incentives, with an appropriate proportion of the package determined by stretching targets linked to the Group’s performance.

The remuneration arrangements have been structured with due consideration of the UK Corporate Governance Code and both best practice and market practice for UK listed companies.

Factor	How our Remuneration Policy aligns
<p><b>Clarity</b> Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.</p>	<p>Martin Sutherland remains the designated Non-Executive Director to represent the views of employees to the Board, and when appropriate this will include decisions on remuneration across the business. This is facilitated through the Employee Forum.</p> <p>We proactively consult our shareholders on any changes to the Remuneration Policy and seek their views.</p>
<p><b>Simplicity</b> Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.</p>	<p>The Remuneration Policy includes a single annual bonus plan and a single long-term incentive plan which are clearly communicated.</p> <p>The rationale for each element of the Policy is clearly explained in the Remuneration Policy tables.</p>
<p><b>Risk</b> Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.</p>	<p>The Committee has discretion to adjust formulaic out-turn of performance incentives if it considers it appropriate to do so.</p> <p>Awards made under long-term incentive plans are subject to malus and clawback provisions.</p> <p>Post-vesting holding periods and shareholding requirements align the interests of management and shareholders and promote a long-term approach to performance and risk management.</p> <p>Performance metrics are aligned with the Company’s strategy, incentivising delivery of sustained performance over the long-term.</p> <p>Defined limits are set on the maximum awards which can be earned.</p>
<p><b>Predictability</b> The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy.</p>	<p>The Remuneration Policy sets out potential levels of vesting available for varying degrees of performance.</p> <p>The Remuneration Report illustrates the total remuneration opportunity for Executive Directors under various performance scenarios.</p> <p>There is full and transparent retrospective disclosure of targets within the Remuneration Report and the degree to which long-term incentive awards were achieved.</p>
<p><b>Proportionality</b> The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.</p>	<p>The use of long-term incentive plans and post-vesting holding periods ensure focus on sustained performance over the long-term.</p> <p>The Committee has discretion to adjust formulaic out-turn of performance incentives if it considers it appropriate to do so.</p>
<p><b>Alignment to culture</b> Incentive schemes should drive behaviours consistent with Company purpose, values and strategy.</p>	<p>The Remuneration Policy places a focus on share ownership through shareholding requirements and incentive plans, incentivising delivery of sustained, long-term performance in the Company.</p>

## Remuneration Committee Report Summary of Remuneration Policy continued

### The Remuneration Policy for Directors

Subject to shareholder approval at the May 2026 AGM, the arrangements for the Executive and Non-Executive Directors will, in 2026, be in line with the revised Remuneration Policy.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Framework used to assess performance
<b>Salary</b> <b>2026 Policy change</b> No change	Salary is a fixed payment that reflects an individual's experience and role and may be increased to reflect capability and performance. To recruit and retain executives.	Salaries are paid monthly and are normally reviewed annually with changes effective from 1 January but by exception may be reviewed more frequently if the Committee determines this is appropriate. In reviewing salaries, the Committee considers: <ul style="list-style-type: none"> <li>remuneration practices within the Group;</li> <li>market benchmarks based on companies of broadly comparable size and/or operating in similar sectors;</li> <li>role, competence and performance; and</li> <li>the general increase awarded to salaried employees.</li> </ul> Higher increases may be awarded to new Executive Directors who were hired at below-market rates but with the intention to move to a market competitive rate over time, subject to individual performance.	It is anticipated that salaries will generally be increased in line with increases awarded to salaried employees. However, in certain situations such as where there has been an increase in the scope, responsibility or complexity of the role or there has been a significant change in the size, value or complexity of the Group, increases may be higher to remain market competitive.	Individual and Group performance is taken into account when determining the annual increase. The rationale for any such increase will be disclosed in the Annual Report on Remuneration.
<b>Benefits</b> <b>2026 Policy change</b> No change	The Company's aim is to offer competitive and cost-effective benefits valued by participants and to help recruit and retain executives.	A range of benefits are provided to Executive Directors that may include a company car (or car allowance), private medical and permanent health insurance, business travel insurance and life assurance/death in service cover. Relocation (or other related expenses) and tax equalisation arrangements may be offered as appropriate to ensure Directors are no worse or better off in a case of relocation. Any reasonable business-related expenses (including tax thereon) may be reimbursed if determined to be a taxable benefit. Executive Directors are eligible for other benefits which are introduced for the wider workforce on broadly similar terms.	The cost of providing market competitive benefits may vary from year-to-year depending on the cost to the Company from third party providers. The Committee will continue to monitor the cost of benefits to ensure that the overall benefit costs do not increase by more than the Committee considers appropriate in the circumstances.	No performance metrics apply.
<b>Pension</b> <b>2026 Policy change</b> No change	To provide a market-competitive cost-effective contribution towards post-retirement benefits.	Executive Directors receive a contribution towards their retirement provision which may be paid as a contribution to a personal pension scheme or a cash allowance in lieu of pension or a mix of both.	The Company contribution to retirement allowances is up to 10% of salary, which is aligned to that offered to all employees.	No performance metrics apply.

## Remuneration Committee Report Summary of Remuneration Policy continued

### The Remuneration Policy for Directors continued

Element	Purpose and link to strategy	Operation	Maximum opportunity	Framework used to assess performance
<p><b>Annual bonus</b></p> <p><b>2026 Policy change</b> Increase in maximum bonus opportunity level to 200% of salary</p> <p>Simplified bonus deferral approach to 50% of bonus earned paid in cash and 50% deferred into shares</p>	<p>The Annual Bonus Plan is to incentivise Executive Directors to achieve annual financial and/or strategic targets. Bonus deferral provides a retention mechanism and provides further alignment with shareholders' interests.</p>	<p>Bonus payments are determined by the Committee after the year-end, based on performance against the targets set around the start of the year. The Committee aims to set out in the Annual Report on Remuneration the nature of the targets and their weighting for the forthcoming financial year and details of the performance conditions, the weightings and targets applied and the level of achievement against these targets for the financial year being reported on.</p> <p>50% of any annual bonus earned will be payable in cash with the remaining 50% deferred into shares as either conditional awards or nominal cost options under the Deferred Annual Bonus Plan (DABP). Such awards vest after a period of three years subject to continued employment. No further performance conditions apply.</p> <p>In line with good practice, recovery and withholding provisions apply (see page 106). An additional payment (in the form of cash or shares) may be made in respect of shares that vest to reflect the value of dividends that would have been paid on those shares during the vesting period.</p>	<p>The maximum opportunity under the annual bonus scheme is 200% of salary.</p> <p>Bonus starts to be earned at the threshold level (up to 25% of the maximum depending on the performance metric).</p>	<p>The bonus may be based on the achievement of an appropriate mix of challenging financial, operational or strategic measures.</p> <p>Typically, financial measures will account for the majority of the bonus opportunity and may include measures such as profit or cash flow. Other financial measures that support the key short-term priorities of the business may be used.</p> <p>The targets applying to financial metrics will take into account the internal plan and external expectations of the business at the time they are set. If operational, individual or strategic measures are included, where possible a quantitative performance range will be set although this will depend on the measure chosen. The measures, targets and weightings may be varied by the Committee year-on-year based on the Company's strategic priorities at the time. The payment of any bonus is at the absolute discretion of the Committee which may adjust the formulaic out-turn of the bonus if it considers it appropriate to do so.</p>

## Remuneration Committee Report Summary of Remuneration Policy continued

### The Remuneration Policy for Directors continued

Element	Purpose and link to strategy	Operation	Maximum opportunity	Framework used to assess performance
<p><b>Long-term Incentive Plan</b></p> <p><b>2026 Policy change</b> Introduction of flexibility to make awards of restricted shares alongside performance shares</p>	<p>The Long-Term Incentive Plan (The Plan) incentivises Executive Directors and selected senior management to deliver sustained performance over the long-term.</p> <p>The Plan also acts as a method of retaining key management over the medium-term. It aligns the interests of the Executive Directors and shareholders and assists Executive Directors in building up a substantial shareholding.</p>	<p>Awards are granted annually in the form of nominal or nil cost options under the Plan and vest after no less than three years.</p> <p>The performance share element of the award will be subject to the achievement of stretching performance conditions measured over a period of three years to determine the extent to which awards vest.</p> <p>Each award under the Plan (both performance and restricted share elements) will be subject to satisfactory Return on Capital Employed (ROCE) and health and safety performance. The Committee will retain discretion as to whether to adjust the total award at vesting and reduce it if performance does not meet the standards expected. The Committee also retains discretion to reduce formulaic vesting outcomes if circumstances are considered appropriate.</p> <p>A holding period may apply to vested awards under which Executive Directors will be required to retain the net of tax number of vested awards for at least two years from the date of vesting. In exceptional circumstances, the Committee may, at its discretion, allow participants to sell or dispose of some or all of these vested shares before the end of the holding period. Details of performance conditions for grants made in the year will be set out in the Annual Report on Remuneration.</p> <p>Award levels are reviewed annually (subject to the Plan individual limits) taking into account matters such as market practice, overall remuneration, and the performance of the Company and the Executive Director being made the award.</p> <p>In line with good practice, recovery and withholding provisions may apply (see page 106). Dividends may accrue based on the value of dividends paid during the three-year vesting period and two-year holding period (if applicable).</p>	<p>The maximum annual award under the Plan that may be granted to an individual in any financial year is 200% of salary in normal circumstances (250% of salary in exceptional circumstances). A 50% discount rate will be applied to the restricted share portion of the award.</p> <p>For the performance share element, a maximum of 25% of the award will vest for threshold performance.</p>	<p>Performance share vesting is based on the achievement of one or more challenging performance targets set by the Remuneration Committee at the time of grant and measured over a three-year period. Measures may include EPS growth (or another financial metric), TSR and an Environmental, Social and Governance metric.</p> <p>In determining the target range for any financial measures that may apply, the Committee ensures they are challenging by taking into account current and anticipated trading conditions, the long-term business plan and external expectations.</p> <p>The Committee retains the flexibility to vary the mix of metrics for each year's award in light of the business priorities at the time, or to introduce new measures to support the long-term business strategy.</p>

## Remuneration Committee Report Summary of Remuneration Policy continued

### The Remuneration Policy for Directors continued

Element	Purpose and link to strategy	Operation	Maximum opportunity	Framework used to assess performance
<p><b>All-employee share plans</b></p> <p><b>2026 Policy change</b> No change</p>	To increase alignment between employees and shareholders in a tax efficient manner.	<p>All-employee share schemes may be operated. Current schemes include:</p> <ul style="list-style-type: none"> <li>• Sharesave Plan (SAYE);</li> <li>• Share Incentive Plan (SIP); and</li> <li>• Other HMRC approved all-employee schemes may be introduced at the Committee's discretion.</li> </ul>	Consistent with prevailing HMRC limits.	No performance metrics apply.
<p><b>Share ownership policy</b></p> <p><b>2026 Policy change</b> No change</p>	To align interests of management and shareholders and promote a long-term approach to performance and risk management.	<p><b>In-post</b> Executive Directors are required to build up a shareholding in the Company equal to 200% of salary. Half of the net of tax number of vested LTIP and DABP awards are expected to be retained until the guideline is met. The value of vested but unexercised awards subject to a two-year holding period will count towards the guideline on a net of tax basis.</p> <p><b>Post-cessation</b> Leavers will be required to hold the lower of 200% of their in-post share ownership requirement or their actual holding on departure for two years post-cessation.</p> <p>Shares acquired by or granted to an Executive Director prior to 1 January 2020 will not be counted towards the requirement. Shares purchased by an Executive Director, along with shares granted or acquired prior to appointment to the Board will also not be counted towards the requirement.</p>	Not applicable.	No performance metrics apply.
<p><b>Non-Executive Directors' fees</b></p> <p><b>2026 Policy change</b> No change</p>	To attract and retain high-quality and experienced Non-Executive Directors.	The fees of the Non-Executive Directors are set by the Board and the Chair's fee is set by the Committee (the Chair does not take part in any discussion regarding his own fees). Fees are reviewed periodically. Non-Executive Directors receive a fee for carrying out their duties. Additional fees may be payable in relation to extra responsibilities undertaken such as chairing a Board Committee and/or a Senior Independent Director or other designated Non-Executive Director role. The Chair and Non-Executive Directors are entitled to reimbursement of reasonable business-related expenses (including any tax thereon). They do not participate in any incentive arrangements and they do not receive a pension contribution. The level of fees reflects the time commitment and responsibility of their respective roles.	Details of current fees are set out in the Annual Report on Remuneration. As set out in the Company's Articles of Association, the total fees paid to Non-Executive Directors must not exceed £1m a year or any higher amount agreed by ordinary resolution at a general meeting.	No performance metrics apply.

## Remuneration Committee Report Summary of Remuneration Policy continued

### Recovery and withholding provisions

Recovery and withholding provisions apply to the Annual Bonus Plan, including the DABP, and the LTIP. If, within three years of the payment of a bonus, grant of a deferred bonus award and/or vesting of an LTIP award, it transpires that payment or vesting should not have occurred as a result of a material misstatement, error in calculation, gross misconduct has been discovered, corporate failure, material damage to the Company's reputation, failure of risk management, or any other circumstances that the Board considers to have a similar nature or effect, the payment or vesting can be recovered or withheld, in part or in full, as appropriate.

### Incentive plan discretions

The Committee will operate the Annual Bonus Plan, including the DABP, and the LTIP according to their respective rules as summarised in the policy set out on previous pages. The Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of these plans. These include, but are not limited to, the following:

- Who participates in the plan;
- The timing of grant and/or payment;
- The size of an award and/or payment;
- The choice of performance measures and targets for each incentive plan in accordance with the policy set out on previous pages and the rules of each plan;
- The ability to vary any performance conditions if circumstances occur which cause the Remuneration Committee to determine that the original conditions have ceased to be appropriate provided that any change is fair and reasonable and in the Committee's opinion, not materially less difficult to satisfy than the original condition;
- Discretion to override formulaic outcomes and scale back outcomes under the annual bonus and LTIP;
- Discretion relating to the measurement of performance in the event of a change of control or reconstruction; and
- Determination of a good leaver (in addition to any specified categories) for incentive plan purposes based on the rules of each plan and the appropriate treatment under the plan rules.

Any use of the above discretions would, where relevant, be explained in the Annual Report on Remuneration and may, as appropriate, be the subject of consultation with the Company's major shareholders.

### Remuneration policy for other employees

The Policy described above applies specifically to the Company's Executive and Non-Executive Directors and is designed with regard to the policy for employees across the Group as a whole. The Company aims to apply similar principles to the design of the remuneration arrangements for all employees. Executive Directors are entitled to receive a similar package of benefits and participate in the pension plan at the same level as other employees. However, differences do exist between the Company's policy for the remuneration of the Executive Directors and its approach to the payment of employees generally, reflecting market practice and different levels of seniority:

- There are differences in salary levels and in the levels of potential reward depending on seniority and responsibility, although a key reference point for executive salary increases is the average increase across the general workforce;
- A lower level of maximum annual bonus opportunity (or zero bonus opportunity) may apply to employees;
- Performance metrics attached to the annual bonus may differ to reflect the precise roles and responsibilities of the employee; and
- Participation in the LTIP is limited to the Executive Directors and certain selected senior employees.

In general, these differences arise from the development of remuneration arrangements that are market competitive for the various categories of employee. They also reflect that, in the case of the Executive Directors and selected senior employees, a greater emphasis is placed on performance-related pay reflecting their influence over the Company's performance.

### How the views of employees and shareholders are taken into account

In setting the remuneration for the Executive Directors, the Committee takes note of the overall approach to reward for employees in the Group, and salary increases will ordinarily be (in percentage of salary terms) in line with those of the wider workforce. The Committee does not formally consult directly with employees on executive pay but does receive periodic updates on employee remuneration within the Group as necessary. In line with the UK Corporate Governance Code, Martin Sutherland remains the designated Non-Executive Director to represent the views of employees to the Board, and when appropriate this will include decisions on remuneration across the business. This is facilitated through the Employee Forum. During the year the management met with representatives from the Employee Forum on a quarterly basis. At each meeting a business performance update was provided, together with pay included within general topics addressed by the forum. The Committee takes keen interest in shareholders' views on executive remuneration and welcomes any feedback on the approach taken.

### Service contracts and letters of appointment

Service contracts and letters of appointment are available for inspection at the Company's registered office.

### Service contracts

The service contracts for the Executive Directors are terminable by either the Company or the Executive on 12 months' notice. The Company can terminate either Executive Director's service contract by payment of a cash sum in lieu of notice equivalent to the base salary and the cost that would have been incurred in providing the Executive Director with contractual benefits for any unexpired portion of the notice period (or alternatively the Company can choose to continue providing the contractual benefits). The payment in lieu may be paid as one lump sum or in monthly equal instalments over the notice period. If the Company chooses to pay in instalments, the Executive Directors are obliged to seek alternative income over the relevant period and the payment of each monthly instalment will be reduced by the amount of such income earned. There are no enhanced provisions on a change of control.

## Remuneration Committee Report Summary of Remuneration Policy continued

At the discretion of the Committee, a contribution to reasonable outplacement costs in the event of termination of employment due to redundancy may also be made. The Committee also retains the ability to reimburse reasonable legal costs incurred in connection with a termination of employment and may make a payment for any statutory entitlements or to settle or compromise claims in connection with a termination of employment of any existing or future Executive Director as necessary. Relevant details will be provided in the Annual Report on Remuneration should such circumstances apply.

The table overleaf sets out, for variable pay elements, the Company's policy on payment for loss of office in respect of Executive Directors. In general, treatment will depend on the circumstances of departure and in particular whether a leaver is a 'good leaver'. Good leaver reasons include:

- Death;
- Injury;
- Retirement;
- Disability;
- Redundancy;
- The employing company being sold outside the Group; or
- Other circumstances at the discretion of the Committee.

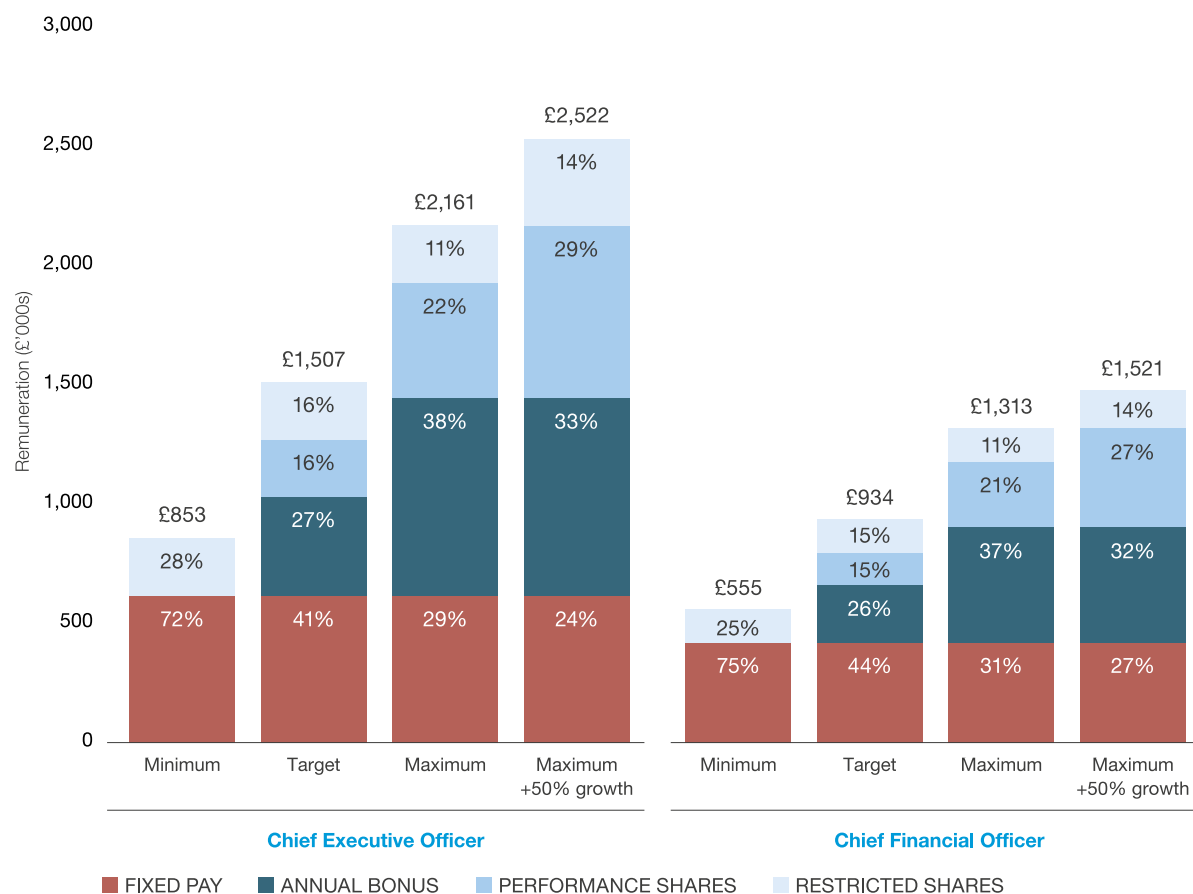
In any other circumstance, the leaver will be treated as a 'bad leaver'.

**Notes:**

- Minimum is equivalent to fixed pay which comprises salary levels applying for 2026, the value of benefits in 2025 and a 10% retirement allowance. Minimum also includes restricted shares which are 43.75% of salary for the CEO and 37.5% of salary for the CFO.
- Target comprises fixed pay plus restricted shares (as above) plus the value of the on-target bonus at 50% of the maximum bonus opportunity (150% of salary for the CEO and 130% of salary for the CFO) plus the value of the on-target level of vesting under the PSP which is taken to be 50% of the expected 2026 grant level which is 87.5% of salary for the CEO and 75% of salary for the CFO.
- Maximum comprises fixed pay plus restricted shares plus maximum bonus plus the maximum value of PSP (equal to 100% of the face value of the award at grant using the 2026 grant policy of 87.5% of salary for the CEO and 75% of salary for the CFO).
- Maximum +50% share price growth comprises fixed pay plus maximum bonus plus the maximum value of the PSP at a 50% higher share price than when the PSP award was granted plus restricted shares at a 50% higher share price than when the restricted shares were granted.

### ILLUSTRATIONS OF APPLICATION OF THE REMUNERATION POLICY

#### TOTAL REMUNERATION OPPORTUNITY



## Remuneration Committee Report Summary of Remuneration Policy continued

### Policy on payment for loss of office

The following table summarises the key aspects of the Company's Remuneration Policy for Executive and Non-Executive Directors.

Element	Treatment
<b>Annual Bonus Plan</b>	<p>No automatic or contractual right to bonus payment.</p> <p><i>Good leavers:</i> a pro-rata bonus may become payable at the normal payment date for the period of employment and based on full-year performance. With rationale set out in the Annual Report on Remuneration.</p> <p><i>Bad leavers:</i> no bonus is payable for the year of cessation.</p> <p><i>Discretions:</i> to determine whether to pro-rate the bonus for time. It is the Committee's normal policy to pro-rate for time, however, there may be circumstances where this is not appropriate. Where this is the case it will be fully disclosed to shareholders.</p>
<b>Deferred Annual Bonus Plan</b>	<p>The use of post-vesting holding periods and long-term incentive plans ensure focus on sustained performance over the long-term.</p> <p><i>Good leavers:</i> all deferred shares vest at the date of cessation.</p> <p><i>Bad leavers:</i> awards lapse.</p> <p><i>Discretions:</i> to vest deferred shares at the end of the original deferral period or to defer vesting in connection with a potential clawback event.</p>
<b>Long-Term Incentive Plan</b>	<p><i>Good leavers:</i> awards vest at normal vesting date pro-rated for time and tested for performance in respect of each subsisting LTIP award.</p> <p><i>Bad leavers:</i> awards lapse.</p> <p><i>Discretions:</i> to vest and measure performance over the original performance period or vest and measure performance at the date of cessation or to defer vesting in connection with a potential clawback event.</p> <p>To determine whether to pro-rate the maximum number of shares for the time from the date of grant to the date of cessation (the Committee may need to round up to the nearest whole year). Normal policy is to pro-rate for time, however there may be circumstances where this is not appropriate. Where this is the case it will be fully disclosed to shareholders.</p>
<b>Shareholding requirements</b>	<p>All leavers will be required to hold the lower of 200% of their in-post share ownership requirement or their actual holding on departure for two years post-cessation. Shares acquired by or granted to an Executive Director prior to 1 January 2020 will not be counted towards the requirement. Shares purchased by an Executive Director along with any shares granted or acquired prior to appointment to the Board will also not be counted towards the requirement.</p>

### Change of control

The Committee's policy on the vesting of incentives on a change of control is summarised below:

Element	Treatment
<b>Annual Bonus Plan</b>	Pro-rated for time and performance to the date of the change of control.
<b>Deferred Annual Bonus Plan</b>	Subsisting DABP awards will vest on a change of control.
<b>Long-Term Incentive Plan</b>	<p>The number of shares subject to existing LTIP awards will vest on a change of control pro-rated for time and performance to the date of the change of control.</p> <p><i>Discretions:</i> to determine whether to pro-rate the maximum number of shares from the time from the date of grant to the date of the change of control (the Committee may round up to the nearest whole year). Normal policy is to pro-rate for time, however there may be circumstances where this is not appropriate.</p>

## Remuneration Committee Report Summary of Remuneration Policy continued

### Letters of appointment

The Chair and Non-Executive Directors have letters of appointment and are subject to annual re-election at the AGM. The appointment letters for the Non-Executive Directors provide that no compensation is payable on termination. The appointments are terminable by the Company on not less than 30 days' notice or immediately in the event that the appointment is terminated by the shareholders (or where shareholder approval is required but not forthcoming).

### Approach to recruitment and promotions

The recruitment package for a new Executive Director would be set in accordance with the terms of the Company's approved Remuneration Policy. The Committee is proposing a maximum annual bonus payment of no more than 200% of salary and LTIP award of up to 200% of salary (other than in exceptional circumstances (including recruitment), where up to 250% of salary may be made).

On recruitment, salary may (but need not necessarily) be set below the normal market rate, with phased increases as the Executive Director gains experience. The rate of salary should be set so as to reflect the individual's experience and skills. The pension offered to new Executive Directors will be set in line with the current policy and in alignment with the majority of employees in the Group.

In addition, on recruitment the Company may compensate for amounts foregone from a previous employer (using the exemption to the requirement for prior shareholder approval under Listing Rule LR 9.3.2R if necessary) taking into account the quantum foregone and, as far as reasonably practicable, the extent to which performance conditions apply, the form of award and time to vesting date.

For an internal appointment, any variable pay element awarded in respect of their prior role should be allowed to pay-out according to its outstanding terms. Any other ongoing remuneration obligations existing prior to appointment may continue, provided that, if they are outside the approved policy, they are put to shareholders for approval at the earliest opportunity.

For all appointments, the Committee may agree that the Company will meet appropriate relocation costs. For the appointment of a new Chair or Non-Executive Director, the fee arrangement would be set in accordance with the approved Remuneration Policy in force at that time.

### Policy on external appointments

Subject to Board approval, Executive Directors are permitted to take on a single paid non-executive position with an unconnected company and to retain their fees in respect of such position. Where appropriate, details of outside directorships held by the Executive Directors and any fees that they received are provided in the Annual Report on Remuneration.

### Legacy arrangements

For the avoidance of doubt, any remuneration or loss of office payments that are not in line with this Policy may be made if the terms were agreed before the approval of this Policy, including those disclosed in the prospectus. In addition, authority is given to the Company to honour any commitments entered into at a time when the relevant employee was not a Director of the Company.

## Remuneration Committee Report Annual Report on Remuneration

### SINGLE TOTAL FIGURE OF REMUNERATION (AUDITED)

#### Executive Directors (audited)

Executive Directors	Period	Fixed			Variable		Total	Total fixed remuneration	Total variable remuneration
		Salary and fees	Taxable benefits <sup>1</sup>	Retirement allowance	Annual bonus <sup>2</sup>	Long-term incentives <sup>3</sup>			
Neil Ash	2025	£500,706	£5,959	£50,071	£475,671	–	£1,032,407	£556,736	£475,671
	2024	£487,305	£3,697	£48,731	£235,125	–	£774,858	£539,733	£235,125
Ben Guyatt	2025	£358,406	£9,495	£35,841	£336,006	–	£739,748	£403,742	£336,006
	2024	£348,814	£8,722	£34,881	£168,303	–	£560,720	£392,417	£168,303

1. Taxable benefits in the year comprised a company car/allowance and private medical insurance.

2. Details of the bonus targets and their level of satisfaction and resulting bonus earned are set out below.

3. The EPS and TSR conditions of the 2023 PSP were calculated over the three-year reporting period to 31 December 2025, therefore are known at the year-end date; however the performance conditions have vested at nil.

#### 2025 Annual bonus (audited)

	Weighting	Threshold performance required	Maximum performance required	Actual performance achieved	Percentage of maximum value achieved		Bonus achieved	
					Neil Ash	Ben Guyatt	Neil Ash	Ben Guyatt
PBT (before adjusted items)	75%	£22.5m	£32.5m	100%	100%	100%	£375,530	£268,805
Strategic objectives	25%				80%	75%	£100,141	£67,201
Total (% of maximum)	100%				95%	94%		
<b>Total</b>							<b>£475,671</b>	<b>£336,006</b>

## Remuneration Committee Report Annual Report on Remuneration continued

### 2025 strategic objectives

Participants	Objectives	Assessment of achievement	% of bonus entitlement earned
<b>Neil Ash</b>	Objectives linked to: Improving sustainability including the launch of a new lower-carbon product range; completion of the redeveloped factory at Wilnecote and progress to be made on the pipeline of organic investment opportunities, specifically including opportunities beyond brick; driving innovation and business growth through the launch of the Omnia brick slips and associated mechanically fixed façade system and embedding new product development process, and preparation of an acquisition funnel of potential bolt-on acquisition opportunities to accelerate business growth; embedding of the Sustainable Operational Excellence initiative, delivering savings and ensuring successful roll out and ongoing progress in commercial excellence.	Good progress has been made on reducing embedded carbon, with the introduction of larger brick perforations and ongoing work to introduce a lower-carbon brick. The Wilnecote factory is almost complete and commissioning an enhanced range of specification focused bricks. Good progress has been made on the pipeline of organic investment projects. The brick slips facility at Accrington has been completed and a new range of slips has been brought to market, supported by a commercial organisation to drive growth. Progress has been made on developing the innovation funnel, with a roadmap now in place and strong progress has been made in developing the calcined clay opportunity with discussions now being held with potential partners. In addition, a full acquisition funnel has been prepared, focusing on slips, façades and alternative methods of construction. Savings and efficiencies continue to be delivered by the Sustainable Operational Excellence programme and our commercial excellence initiative has continued to drive value in the year.	80%
<b>Ben Guyatt</b>	Objectives linked to: Improving sustainability including the launch of a new lower-carbon product range; completion of the redeveloped factory at Wilnecote and progress to be made on the pipeline of organic investment opportunities, specifically including opportunities beyond brick; driving innovation and business growth through preparation of an acquisition funnel of potential bolt-on acquisition opportunities; progressing compliance with UK Governance Code 2024 Provision 29 in accordance with roadmap.	Good progress has been made on reducing embedded carbon, with the introduction of larger brick perforations and ongoing work to introduce a lower-carbon brick. The Wilnecote factory is almost complete and commissioning an enhanced range of specification focused bricks. Good progress has been made on the pipeline of organic investment projects. A full acquisition funnel has been prepared, focusing on slips, façades and alternative methods of construction. Strong progress has been made on compliance with Provision 29 of the UK Corporate Governance Code 2024, with material controls identified and documented.	75%

A full breakdown of the bonus payments and share award deferral is set out below. These calculations are based on the current Policy, whereby the first 10% of salary is payable in cash and half of the remainder of the bonus is deferred into shares. As previously stated, this is proposed to be changed as part of the new Policy.

	Bonus total	Paid in cash	Paid in Shares
<b>Neil Ash</b>	£475,671	£262,871	£212,800
<b>Ben Guyatt</b>	£336,006	£185,923	£150,083

## Remuneration Committee Report Annual Report on Remuneration continued

### Long-term incentives: 2023 Performance Share Plan (audited)

PSP awards granted in 2023 are subject to following the performance conditions:

Performance condition	% of award subject to condition	Target	% of PSP award which will vest
Annual basic EPS growth (before exceptional items) over a 2022 EPS of 26.4p	40%	<4%	0%
		Equal to 4%	25%
		11% or above	100%
Company's total TSR against TSR index members – measured at 31 December 2025	40%	<Median	0%
		Median	25%
		Upper quartile or above	100%
Reduction in Group's clay product carbon emissions intensity versus 2019 baseline measured at 31 December 2025	10%	<10%	0%
		10%	25%
		18% or above	100%
Reduction in Group's plastic packaging intensity versus 2019 baseline measured at 31 December 2025	10%	<25%	0%
		25%	25%
		50% or above	100%

Vesting is measured on a straight-line basis between the above performance points.

The Index comprises the unweighted FTSE 250 participants (excluding investment trusts).

The 2023 PSP awards have a vesting date of 3 April 2026. All four performance conditions of the 2023 PSP are calculated over the three-year reporting period to 31 December 2025, therefore are known at the year-end date. The performance conditions have not been achieved and accordingly none of the awards shall vest.

### Performance Share Plan awards made during the year (audited)

On 19 March 2025 the following awards were granted to Executive Directors.

	Type of award	Basis of award granted <sup>1</sup>	Share price used to determine number of options granted <sup>2</sup>	Number of shares over which award was granted	Face value of award	% of face value that would vest at threshold performance	Vesting determined by performance over
<b>Neil Ash</b>	Nominal (1p) cost option	175% of salary of £500,706	£1.605	545,873	£876,126	25%	Three years to 31 December 2027
<b>Ben Guyatt</b>	Nominal (1p) cost option	150% of salary of £358,406	£1.605	334,917	£537,542	25%	Three years to 31 December 2027

1. The number of options granted was calculated using the salary in place for each Executive Director at the date of grant on 19 March 2025.

2. The number of options was determined using a share price of £1.605 being an amount equal to the average mid-market closing price for the five days prior to grant.

## Remuneration Committee Report Annual Report on Remuneration continued

Performance condition	% of award subject to condition	Target	% of PSP award which will vest
Absolute EPS (before exceptional items) reported for the year ending 31 December 2027	40%	<15p	0%
		Equal to 15p	25%
		23p or above	100%
Company's total TSR against TSR of index members (FTSE 250 excluding investment trusts) – measured at 31 December 2027	40%	<Median	0%
		Median	25%
		Upper quartile or above	100%
Reduction in Group's clay product carbon emissions intensity versus 2019 baseline measured at 31 December 2027	10%	<12%	0%
		12%	25%
		18% or above	100%
Reduction in Group's plastic packaging intensity versus 2024 baseline measured at 31 December 2027	10%	<15%	0%
		15%	25%
		26% or above	100%

Vesting is measured on a straight-line basis between the above performance points.

The Index comprises the unweighted FTSE 250 participants (excluding investment trusts).

The EPS targets were set based on the Board's expectations for the future performance of the business and the wider economy in March 2025 and were considered appropriately stretching yet achievable at the time.

## Remuneration Committee Report Annual Report on Remuneration continued

### SINGLE TOTAL FIGURE OF REMUNERATION (AUDITED)

#### Non-Executive Directors (audited)

The table below sets out the single total figure for remuneration and breakdown for each Non-Executive Director.

	Roles	Period	Fees	Total
<b>Nigel Lingwood<sup>1</sup></b>	Chair	<b>2025</b>	<b>£113,303</b>	<b>£113,303</b>
		2024	–	–
<b>Justin Atkinson<sup>2</sup></b>	Chair	<b>2025</b>	<b>£66,172</b>	<b>£66,172</b>
		2024	£164,698	£164,698
<b>Martin Sutherland</b>	Independent Non-Executive Director	<b>2025</b>	<b>£61,889</b>	<b>£61,889</b>
		2024	£60,233	£60,233
<b>Katherine Innes Ker</b>	Senior Independent Non-Executive Director	<b>2025</b>	<b>£78,889</b>	<b>£78,889</b>
		2024	£77,233	£77,233
<b>Vince Niblett</b>	Independent Non-Executive Director	<b>2025</b>	<b>£68,889</b>	<b>£68,889</b>
		2024	£67,233	£67,233
<b>Gina Jardine<sup>3</sup></b>	Independent Non-Executive Director	<b>2025</b>	<b>£70,639</b>	<b>£70,639</b>
		2024	£61,983	£61,983
<b>Aysegul Sabanci<sup>4</sup></b>	Independent Non-Executive Director	<b>2025</b>	<b>£46,417</b>	<b>£46,417</b>
		2024	–	–

1. Nigel Lingwood joined the Board of Forterra plc on 1 April 2025 and became Chair on 20 May 2025 following the 2025 AGM.

2. Justin Atkinson stepped down as Chair on 20 May 2025.

3. Fees of £1,750 were paid to Gina Jardine post year-end in relation to 2024.

4. Aysegul Sabanci was appointed as an Independent Non-Executive Director on 1 April 2025.

## Remuneration Committee Report Annual Report on Remuneration continued

### DIRECTORS' SHAREHOLDING AND SHARE INTERESTS

Share ownership plays a key role in the alignment of our Executive Directors with the interests of shareholders. Our Executive Directors are expected to build up and maintain a 200% of salary shareholding in Forterra. Where an Executive Director does not meet this guideline, then they are required to retain at least 50% of the net of tax vested shares under the Company's share plans until the guideline is met. The number of shares held by the Directors as at 31 December 2025 are as follows.

	Shareholding requirement (% salary)	Current shareholding (% salary) <sup>1</sup>	Beneficially owned <sup>2</sup>	Deferred shares not subject to performance conditions <sup>3</sup>	Unvested PSP (nominal cost options subject to performance conditions) <sup>4</sup>	Unvested DABP (nominal cost options not subject to performance conditions) <sup>5</sup>	Outstanding Sharesave awards <sup>6</sup>	Shareholding requirement met
<b>Executive Directors</b>								
Neil Ash	200%	53%	143,554	–	1,484,437	58,059	14,053	No
Ben Guyatt	200%	77%	148,029	461	819,073	106,101	14,053	No
<b>Non-Executive Directors</b>								
Nigel Lingwood	n/a	–	50,000	–	–	–	–	n/a
Justin Atkinson <sup>7</sup>	n/a	–	35,256	–	–	–	–	n/a
Martin Sutherland	n/a	–	10,064	–	–	–	–	n/a
Katherine Innes Ker	n/a	–	6,164	–	–	–	–	n/a
Vince Niblett	n/a	–	24,367	–	–	–	–	n/a
Gina Jardine	n/a	–	7,000	–	–	–	–	n/a

1. As at 31 December 2025. This is based on a closing share price of £1.854 and the year-end salaries of the Executive Directors. Values are not calculated for Non-Executive Directors as they are not subject to shareholding requirements.

2. Includes shares owned by connected persons.

3. This relates to shares awarded granted under the Forterra all-employee Share Incentive Plan (SIP) and does not include dividend shares accrued on the free share awards. The balance includes the free share awards made in May 2016 of 277 shares, and the free share award from 2021 of 184 shares.

4. This relates to PSP awards granted in the form of nominal (1p) cost options and subject to performance criteria.

5. This relates to DABP awards for the partial deferral of the 2022 and 2024 annual bonus granted in the form of nominal (1p) cost options which are not subject to performance criteria. These options were granted in 2023 and 2025.

6. During 2023 grants were made under the 2023 Sharesave Scheme with an exercise price of £1.32, resulting in a 20% discount at grant date and a vesting date of 1 December 2026.

7. Justin Atkinson stepped down as Chair on 20 May 2025. The above shareholding is shown as at date of departure.

## Remuneration Committee Report Annual Report on Remuneration continued

### Summary of share option awards

	Type of award	Date granted	At 1 January 2025	Awarded during the year	Vested during the year	Exercised during the year	Lapsed/cancelled during the year	At 31 December 2025
<b>Neil Ash</b>	PSP	Mar-25	–	545,873	–	–	–	<b>545,873</b>
	DABP	Mar-25	–	58,059	–	–	–	<b>58,059</b>
	PSP	May-24	447,891	–	–	–	–	<b>447,891</b>
	SAYE	Oct-23	14,053	–	–	–	–	<b>14,053</b>
	PSP	Apr-23	490,673	–	–	–	–	<b>490,673</b>
<b>Total</b>								<b>1,556,549</b>
<b>Ben Guyatt</b>	PSP	Mar-25	–	334,917	–	–	–	<b>334,917</b>
	DABP	Mar-25	–	41,559	–	–	–	<b>41,559</b>
	PSP	May-24	267,167	–	–	–	–	<b>267,167</b>
	SAYE	Oct 23	14,053	–	–	–	–	<b>14,053</b>
	PSP	Apr-23	216,989	–	–	–	–	<b>216,989</b>
	DABP	Mar-23	64,542	–	–	–	–	<b>64,542</b>
	PSP	Mar-22	176,239	–	–	–	(176,239)	<b>–</b>
	DABP	Mar-22	59,715	–	–	(59,715)	–	<b>–</b>
<b>Total</b>								<b>939,227</b>

PSP awards granted in 2024 are subject to the following performance conditions.

Performance condition	% of award subject to condition	Target	% of PSP award which will vest
Annual basic EPS growth (before exceptional items) over a 2023 EPS of 11.4p	40%	<5%	0%
		Equal to 5%	25%
		10% or above	100%
Company's total TSR against TSR of FTSE 250 members excluding investment trusts – measured at 31 December 2026	40%	<Median	0%
		Median	25%
		Upper quartile or above	100%
Reduction in Group's clay product carbon emissions intensity versus 2019 baseline measured at 31 December 2026	10%	<8%	0%
		8%	25%
		14% or above	100%
Reduction in Group's plastic packaging intensity versus 2019 baseline measured at 31 December 2026	10%	<20%	0%
		20%	25%
		40% or above	100%

Vesting is measured on a straight-line basis between the above performance points.

The Index comprises the unweighted FTSE 250 participants (excluding investment trusts).

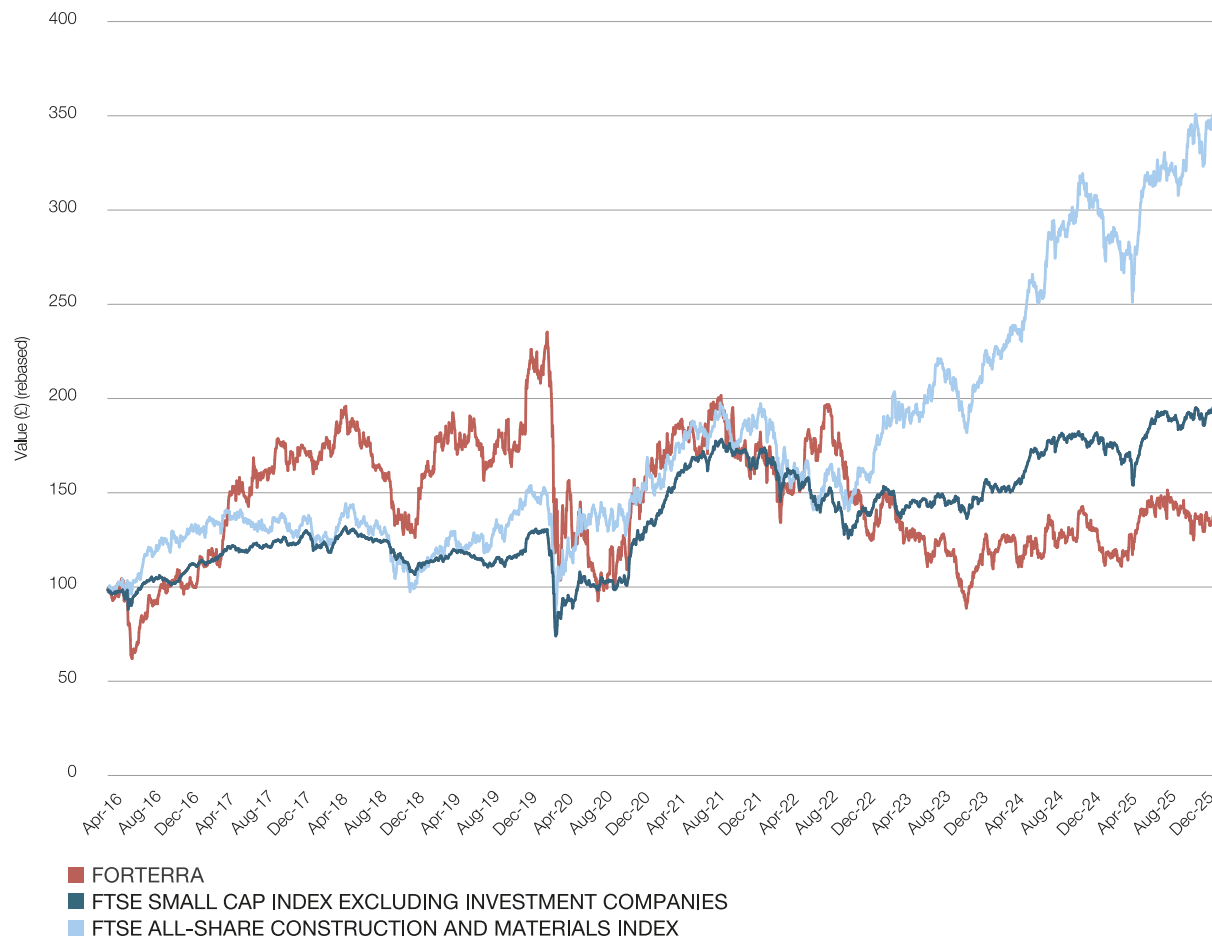
# Remuneration Committee Report Annual Report on Remuneration continued

## PERFORMANCE GRAPH

### Total shareholder return

This graph shows the value, by 31 December 2025, of £100 invested in Forterra plc on 20 April 2016, compared with the value of £100 invested in the FTSE Small Cap (excluding Investment Trusts) and the FTSE All-Share Construction and Materials on a daily basis.

### TOTAL SHAREHOLDER RETURN



## Remuneration Committee Report Annual Report on Remuneration continued

### CHIEF EXECUTIVE OFFICER PAY RATIO

The CEO median pay ratio in 2025 was 19 times. The Remuneration Committee is steadfastly committed to ensuring that the reward of the CEO and other senior executives is commensurate with performance. Accordingly, as laid out graphically in the Remuneration Policy, a significant element of the Chief Executive's total pay is variable and is determined based on the performance of the Company and is dependent on share price performance.

The Regulations require us to disclose the ratio of the Chief Executive's pay, using the amount set out in the single total figure table, to that of the median, 25th and 75th percentile total remuneration of full-time equivalent UK employees.

The table to the right shows the relevant data for Forterra's employees for 2025, calculated using Option B as set out in the legislation.

Pay details for the individuals whose 2025 remuneration is at the median, 25th percentile and 75th percentile amongst UK-based employees are also set out in the table to the right.

The median, 25th percentile and 75th percentile employees used to determine these ratios were identified by using gender pay gap data and full-time equivalent annualised remuneration (comprising salary, benefits, pension, annual bonus and long-term incentives) of all UK-based employees of the Group as at April 2025 (i.e. Option B) under the Regulations. The Committee selected this calculation methodology as it was felt to produce the most consistent result.

Year	Method of calculation adopted	25th percentile pay ratio (Chief Executive: UK employees)	Median pay ratio (Chief Executive: UK employees)	75th percentile pay ratio (Chief Executive: UK employees)
<b>2025</b>	<b>Option B</b>	<b>27:1</b>	<b>19:1</b>	<b>18:1</b>
2024	Option B	21:1	17:1	14:1
2023	Option B	33:1	28:1	26:1
2022	Option B	32:1	23:1	19:1
2021	Option B	27:1	24:1	21:1
2020	Option B	19:1	19:1	18:1

	Chief Executive	25th percentile	Median	75th percentile
Salary	£500,706	£34,152	£48,374	£51,172
Total pay and benefits	£1,032,407	£37,567	£53,211	£56,289

# Remuneration Committee Report Annual Report on Remuneration continued

## CHANGE IN EXECUTIVE AND NON-EXECUTIVE DIRECTORS' REMUNERATION COMPARED WITH EMPLOYEES

The Committee ensures that the Executive Directors' remuneration outcomes remain appropriate and consistent with the wider workforce.

		Neil Ash (CEO) <sup>2</sup>	Stephen Harrison (former CEO) <sup>6</sup>	Ben Guyatt (CFO) <sup>7</sup>	Nigel Lingwood (Chair) <sup>8</sup>	Justin Atkinson (Chair)	Martin Sutherland (NED)	Katherine Innes Ker (NED)	Vince Niblett (NED)	Divya Seshamani (NED)	Gina Jardine (NED) <sup>3</sup>	Aysegul Sabanci (NED) <sup>9</sup>	Average for all other employees
<b>Changes 2024 to 2025</b>	Base salary change	2.8%	n/a	2.8%	n/a	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	n/a	3.0%
	Benefits change	61.2%	n/a	9.0%	n/a	–	–	–	–	–	–	n/a	(4.9%)
	Annual bonus	102.3%	n/a	99.6%	n/a	–	–	–	–	–	–	n/a	110.1%
<b>Changes 2023 to 2024</b>	Base salary change	2.0%	n/a	2.0%	n/a	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	n/a	2.0%
	Benefits change	(66.4%)	n/a	(6.8%)	n/a	–	–	–	–	–	0.0%	n/a	0.5%
	Annual bonus	425.0%	n/a	293.7%	n/a	–	–	–	–	–	0.0%	n/a	154.5%
<b>Changes 2022 to 2023</b>	Base salary change	n/a	(57.7%)	5.0%	n/a	5.0%	5.0%	5.0%	5.0%	5.0%	n/a	n/a	5.0%
	Benefits change	n/a	(56.6%)	(22.5%)	n/a	–	–	–	–	–	n/a	n/a	(1.5%)
	Annual bonus	n/a	(93.9%)	(85.6%)	n/a	–	–	–	–	–	n/a	n/a	(79.7%)
<b>Changes 2021 to 2022</b>	Base salary change <sup>1</sup>	n/a	3.5%	3.5%	n/a	3.5%	3.5%	3.5%	3.5%	3.5%	n/a	n/a	5.4%
	Benefits change	n/a	(5.8%)	1.0%	n/a	–	–	–	–	–	n/a	n/a	23.5%
	Annual bonus	n/a	(5.8%)	(3.4%)	n/a	–	–	–	–	–	n/a	n/a	(11.4%)
<b>Changes 2020 to 2021</b>	Base salary change <sup>4</sup>	n/a	6.8%	6.8%	n/a	6.8%	6.8%	6.8%	6.8%	6.8%	n/a	n/a	1.5%
	Benefits change	n/a	(9.7%)	0.1%	n/a	–	–	–	–	–	n/a	n/a	4.8%
	Annual bonus <sup>5</sup>	n/a	100.0%	100.0%	n/a	–	–	–	–	–	n/a	n/a	215.9%

1. The Executive and Non-Executive Directors received a 3.0% increase in 2022 but when full-year earnings are compared to 2021, where an increase was awarded mid year, the year-on-year increase was 3.5%.

2. Neil Ash joined in April 2023. The increase in benefits is due to comparing a full 12 months in 2024 to 9 months in 2023.

3. Gina Jardine joined in April 2023 therefore no prior year comparisons for earlier years.

4. The percentage presented is calculated using base salary considering the three-month voluntary deduction in salary of 20% taken by the Executive and Non-Executive Directors during 2020 due to the Covid-19 pandemic.

5. No bonus was payable to Ben Guyatt and Stephen Harrison in 2020. The bonus for 2021 is therefore presented as a 100% increase.

6. Stephen Harrison left Forterra in May 2023.

7. Ben Guyatt was appointed as Chief Financial Officer on 1 January 2020 and therefore no movement was presented in the table in relation to his remuneration for the period 2019 to 2020.

8. Nigel Lingwood joined in Forterra in April 2025, therefore there are no comparisons to prior years.

9. Aysegul Sabanci joined Forterra in April 2025, therefore there are no comparisons to prior years.

## Remuneration Committee Report Annual Report on Remuneration continued

### GENDER PAY REPORTING

Forterra continues to be committed to ensuring its policies and practices adopt fair and equal principles when it comes to all aspects of diversity and inclusion. Our gender pay reporting statistics (adhering to reporting guidelines) for the year ended April 2025 are as follows.

#### 2025 mandatory metrics

The mean hourly rate pay gap has decreased by 4.5% in 2025 compared to 2024 to 4.6%. This reduction is due to less females being in lower paid roles than in 2024 as can be seen in the quartile gender pay split on the following page. Due to the lower proportion of females in the workforce than males, any increase in the number of females in higher paid roles has a larger impact on the average pay rate for a female employee.

There continues to be a high percentage of females in the workplace who receive a bonus. The majority of female employees will be subject to the annual bonus scheme, whereas a large proportion of male employees will be in operational roles and will receive a monthly bonus based on production targets.

We continue our commitment to increase gender diversity and, in particular, within operational roles.

Metric <sup>1,2</sup>	2025	2024	2023 <sup>3</sup>	2022	2021	2020 <sup>4</sup>
Mean gender pay gap in hourly pay (%)	<b>4.6%</b>	9.1%	16.7%	15.1%	11.4%	7.8%
Median gender pay gap in hourly pay (%)	<b>17.5%</b>	21.2%	25.4%	25.1%	21.6%	7.6%
Mean gender bonus gap (%)	<b>35.5%</b>	19.6%	(18.3%)	7.3%	66.2%	46.7%
Median gender bonus gap (%)	<b>63.8%</b>	67.4%	(24.8%)	6.4%	70.0%	59.2%

1. The mean and median gender pay gap has been calculated using April 2025 pay, allowances, bonuses, share exercises, recognition awards and other relevant metrics.
2. Executive and Non-Executive Directors are excluded from the gender pay gap report as they are employed by Forterra plc and not Forterra Building Products Ltd.
3. Two Executive Directors of Forterra plc were incorrectly included in the Gender Pay Gap workings for 2023 and prior years. The impact on the reported figures is not considered material.
4. 2020 Gender Pay Gap report not representative due to employees being placed on furlough as a direct consequence of the global pandemic.

Metric <sup>1</sup>	2025	2024	2023	2022	2021	2020
Male employees receiving bonus (%)	<b>50.3%</b>	53.2%	96.7%	66.2%	48.6%	70.7%
Female employees receiving bonus (%)	<b>86.8%</b>	94.4%	98.0%	83.1%	32.2%	81.8%

1. The mean and median gender pay gap has been calculated using April 2024 to March 2025 bonuses, share exercises, recognition awards and other relevant metrics.

## Remuneration Committee Report Annual Report on Remuneration continued

### Relative importance of total spend on pay

The following table shows the Company's actual spend on pay for all employees compared to distributions to shareholders in 2025.

Metric	Disbursements from profit	
	2025 £m	2024 £m
Total spend on pay, including Directors	105.6	90.6
Distributions to shareholders by way of dividend	8.2 <sup>1</sup>	6.3 <sup>2</sup>

- Final 2024 dividend of £0.02 per share paid in July 2025 and interim dividend of £0.019 per share paid in October 2025.
- Final 2023 dividend of £0.02 per share paid in July 2024 and interim dividend of £0.01 per share paid in October 2024.

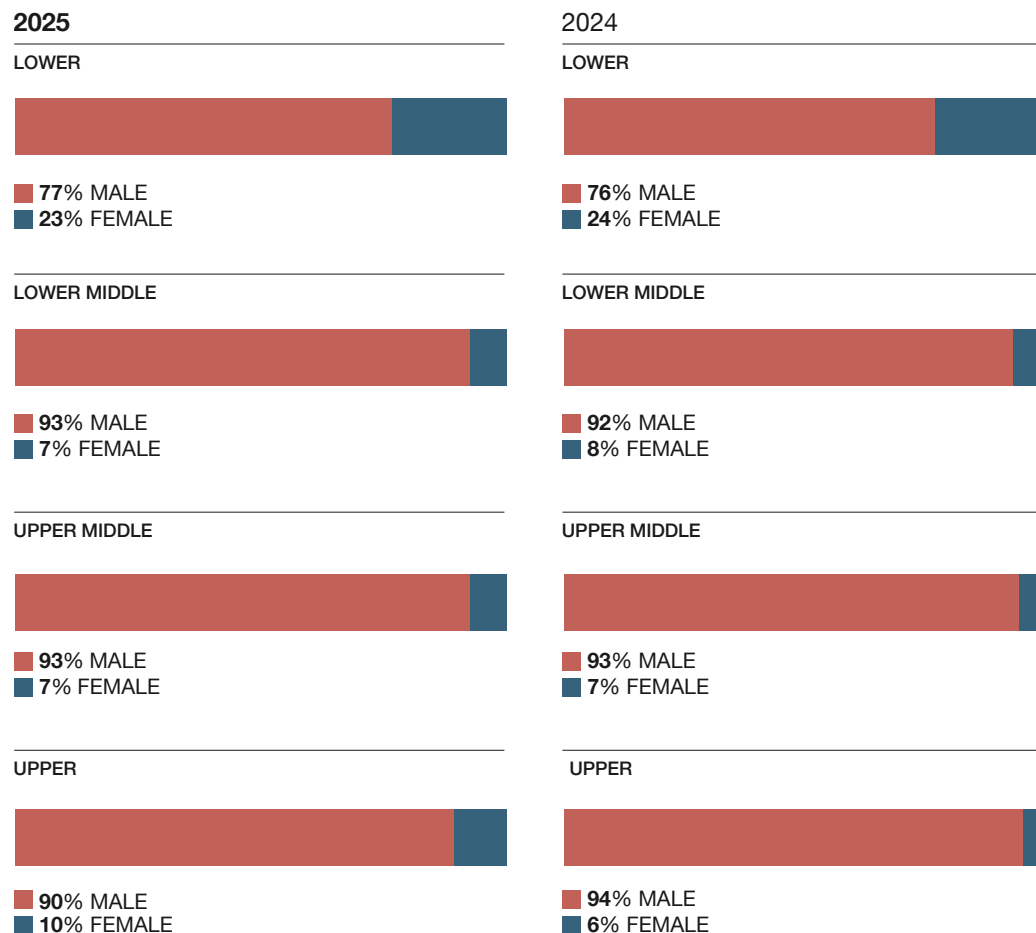
### CASCADE OF INCENTIVES

The remit of the Remuneration Committee includes not only the remuneration of the Executive Directors but also the members of the Executive Committee. In making remuneration decisions in respect of the Executive Directors and senior management, the Committee also monitors and considers the remuneration of the wider workforce to ensure that pay is fair throughout the Group.

Level	Participation in LTIP	Participation in bonus	Participation in SAYE
Executive Directors	✓	✓	✓
Executive Committee	✓	✓	✓
Senior Managers	✓	✓	✓
Managers		✓	✓
Employees		✓ <sup>1</sup>	✓

- All salaried staff participate in the Forterra staff bonus scheme. Arrangements for hourly paid staff vary by location with a number of facilities offering production-related bonuses as part of a total remuneration package. Other facilities may have a higher level of base pay and no bonus arrangements.

### THE GENDER PAY SPLIT WITHIN EACH QUARTILE (%)



## Remuneration Committee Report Implementation of the Remuneration Policy continued

### IMPLEMENTATION OF THE REMUNERATION POLICY FOR THE YEAR ENDING 31 DECEMBER 2026

A summary of how the Directors' Remuneration Policy will be applied during the year ending 31 December 2026 is set out below.

#### Base salary

The 2026 review of Executive Directors' salaries took place in January 2026. As outlined previously, as a result of market benchmarking it was identified that the base salary of the CEO was significantly below relevant market peers, therefore a one-off adjustment of 10% is being proposed for 2026. The CFO's base salary review determined that no adjustment was required, therefore the base salary of the CFO was increased by 3.15% in line with that awarded to the wider workforce. This increase took effect from 1 January 2026.

Participants	2026	2025	% increase
Neil Ash	£550,777	£500,706	10.00%
Ben Guyatt	£369,696	£358,406	3.15%

#### Pension and benefits

The Committee intends that the implementation of its policy in relation to pension and benefits will be in line with the proposed Remuneration Policy for the year ended 31 December 2026.

#### Annual bonus

Subject to approval of the revised policy, the maximum annual bonus for the year ending 31 December 2026 will be 150% of salary for the CEO and 130% of salary for the CFO. Awards will be determined based on a combination of the Group's financial results, being adjusted EBITDA (60%), average working capital as a percentage of sales (20%) and non-financial/strategic performance (20%).

The specific financial targets were confirmed in early 2026. These are considered commercially sensitive. However, the Committee intends to disclose these retrospectively in next year's Annual Report on Remuneration along with details as to their achievement to the extent that they do not remain commercially sensitive. The strategic objectives for 2026 are also considered commercially sensitive. Stretching targets aligned to the Group's strategy have been set.

In determining the level of any bonus award to be deferred into shares under the Deferred Annual Bonus Plan, the first 50% of bonus earned will be deferred in shares for three years, with the remaining 50% paid in cash.

### LONG-TERM INCENTIVE PLAN (LTIP)

The Committee expects to grant awards under the 2026 LTIP in May 2026, which, subject to approval of the revised policy, will be split between performance shares and restricted shares.

#### Award levels

The notional performance share award level for the CEO (prior to any reduction for restricted share conversion) will remain at the maximum of 175% of base salary. The award will be split 50% performance shares (a face value of 87.5% of base salary) and 50% restricted shares (a face value of 43.75%, after applying the discount for these awards), reducing the award face value to 131.25% of base salary.

The notional performance share award level for the CFO will remain at a maximum of 150% of base salary, and under the 50:50 split, the performance share award would equate to 75% and the restricted share award to 37.5% of salary face value, reducing the award face value to 112.5% of base salary.

#### Performance Shares

45% of the performance share award shall be subject to a stretching EPS performance condition which reflects the Board's aspirations for growth, supported by the Group's recent programme of capital investment, whilst also recognising the challenging market conditions which the Group continues to face, along with the significant uncertainty as to the timing and trajectory of the market recovery.

45% of the awards will be subject to a TSR performance condition with the comparator group being the unweighted FTSE 250 participants (excluding investment trusts).

The final 10% of the awards will be determined by a sustainability-based target.

The performance targets to be applied to the 2026 Performance Share Plan awards have yet to be finalised by the Committee. Once finalised, the targets will be communicated by way of an RNS announcement.

Participants	Type of award	Expected basis of award granted	Vesting determined by performance over
Neil Ash	Nominal (1p) cost option	87.5% of salary of £550,777	Three years to December 2028
Ben Guyatt	Nominal (1p) cost option	75% of salary of £369,696	Three years to December 2028

### Restricted Shares

The remaining 50% of the 2026 LTIP awards will be granted in the form of restricted shares. These will be granted without performance conditions, reflecting their distinct purpose within the overall remuneration framework. Instead, they will be subject to a three-year retention period, during which participants must remain in employment with the Group.

Participants	Type of award	Expected basis of award granted	Vesting determined by performance over
Neil Ash	Nominal (1p) cost option	43.75% of salary of £550,777	Three years to December 2028
Ben Guyatt	Nominal (1p) cost option	37.5% of salary of £369,696	Three years to December 2028

Both the Performance share awards and Restricted share awards will be subject to an underpin of satisfactory ROCE and Health and Safety performance.

## Remuneration Committee Report Implementation of the Remuneration Policy continued

### Fees for Chair and Non-Executive Directors

The Company's approach to Non-Executive Directors' remuneration is set by the Board with account taken of the time and responsibility involved in each role, including where applicable the chairing of Board Committees.

	2026	2025	% Increase
Chair	£174,559	£169,228	3.15%
Non-Executive Director base fee	£63,839	£61,889	3.15%
Additional fees:			
Senior Independent Director	£10,000	£10,000	–
Audit and Risk Committee Chair	£7,000	£7,000	–
Remuneration Committee Chair	£7,000	£7,000	–
Sustainability Committee Chair	£7,000	£7,000	–

### CHIEF EXECUTIVE OFFICER'S REMUNERATION HISTORY

The table below sets out the total Chief Executive Officer's remuneration for 2025, together with the percentage of maximum annual bonus awarded in that year.

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Single total figure	£1,032,407	£774,858	£1,428,665 <sup>2</sup>	£930,206	£939,074	£748,689	£1,052,599	£893,054	£762,476	£985,806 <sup>1</sup>
Annual bonus (% of maximum)	95.0%	48.3%	12.5%	89.5%	97.8%	–	–	60.5%	72.0%	50.3%
PSP vesting (% of maximum)	–	–	54%	–	–	45%	72%	36.9%	–	–

1. Includes one-off bonus agreed prior to IPO of £400,000.

2. Includes a one-off share award for Neil Ash on joining Forterra on 3 April 2023 of £409,334 to compensate for amounts foregone from previous employer.

### ADVISERS TO THE REMUNERATION COMMITTEE

The Remuneration Committee has access to independent advice where it considers it appropriate. During the year, the Committee sought advice from Willis Towers Watson (WTW). WTW also provides other remuneration and benefits services to the Group and the Committee is satisfied no conflict of interest exists in the provision of these services. The Committee is satisfied that the advice received by WTW in relation to executive remuneration matters during the year was objective and independent. WTW is a member of the Remuneration Consultants Group and abides by the Remuneration Consultants Group Code of Conduct, which requires its advice to be objective and impartial. The fees paid to WTW during the year totalled £89,750.

### STATEMENT OF SHAREHOLDER VOTING

A high level of shareholder support was received for our Remuneration Report at our 2025 AGM, as summarised below:

Level	Votes for	Votes against	Votes withheld
An advisory vote on the approval of the 2025 Annual Report on Remuneration	151,793,525 99.66%	520,768 0.34%	1,007,542

### APPROVAL

This Remuneration Committee Report, comprising the Annual Statement, Remuneration Policy Summary, Annual Report on Remuneration and Implementation of the Remuneration Policy has been approved by the Board of Directors.

Signed on behalf of the Board of Directors:

**Katherine Innes Ker**

Chair of the Remuneration Committee

10 March 2026

## Directors' Report

The Directors present their report for the financial year ended 31 December 2025. The information required by the Listing Rules (DTR 4.1.8R) is contained in the Strategic Report and the Directors' Report. Forterra plc is incorporated in England and Wales with company number 09963666.

### DIVIDENDS

An interim dividend of 1.9p per Ordinary Share was paid on 10 October 2025 to shareholders on the register at 19 September 2025. Subject to securing shareholder approval at the 2026 AGM, the Directors are proposing a final dividend for the financial year ended 31 December 2025 of 4.3p per Ordinary Share, which brings the total dividend for the year to 6.2p. If approved at the AGM, payment of the final dividend will be made to shareholders registered at the close of business on 12 June 2026 and will be paid on 6 July 2026.

### DIRECTORS

The Directors of the Company who served during the year and to the date of this report are listed on pages 72 to 74. Details of the Directors' interests in the share capital of the Company are set out on page 115 of the Remuneration Committee Report.

### ARTICLES OF ASSOCIATION

The Company's Articles of Association give powers to the Board to appoint Directors. Newly appointed Directors are required to retire and submit themselves for re-election by the shareholders at the first Annual General Meeting following their appointment. In practice however, all Directors are expected to retire and seek re-election on an annual basis.

The Board of Directors may exercise all of the powers of the Company subject to the provisions of relevant laws and the Company's Memorandum and Articles of Association. These include specific provisions and restrictions regarding the Company's ability to borrow money and to issue and repurchase shares.

The Articles of Association may be amended in accordance with the provisions of the Companies Act 2006 by way of a special resolution of the Company's shareholders.

### SHARE CAPITAL AND CONTROL

Details of the Company's share capital are included within note 27 of the Consolidated Financial Statements on page 166.

As at 31 December 2025 there were 212,803,389 Ordinary Shares of 1p nominal value in issue. The Company has one class of shares, Ordinary Shares of 1p nominal value, which carry equal rights to dividends, voting and return of capital on winding up of the Company. There are no restrictions on the transfer of securities in the Company and there are no restrictions on any voting rights other than those prescribed by law, nor is the Company aware of any arrangement which may result in restrictions on the transfer of securities or voting rights nor any arrangement whereby a shareholder has waived or agreed to waive dividends.

The Company has established two separate employee benefit trusts for the purposes of satisfying awards under the Company's share-based incentive schemes. The Company has established a Trust in connection with the Group's Share Incentive Plan (SIP) which holds Ordinary Shares in trust for the benefit of employees of the Group. The Trustees of the SIP Trust may vote in respect of Forterra shares held in the Trust but only as instructed by participants in the SIP in accordance with the deed and rules governing the scheme. The Trustees will not otherwise vote in respect of the shares held in the SIP Trust. As at 31 December 2025 the Trust held a total of 265,717 shares in the Company, with a nominal value of 2,657p and at a weighted average purchase consideration of 231p per share.

The Company has also established The Employee Benefit Trust (EBT) to satisfy awards vesting under the Performance Share Plan (PSP), the Deferred Annual Bonus Plan (DABP) and the Sharesave Scheme. As at 31 December 2025 the EBT held a total of 2,167,669 shares in the Company, with a nominal value of 21,769p and at a weighted average purchase consideration of 248p per share.

### POLITICAL DONATIONS

The Group made no donations during the year to any political party or other political organisation.

### POST BALANCE SHEET EVENTS

Within the year end results, the Company has announced the commencement of a share buyback programme. The aggregate price of all shares purchased in 2026 will be no more than £20 million (excluding stamp duty and expenses) and any Ordinary shares purchased under the programme will be cancelled immediately.

### SIGNIFICANT AGREEMENTS (CHANGE OF CONTROL)

The Company's committed credit facilities as described in note 20 of the Consolidated Financial Statements on page 158 are subject to provisions that require the mandatory prepayment of the facilities on a change of control. For this purpose, a change of control is defined as any person or group of persons acting in concert gaining direct or indirect control of the Company. For the purposes of this definition, control of the Company means the holding beneficially (directly or indirectly) of the issued share capital of the Company having the right to cast more than 30% of the votes capable of being cast in general meetings of the Company.

There are no agreements between the Group and its Directors and employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) in the event of a takeover bid.

## Directors' Report continued

### SUBSTANTIAL SHAREHOLDINGS

At 31 December 2025 the Company, in accordance with the Disclosure Guidance and Transparency Rules, has been notified of the following interests of greater than 3% in its Ordinary Share capital. This information is correct at the date of notification and it should be noted that these holdings may have changed since they were notified to the Company.

Information provided to the Company in accordance with the Disclosure Guidance and Transparency Rules is publicly available via the Regulatory News Service and on the Company's website.

### GOING CONCERN

The Group's credit facility comprises a committed revolving credit facility (RCF) of £170m extending to June 2028, which was extended following the exercise of a 17-month extension option during 2025. At the balance sheet date, borrowings against the facility totalled £62m with £108m of headroom remaining. The cash balance stood at £6.1m with reported net debt before leases of £55.7m (2024: £84.9m) (net debt is presented inclusive of capitalised arrangement fees). The Group also benefits from an uncommitted overdraft facility of £10m which was undrawn at the year-end.

The Group meets its working capital requirements through these cash reserves and facilities, and closely manages working capital to ensure sufficient daily liquidity and prepares financial forecasts under various scenarios to ensure sufficient liquidity over the medium-term. Management maintains strong relationships with the Group's lenders and advisors, and remains confident in the Group's ability to continue to access the financing it requires.

The facility is subject to covenant restrictions of leverage (net debt/adjusted EBITDA) (as measured before leases) of less than 3 times and interest cover of greater than 4 times. The covenants are subject to testing on a half yearly basis. The Group has comfortably traded within its covenants throughout 2025 and anticipates remaining within these throughout 2026.

Management have modelled two financial scenarios for the 18-month period to 30 June 2027, comprising a base case and a plausible downside scenario, reflecting both macroeconomic and industry-specific projections. In addition to this, a reverse stress test has also been modelled.

Assumptions underpinning these scenarios are outlined as follows:

- The base case scenario is aligned to our current demand expectations, with 2026 sales volumes expected to be similar to 2025;

	Nature of holding	31 December 2025		10 March 2026	
		Number of shares disclosed	% interest in voting rights	Number of shares disclosed	% interest in voting rights
Lansdowne Partners	Indirect	22,802,737	10.72	22,802,737	10.72
Vulcan Value Partners	Indirect	20,379,023	9.58	20,379,023	9.58
Cobas Asset Management	Indirect	10,731,743	5.04	14,454,764	7.14
Aberforth Partners	Indirect	10,870,862	5.11	10,870,862	5.11
JO Hambro Capital Management	Indirect	10,647,332	5.00	10,647,332	5.00
MFS Investment Management	Indirect	10,550,158	4.96	10,550,158	4.96
Kayne Anderson Rudnick Investment Management	Indirect	6,432,738	3.02	6,432,738	3.02

- Management continues to align production to anticipated sales, minimising inventory growth. In addition, capital expenditure continues to reduce from prior years, with the Group's spend on strategic projects largely complete, increasing free cash flows;
- With leverage now returned to normalised levels, and reflective of our lower capital expenditure requirements going forward, the Board's intention to commence the return of surplus capital to shareholders with a £20m share buyback programme has been included; and
- The Group's plausible downside scenario takes into account the lowest levels of market demand seen across our products since 2022. Product dependent, this ranges up to 40% below the levels last seen in 2022. 2022 is considered to be representative of a normalised market for the Group and as such is seen as a reasonable benchmark for scenario modelling. It is not considered plausible that demand could fall further than the assumptions detailed within the downside scenario laid out below.

Scenario	Sales volume assumptions	Management mitigations
Base	Sales volumes remain between 12% and 25% below 2022. Volumes improve in 2027 but remain up to 22% below 2022	None necessary
Plausible downside	Product dependent, volumes return to their lowest level since 2022, which is a reduction of between 23% and 38% relative to 2022. Volumes begin to recover in 2027 but remain up to 36% below 2022	Proposed share buyback programme is paused

Under both of the above scenarios, there is no breach in covenants throughout 2026 and in the period up to 30 June 2027.

In addition to the scenarios, the Group has prepared a reverse stress test to determine the level of market decline that could potentially breach covenants, before further mitigating actions are taken. The reverse stress test indicated, that should volumes fall by a further 16% from the plausible downside, the Group would be at risk of breaching its covenants. This is viewed by the Board to be a highly unlikely scenario. The Board remains confident in the Group's ability to benefit significantly as markets recover and its strategic investments generate returns.

Further to this, in the event of sales volumes falling in line with those modelled in the reverse stress test, the Group would seek to enact further mitigating actions including additional cost savings, production reductions, curtailment in the quantum of dividend distributions and the sale of surplus land and buildings.

Taking the above into consideration, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the going concern period to 30 June 2027. The Group therefore adopts the going concern basis in preparing the Consolidated Financial Statements.

## Directors' Report continued

### STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITOR

Each Director of the Company confirms that as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and that each of the Directors has taken all the steps they ought to have taken individually as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### ANNUAL GENERAL MEETING (AGM)

The 2025 AGM will be held on 19 May 2026. Full details are contained in the Notice convening the AGM, which will be sent to shareholders no later than 21 days prior to the AGM.

Approved by the Board and signed by order of the Board by:

#### Frances Tock

Company Secretary  
10 March 2026

## Statement of Directors' Responsibilities

The Directors are required by the Companies Act 2006 to prepare Financial Statements for each financial year that give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year, and of the profit or loss of the Group for the financial year. Under that law, the Directors are required to prepare the Consolidated Financial Statements in accordance with the requirements of the Companies Act 2006 and UK-adopted international accounting standards and have elected to prepare the Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and applicable law.

In preparing these Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- In respect of the Consolidated Financial Statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- In respect of the Company Financial Statements, state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRS (and in respect of the Company Financial Statements, FRS 102) are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy, at any time, the financial position of the Group and the Company, and which enable them to ensure that the Financial Statements and the Directors' Remuneration Report comply with the Companies Act 2006 and as regards the Consolidated Financial Statements, Article 4 of the IAS Regulation. They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

The Directors 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 and the Company's performance, business model and strategy.

Each of the Directors, whose names and functions are set out on pages 72 to 74, confirm that, to the best of their knowledge:

- The Consolidated Financial Statements of the Group, which have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- The Strategic Report contained within this document includes a fair review of the development and performance of the business and the position of the Group together with a description of principal risks and uncertainties that the Group faces.

Approved by the Board and signed on its behalf by:

**Neil Ash**  
Chief Executive Officer  
10 March 2026

**Ben Guyatt**  
Chief Financial Officer

# FINANCIAL STATEMENTS

## IN THIS SECTION

- 129 Independent Auditor's Report
- 136 Consolidated Statement of Total Comprehensive Income
- 137 Consolidated Balance Sheet
- 138 Consolidated Statement of Cash Flows
- 139 Consolidated Statement of Changes in Equity
- 140 Notes to the Financial Statements
- 173 Company Balance Sheet
- 174 Company Statement of Changes in Equity
- 175 Notes to the Company Financial Statements
- 178 Group Five-Year Summary

# Independent Auditors Report to the Members of Forterra Plc

## OPINION

In our opinion:

- Forterra plc's Group Financial Statements and Parent Company Financial statements (the "Financial Statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's 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 United Kingdom Generally Accepted Accounting Practice; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements of Forterra plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2025 which comprise:

Group	Parent Company
Consolidated Balance Sheet as at 31 December 2025	Balance sheet as at 31 December 2025
Consolidated Statement of Comprehensive Income for the year ended 31 December 2025	Statement of Changes in Equity for the year ended 31 December 2025
Consolidated Statement of Changes in Equity for the year ended 31 December 2025	Related notes 1 to 13 to the Company Financial Statements including a summary of significant accounting policies
Consolidated Statement of Cash Flows for the year ended 31 December 2025	
Related notes 1 to 32 to the Consolidated Financial Statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the Group Financial Statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company Financial Statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## INDEPENDENCE

We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate. Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- We obtained an understanding of management's going concern assessment process by performing our walkthrough of the Group's Financial Statement close process.
- We obtained management's going concern assessment, including the cash flow forecast and covenant calculations for the going concern period which covers a period to 30 June 2027. The Group has modelled base case and severe but plausible scenarios, derived from the board-approved budget, in its cash flow forecasts and covenant calculations in order to test the impact of unforeseen fluctuations in the performance and liquidity of the Group on the going concern conclusion.
- We performed an assessment of all borrowing and other financing facilities, including the compliance with covenants computed based on the cash flow forecasts. This included obtaining evidence of the terms of the bank loan facilities and assessing their continued availability to the Group through the going concern period and evaluated the forecast covenants compliance.
- We tested the clerical accuracy of the model used to prepare the Group's going concern assessment.
- Using our understanding of the business, we evaluated and challenged the historical accuracy of management's forecast by performing the comparison with last five years actual results with the forecasts.
- We have obtained and performed an analysis on post year end results and compared this against management's budget to identify unforeseen circumstances and to challenge whether the forecast cash flows are achievable.
- We have tested the main assumptions, including trading volumes and underlying EBITDA, in each modelled scenario by comparing them with the Group's historical performance, economic and industry forecasts including the potential impact of climate change on the Group's business.
- We obtained management's reverse stress test to assess the reduction in EBITDA required to eliminate liquidity headroom or breach bank loan facility covenants and whether the reduction in EBITDA required has no more than a remote possibility of occurring. We also considered the mitigating factors included in the reverse stress test to challenge whether they are within the control of the Group. This included review of the Group's non-operating cash outflows and evaluating the Group's ability to control these outflows as mitigating actions if required.
- We reviewed the Group's and Parent Company's going concern disclosures included in the annual report in order to assess their conformity with the relevant reporting standards.

## Independent Auditors Report to the Members of Forterra Plc continued

### KEY OBSERVATIONS

- The Directors’ assessment forecasts that the Group will maintain sufficient liquidity and covenant compliance through the going concern period to 30 June 2027. We observed that under both management’s base case and severe but plausible scenarios the Group continues to demonstrate adequate liquidity and covenant compliance.
- Management’s assessment was further supported by a reverse stress scenario to determine the level of revenue volumes decline that would breach covenants, before further mitigating actions are taken. The Directors considers such a scenario to be remote.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company’s ability to continue as a going concern for a period to 30 June 2027.

In relation to the Group and Parent Company’s reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors’ Statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this Report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group, and Parent Company’s, ability to continue as a going concern.

### AN OVERVIEW OF THE SCOPE OF THE PARENT COMPANY AND GROUP AUDITS

We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, to identify and assess risks of material misstatement of the Group Financial Statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group Financial Statements, we considered our understanding of the Group and its business environment, the potential impact of climate change, the applicable financial framework, the Group’s system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

In assessing the risk of material misstatement to the Group Financial Statements, and to ensure we had adequate quantitative coverage of significant accounts in the Financial Statements, we selected all three active components (2024: three components) covering entities within the Group either due to a significant risk or an area of higher assessed risk of material misstatement of the Group Financial Statements being associated with the components, or due to materiality or financial size of the component relative to the Group.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the three components selected, we designed and performed audit procedures on the entire financial information of two components (“full scope components”). For the residual balances remaining in the other component, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component that were material to the Group; all undertaken centrally by the Group audit team (“specific scope components”).

Our scoping to address the risk of material misstatement for each key audit matter is set out in the key audit matters section of our Report.

### Overview of our audit approach

<b>Audit scope</b>	<ul style="list-style-type: none"> <li>• We performed an audit of the complete financial information of two components and audit procedures on specific balances for a further one component</li> <li>• All work has been performed by the Group audit engagement team</li> </ul>
<b>Key audit matters</b>	<ul style="list-style-type: none"> <li>• Revenue recognition</li> </ul>
<b>Materiality</b>	<ul style="list-style-type: none"> <li>• Overall Group materiality of £1.8m which represents 5% of adjusted profit before tax</li> </ul>

## Independent Auditors Report to the Members of Forterra Plc continued

### INVOLVEMENT WITH COMPONENT TEAMS

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

### CLIMATE CHANGE

Stakeholders are increasingly interested in how climate change will impact Group. The Group has determined that the most significant future impacts from climate change on its operations will be from both the transitional risks associated with adapting its business to a lower carbon economy, along with both the longer-term acute risks associated with increasing severe weather events and the physical risks of long-term climate change such as sea level rise. These are explained on page 51 in the required Task Force on Climate Related Financial Disclosures and on pages 62 to 68 in the principal risks and uncertainties. They have also explained their climate commitments on page 47. All of these disclosures form part of the "Other information," rather than the audited Financial Statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its Financial Statements.

The Group has explained in its basis of preparation note their articulation of how climate change has been reflected in the Financial Statements including how they have reflected the impact of climate change in their Financial Statements and how this aligns with their commitment to achieve net zero emissions by 2050. As explained in the basis of preparation note, there are no significant judgements or estimates relating to climate change.

Our audit effort in considering the impact of climate change on the Financial Statements was focused on the adequacy of the Group's disclosures, supported by our climate change internal specialists, and the conclusion that there is no material impact from climate change on the carrying values of assets with indefinite or long lives, or on the Group Financial Statements.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, we have not identified the impact of climate change on the Financial Statements to be a key audit matter or to impact a key audit matter.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditors Report to the Members of Forterra Plc continued

Risk	Our response to the risk
<p><b>Revenue recognition (2025: £386.0m, 2024: £344.3m).</b>                      Refer to the Audit and Risk Committee Report (page 90); Accounting policies (page 142); and note 2 of the Consolidated Financial Statements (page 140)</p> <p>We believe that there may be an incentive for management to manipulate revenue. There is a risk that management may override controls to overstate revenue by recording fictitious revenue transactions through inappropriate journals posted to revenue.</p>	<p>We have understood the accounting for revenue recognition which included walk through of the key controls over the process and review of the revenue recognition policy. We also assessed that the policy for all revenue streams is in compliance with IFRS 15, the revenue accounting standard.</p> <p>We performed data analytic techniques over the full amount of revenue recognised in the year, testing the correlation of invoiced revenue to receivables and cash. We traced a sample of transactions through to cash receipts to verify the validity of the data used to perform the analysis. Where the process did not follow our expectations, we investigated and tested a sample of transactions to ensure their validity by agreeing back to source documentation.</p> <p>We have performed cut-off testing for a sample of revenue items and credit notes booked either side of the year end date to determine whether revenue was recognised in the period in which the performance obligation was fulfilled.</p> <p><b>Management override</b>                      We performed specific procedures to address the risk of management override, including testing to identify unusual, new or significant transactions or contractual terms and targeted testing over topside journal entries via consolidation adjustments to revenue</p>
<p><b>Key observations communicated to the Audit and Risk Committee</b></p>	
<p>Based on our procedures performed, we concluded that revenue recognised in the year was appropriate.</p>	
<p><b>How we scoped our audit to respond to the risk</b></p>	
<p>We performed full scope audit procedures over this risk area, which covered 100% of the risk amount.</p> <p>All audit work performed to address this risk was undertaken by the Group audit team.</p>	

## Independent Auditors Report to the Members of Forterra Plc continued

The key audit matter set out in the table above is consistent with those reported in 2024, except for the removal of impairment of tangible and intangible assets as a key audit matter.

In the current year, we concluded that impairment of tangible and intangible assets does not represent a key audit matter based on the Group's improved performance, and stable asset values.

### OUR APPLICATION OF MATERIALITY

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

### MATERIALITY

*The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the Financial Statements. Materiality provides a basis for determining the nature and extent of our audit procedures.*

We determined materiality for the Group to be £1.8 million (2024: £1.1 million), which is 5% (2024: 5%) of adjusted profit before tax. We believe that adjusted profit before tax provides us with the most relevant performance measure to the main users of the Group Financial Statements and therefore have determined materiality on that number.

We determined materiality for the Parent Company to be £3.4m (2024: £1.6m) which is 1% (2024: 0.5%) of total assets.

Materiality	
<b>Starting basis</b>	<ul style="list-style-type: none"> <li>Profit before tax – £23.3m</li> </ul>
<b>Adjustments</b>	<ul style="list-style-type: none"> <li>Exceptional Items – £(6.7)m</li> <li>Adjusting Items – £(6.0)m</li> </ul>
<b>Materiality</b>	<ul style="list-style-type: none"> <li>Adjusted profit before tax – £36.0m (materiality basis)</li> <li>Materiality of £1.8m (5% of materiality basis)</li> </ul>

During our audit, we revised the materiality at year end to reflect the impact of one-off transactions that occurred during the year.

### PERFORMANCE MATERIALITY

*The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.*

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely £1.4m (2024: £0.8m). We have set performance materiality at this percentage due to our understanding of the Group and Parent Company and our past experience with the audit, which indicates a lower risk of misstatements.

### REPORTING THRESHOLD

*An amount below which identified misstatements are considered as being clearly trivial.*

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.09m (2024: £0.06m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

### OTHER INFORMATION

The other information comprises the information included in the Annual Report and Accounts set out on pages 1 to 177, including the Strategic report and Governance report, other than the Financial Statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report and Accounts.

Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## Independent Auditors Report to the Members of Forterra Plc continued

### OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### CORPORATE GOVERNANCE STATEMENT

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 125;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 69;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 125;
- Directors' statement on fair, balanced and understandable set out on page 93;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 92;
- The section of the Annual Report and Accounts that describes the review of effectiveness of risk management and internal control systems set out on pages 92 and 93; and
- The section describing the work of the Audit and Risk Committee set out on pages 88 and 89.

### RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 127, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

## Independent Auditors Report to the Members of Forterra Plc continued

### EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are directly relevant to the specific assertions in the Financial Statements are those that relate to the reporting frameworks (UK-adopted international accounting standards, FRS 102, the Companies Act 2006 and UK Corporate Governance Code) and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain laws and regulations which may have an effect in the determination of the amounts and disclosures in the Financial Statements being the Listing Rules of the UK Listing Authority, and those laws and regulations relating to occupational health and safety, environmental laws and data protection.
- We understood how Forterra plc is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes, papers provided to the Audit and Risk Committee and any correspondence received from regulatory bodies where appropriate.
- We assessed the susceptibility of the Group's Financial Statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it considered there was susceptibility to fraud. We also considered performance targets and the risk of management override of controls to manage earnings or influence the perceptions of analysts. We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter, and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures, as mentioned in the key audit matters section for revenue recognition, included testing journal entries and were designed to provide reasonable assurance that the Financial Statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved understanding the process and controls to identify non-compliance, journal entry testing, review of board minutes, enquiries of legal counsel, Group management, internal audit, and focused testing, as referred to in the key audit matters section above.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### OTHER MATTERS WE ARE REQUIRED TO ADDRESS

- Following the recommendation from the Audit and Risk Committee we were reappointed by the Company on 5 March 2025 to audit the Financial Statements for the year ended 31 December 2025.
- The period of total uninterrupted engagement including previous renewals and reappointments is ten years, covering the years ended 31 December 2016 to 31 December 2025.
- The audit opinion is consistent with the additional report to the Audit and Risk Committee.

### USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Anup Sodhi

Senior Statutory Auditor  
for and on behalf of Ernst & Young LLP,  
Statutory Auditor  
Luton  
10 March 2026

## Consolidated Statement of Total Comprehensive Income for the year ended 31 December 2025

	Note	2025 £m	2024 £m
Revenue	4	386.0	344.3
Cost of sales		(264.5)	(241.3)
<b>Gross profit</b>		<b>121.5</b>	103.0
Distribution costs		(52.5)	(46.1)
Administrative expenses		(34.3)	(29.4)
Other operating (expense)/income	6	(5.4)	6.4
<b>Operating profit</b>	5	<b>29.3</b>	33.9
Finance expense	9	(6.0)	(9.1)
<b>Profit before tax</b>		<b>23.3</b>	24.8
Income tax expense	10	(6.3)	(7.3)
<b>Profit for the financial year attributable to equity shareholders</b>		<b>17.0</b>	17.5
<b>Other comprehensive income/(loss)</b>			
Effective portion of changes of cash flow hedges (net of tax impact)		0.2	(0.1)
<b>Total comprehensive income for the year attributable to equity shareholders</b>		<b>17.2</b>	17.4
<b>Earnings per share</b>			
		<b>Pence</b>	Pence
Basic earnings	12	8.1	8.3
Diluted earnings	12	8.0	8.3

	Note	2025 £m	2024 £m
<b>Adjusted profit measures</b>			
<b>Adjusted EBITDA</b>		<b>61.6</b>	52.0
Exceptional items	8	(6.7)	(2.9)
Adjusting items	31	(6.0)	5.6
<b>EBITDA</b>		<b>48.9</b>	54.7
Depreciation and amortisation	13, 14, 25	(19.6)	(20.8)
Operating profit	5	29.3	33.9
<b>Adjusted profit before tax</b>		<b>36.0</b>	22.1
Exceptional items	8	(6.7)	(2.9)
Adjusting items	31	(6.0)	5.6
Profit before tax		23.3	24.8
<b>Adjusted earnings per share</b>			
		<b>Pence</b>	Pence
Basic earnings	12	12.6	7.6
Diluted earnings	12	12.5	7.6

## Consolidated Balance Sheet as at 31 December 2025

	Note	2025 £m	2024 £m
<b>Non-current assets</b>			
Intangible assets	13	11.5	11.6
Property, plant and equipment	14	262.8	263.8
Right-of-use assets	25	18.8	20.5
Derivative financial assets	23	–	2.8
		<b>293.1</b>	298.7
<b>Current assets</b>			
Assets held for sale	15	3.0	–
Inventories	16	78.6	82.0
Trade and other receivables	17	35.4	39.0
Income tax asset		0.2	2.4
Cash and cash equivalents	18	6.1	15.2
Derivative financial assets	23	0.7	5.1
		<b>124.0</b>	143.7
<b>Total assets</b>		<b>417.1</b>	442.4
<b>Current liabilities</b>			
Trade and other payables	19	(69.8)	(68.7)
Loans and borrowings	20	(0.2)	(0.7)
Lease liabilities	25	(6.7)	(5.8)
Provisions for other liabilities and charges	24	(8.4)	(6.6)
Derivative financial liabilities	23	–	(0.1)
		<b>(85.1)</b>	(81.9)

	Note	2025 £m	2024 £m
<b>Non-current liabilities</b>			
Loans and borrowings	20	(61.6)	(99.4)
Lease liabilities	25	(13.2)	(15.1)
Provisions for other liabilities and charges	24	(8.7)	(8.2)
Deferred tax liabilities	26	(14.0)	(12.9)
		<b>(97.5)</b>	(135.6)
<b>Total liabilities</b>		<b>(182.6)</b>	(217.5)
<b>Net assets</b>		<b>234.5</b>	224.9
<b>Capital and reserves attributable to equity shareholders</b>			
Ordinary shares	27	2.1	2.1
Retained earnings		238.2	228.2
Cash flow hedge reserve	27	–	(0.2)
Reserve for own shares	27	(6.0)	(5.4)
Capital redemption reserve	27	0.2	0.2
<b>Total equity</b>		<b>234.5</b>	224.9

The notes on pages 140 to 172 are an integral part of these Consolidated Financial Statements.

Approved by the Board of Directors on 10 March 2026 and signed on their behalf by:

**Neil Ash**  
Chief Executive Officer

**Ben Guyatt**  
Chief Financial Officer

## Consolidated Statement of Cash Flows for the year ended 31 December 2025

	Note	2025 £m	2024 £m
<b>Cash generated from operations</b>	21	<b>68.1</b>	51.8
Interest paid		<b>(8.0)</b>	(10.0)
Tax (paid)/credit		<b>(1.1)</b>	0.4
<b>Net cash inflow from operating activities</b>		<b>59.0</b>	42.2
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		<b>(14.5)</b>	(25.4)
Purchase of intangible assets		<b>–</b>	(0.2)
<b>Net cash used in investing activities</b>		<b>(14.5)</b>	(25.6)
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities	25	<b>(6.0)</b>	(5.9)
Dividends paid	11	<b>(8.2)</b>	(6.3)
Drawdown of borrowings		<b>47.0</b>	93.0
Repayment of borrowings		<b>(85.0)</b>	(103.0)
Purchase of shares by Employee Benefit Trust		<b>(0.7)</b>	–
Proceeds from sales of shares by Employee Benefit Trust		<b>–</b>	5.1
Financing fees		<b>(0.7)</b>	(0.3)
<b>Net cash used in financing activities</b>		<b>(53.6)</b>	(17.4)
<b>Net decrease in cash and cash equivalents</b>		<b>(9.1)</b>	(0.8)
Cash and cash equivalents at the beginning of the year		<b>15.2</b>	16.0
<b>Cash and cash equivalents at the end of the year</b>	18	<b>6.1</b>	15.2

## Consolidated Statement of Changes in Equity for the year ended 31 December 2025

	Note	Ordinary shares £m	Capital redemption reserve £m	Reserve for own shares £m	Cash flow hedge reserve £m	Retained earnings £m	Total equity £m
<b>Balance at 1 January 2024</b>		2.1	0.2	(14.2)	(0.1)	219.8	207.8
Profit for the year		-	-	-	-	17.5	17.5
Other comprehensive loss		-	-	-	(0.1)	-	(0.1)
<b>Total comprehensive (loss)/income for the year</b>		-	-	-	(0.1)	17.5	17.4
Dividends paid	11	-	-	-	-	(6.3)	(6.3)
Proceeds from sale of shares by Employee Benefit Trust		-	-	5.1	-	-	5.1
Share-based payments charge		-	-	-	-	1.0	1.0
Share-based payments exercised		-	-	3.7	-	(3.7)	-
Tax on share-based payments	26	-	-	-	-	(0.1)	(0.1)
<b>Balance at 31 December 2024</b>		2.1	0.2	(5.4)	(0.2)	228.2	224.9
Profit for the year		-	-	-	-	17.0	17.0
Other comprehensive income		-	-	-	0.2	-	0.2
<b>Total comprehensive income for the year</b>		-	-	-	0.2	17.0	17.2
Dividends paid	11	-	-	-	-	(8.2)	(8.2)
Purchase of shares by Employee Benefit Trust		-	-	(0.7)	-	-	(0.7)
Share-based payments charge		-	-	-	-	1.4	1.4
Share-based payments exercised		-	-	0.1	-	(0.1)	-
Tax on share-based payments	26	-	-	-	-	(0.1)	(0.1)
<b>Balance at 31 December 2025</b>		2.1	0.2	(6.0)	-	238.2	234.5

## Notes to the Financial Statements

### 1. General information

Forterra plc (Forterra or the Company) and its subsidiaries (together referred to as the Group) are domiciled in the United Kingdom. The address of the registered office of the Company and its subsidiaries is 5 Grange Park Court, Roman Way, Northampton, NN4 5EA. The Company is the parent of Forterra Holdings Limited and Forterra Building Products Limited, which together comprise the Group. The principal activity of the Group is the manufacture and sale of bricks, dense and lightweight blocks, precast concrete, concrete block paving and other complementary building products.

Forterra plc was incorporated on 21 January 2016 for the purpose of listing the Group on the London Stock Exchange. Forterra plc acquired the shares of Forterra Building Products Limited on 20 April 2016, which to that date held the Group's trade and assets, before admission to the main market of the London Stock Exchange.

The Consolidated Financial Statements of the Group for the year ended 31 December 2025 were approved for issue by the Board of Directors on 10 March 2026.

### 2. Summary of material accounting policies

#### (A) BASIS OF PREPARATION

The accounting policies used in the preparation of the Consolidated Financial Statements of the Group are set out below. These accounting policies have been used consistently in all material respects across the periods presented. The Consolidated Financial Statements have been prepared in accordance with UK-adopted international accounting standards. The Consolidated Financial Statements are presented in pounds sterling and all values are rounded to the nearest hundred thousand unless otherwise indicated.

In preparing the Consolidated Financial Statements management has considered the impact of climate change, taking into account the relevant disclosures in the Strategic Report, including those made in accordance with the recommendations of the Task Force on Climate-related Financial Disclosure.

The Group has engaged in a detailed review of expected climate change impacts on the business and its assets and liabilities to establish any adjustments required and what reporting is necessary in its Consolidated Financial Statements for the year ended 31 December 2025. The explanation below of how this has been included in the Consolidated Financial Statements should be read in conjunction with the climate-related risk and governance section on pages 49 to 51 of the Sustainability Report within this Annual Report and Accounts. This process has been completed to ensure material accuracy of the financial reporting and that disclosure of relevant information complies with the requirements of IAS 1. The process has involved a review of reporting segments and each element of the Group's commitment to reach net zero by 2050, to identify if any of these items are expected to be materially impacted in a negative or positive way by weather, legislative, societal or revenue/cost changes.

The conclusion of the review was that, while there will undoubtedly be impacts on the Group, the 100% UK-focused nature of the operations of the business significantly reduces the risk profile of the Group to impacts from weather-related changes. The changes necessary to achieve net zero will not have a materially adverse impact on the cash flows of the Group and indeed, warmer climates may present some opportunities as disclosed on page 51 of the Sustainability Report within this Annual Report and Accounts. Societal and legislative impacts are not considered to have a material impact on any one segment such that we need to break out reporting in a different way to previous years. Judgements are not considered to be significant, although clearly understanding of climate change is developing with time. Management review has concluded that there is no material impact for inclusion within modelling scenarios for viability purposes and given the profitability and short payback period of the cash generating units (CGU), no issues were identified that would impact the carrying values of such tangible and intangible assets. Given the cash generation and facilities available, no significant issues were identified that would impact viability over the forecast period and therefore no further disclosure is required.

The preparation of the Consolidated Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements, are disclosed in note 3.

#### (B) GOING CONCERN

The Group's credit facility comprises a committed revolving credit facility (RCF) of £170m extending to June 2028, which was extended following the exercise of a 17-month extension option during 2025. At the balance sheet date, borrowings against the facility totalled £62m with £108m of headroom remaining. The cash balance stood at £6.1m with reported net debt before leases of £55.7m (2024: £84.9m) (net debt is presented inclusive of capitalised arrangement fees). The Group also benefits from an uncommitted overdraft facility of £10m which was undrawn at the year-end.

The Group meets its working capital requirements through these cash reserves and facilities, and closely manages working capital to ensure sufficient daily liquidity and prepares financial forecasts under various scenarios to ensure sufficient liquidity over the medium-term. Management maintains strong relationships with the Group's lenders and advisors, and remains confident in the Group's ability to continue to access the financing it requires.

## Notes to the Financial Statements continued

### 2. Summary of material accounting policies continued

The facility is subject to covenant restrictions of leverage (net debt/adjusted EBITDA) (as measured before leases) of less than three times and interest cover of greater than four times. The covenants are subject to testing on a half yearly basis. The Group has comfortably traded within its covenants throughout 2025 and anticipates remaining within these throughout 2026.

Management have modelled two financial scenarios for the 18-month period to 30 June 2027, comprising a base case and a plausible downside scenario, reflecting both macroeconomic and industry-specific projections. In addition to this, a reverse stress test has also been modelled.

Assumptions underpinning these scenarios are outlined as follows:

- The base case scenario is aligned to our current demand expectations, with 2026 sales volumes expected to be similar to 2025;
- Management continues to align production to anticipated sales, minimising inventory growth. In addition, capital expenditure continues to reduce from prior years, with the Group's spend on strategic projects largely complete, increasing free cash flows;
- With leverage now returned to normalised levels, and reflective of our lower capital expenditure requirements going forward, the Board's intention to commence the return of surplus capital to shareholders with a £20m share buyback programme has been included; and
- The Group's plausible downside scenario takes into account the lowest levels of market demand seen across our products since 2022. Product dependent, this ranges up to 40% below the levels last seen in 2022. 2022 is considered to be representative of a normalised market for the Group and as such is seen as a reasonable benchmark for scenario modelling. It is not considered plausible that demand could fall further than the assumptions detailed within the downside scenario laid out below.

Scenario	Sales volume assumptions	Management mitigations
Base	Sales volumes remain between 12% and 25% below 2022. Volumes improve in 2027 but remain up to 22% below 2022	None necessary
Plausible downside	Product dependent, volumes return to their lowest level since 2022, which is a reduction of between 23% and 38% relative to 2022. Volumes begin to recover in 2027 but remain up to 36% below 2022	Proposed share buyback programme is paused

Under both of the above scenarios, there is no breach in covenants throughout 2026 and in the period up to 30 June 2027.

In addition to the scenarios, the Group has prepared a reverse stress test to determine the level of market decline that could potentially breach covenants, before further mitigating actions are taken. The reverse stress test indicated, that should volumes fall by a further 16% from the plausible downside, the Group would be at risk of breaching its covenants. This is viewed by the Board to be a highly unlikely scenario. The Board remains confident in the Group's ability to benefit significantly as markets recover and its strategic investments generate returns.

Further to this, in the event of sales volumes falling in line with those modelled in the reverse stress test, the Group would seek to enact further mitigating actions including additional cost savings, production reductions, curtailment in the quantum of dividend distributions and the sale of surplus land and buildings.

Taking the above into consideration, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the going concern period to 30 June 2027. The Group therefore adopts the going concern basis in preparing these Consolidated Financial Statements.

### (C) NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

The accounting policies adopted in the preparation of these Consolidated Financial Statements are consistent with those followed in the preparation of the Consolidated Financial Statements for the year ended 31 December 2024, except for the adoption of new standards effective as at 1 January 2025.

The following new standards and amendments apply for the first time in 2025, none of which had a material impact on the Consolidated Financial Statements:

- Amendments to IAS 21, Lack of Exchangeability, amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates.

Amendments to IFRS 9 and IFRS 7 will become mandatory from 1 January 2026. Management are currently assessing the impact of these amendments.

Contracts referencing nature-dependent electricity – As part of this amendment the Group will present additional disclosures in relation to its solar PPA contract, following changes to requirements for financial contracts whose pricing or settlement terms depend on nature-dependent electricity. The PPA contract will continue to meet the requirements for the own use exemption under IFRS 9 and be accounted for as an executory contract, in line with treatment for the period ended 31 December 2025.

Classification and measurement of financial instruments – The impact of changes within this narrow scope amendment in relation to the recognition and derecognition of financial assets and liabilities involving an electronic payment system are being assessed for the Group. It is anticipated the Group will apply a modified retrospective approach in adopting these amendments.

IFRS 18 will become mandatory from 1 January 2027. Management are currently assessing the impact of this new standard for the Group.

Other than the amendments to IFRS 9 and IFRS 7 and the introduction of IFRS 18, at the date of approval of these Consolidated Financial Statements there were a number of standards, amendments and interpretations that have been published and are effective for accounting periods beginning on or after 1 January 2026. These have not been applied in these Consolidated Financial Statements and are not expected to have a material impact when adopted. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

## Notes to the Financial Statements continued

### 2. Summary of material accounting policies continued

#### (D) BASIS OF CONSOLIDATION

The Group controls an entity when it is exposed to, or has rights to, variable returns and has the ability to affect those returns through its power over the entity. A subsidiary is an entity over which the Group has control. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-Group transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

#### (E) FOREIGN CURRENCY TRANSLATION

The presentational currency of the Group is pounds sterling; the currency of the primary economic environment in which the Group operates.

Foreign currency transactions are translated into the presentational currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, or from the translation of monetary assets and liabilities denominated in foreign currencies at period end, are recognised in the Group's Consolidated Statement of Total Comprehensive Income.

#### (F) REVENUE

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts for goods supplied, net of rebates, discounts, returns and value added taxes. The Group recognises revenue when performance obligations are met, as follows:

- Bricks and Blocks – on delivery of goods.
- Bespoke Products – on delivery of goods, or, for supply and fit contracts, on delivery and installation. Delivery and installation are construed as two separate performance obligations, however, the pattern of installation is in a manner that the obligation is satisfied at the same time as the delivery of products, thus there is no time lag between the two performance obligations and hence revenue is recognised on installation.
- Bill and hold arrangements, for both reporting segments – when the customer obtains control of the goods, which arises when facts and circumstances indicate that control has passed and when all of the following criteria are met: (i) the reason for the arrangement is substantive; (ii) the product has been identified separately as belonging to the customer; (iii) the product is ready for delivery in accordance with the terms of the arrangement; and (iv) the Group does not have the ability to use the product or sell the product to another customer.

The Group offers volume-based rebates to certain customers, typically on an annual basis. Revenue is recognised net of rebates paid or accrued. In total £23.1m (2024: £22.1m) has been deducted from revenue in relation to rebates in the year.

#### (G) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting to the Executive Committee which has been identified as the chief operating decision maker.

#### (H) PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset, costs attributable to bringing the asset to working condition for intended use, the initial estimate of any decommissioning obligation and associated changes to those estimates. When components of an item of property, plant and equipment have different useful lives, those components are accounted for as separate assets. Subsequent costs are included in the asset's carrying value where they meet the recognition criteria.

Assets are derecognised on disposal. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of an asset and are recognised in the Consolidated Statement of Total Comprehensive Income. Where estimated future economic benefit falls below the carrying value of an asset or group of assets, the asset is impaired.

Assets under construction are not depreciated until they are ready for use. For the other categories of property, plant and equipment, depreciation is charged to either cost of sales, distribution or administrative expenses within the Consolidated Statement of Total Comprehensive Income on a straight-line basis over the estimated useful life of the asset. The estimated useful lives of assets are as follows:

- Buildings: up to 50 years
- Plant and machinery: 2 to 40 years

Asset residual values are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying amount of an asset is written down if it is in excess of its recoverable amount.

Repairs and maintenance expenses do not meet the recognition criteria and are recognised as an expense in the Consolidated Statement of Total Comprehensive Income.

#### (I) INTANGIBLE ASSETS

##### (I) Brand

Intangible assets relating to brands are not amortised as all held by the Group have an indefinite useful life, but are tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment.

##### (II) Carbon credits

Purchased carbon credits are recorded at cost within intangible assets. The asset is surrendered at the end of the compliance period reflecting the consumption of the economic benefit and is recorded as being utilised. As a result, no amortisation is booked but an impairment charge may be recognised. Further details of the Group's policy in accounting for carbon credits are disclosed under section (U) of this note.

##### (III) Other intangible assets

Other intangibles consist of clay rights, acquired merchant relationships and software development costs. These are attributable to both reportable segments. All other intangible assets have finite lives and are carried at cost less accumulated amortisation. Amortisation for all intangible assets, including those internally generated, is charged to administrative expenses within the Consolidated Statement of Total Comprehensive Income on a straight-line basis over the estimated useful lives of the assets.

- Software: up to 7 years
- Clay rights: up to 12 years
- Merchant relationships: up to 8 years

## Notes to the Financial Statements continued

### 2. Summary of material accounting policies continued

#### (IV) Impairment of tangible and intangible assets

The Group continues to evaluate tangible and intangible assets for indicators of impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Judgements have remained consistent with prior periods.

The recoverable amount is defined as the higher of fair value less costs to sell and value in use, which in turn is the present value of the future cash flows expected to be derived from the asset. Management apply a three-level hierarchy of valuation inputs, prioritising observable market evidence where available, only using specific assumptions when higher-level inputs are unavailable.

Management sensitises value-in-use models to assess the level of sensitivity to each assumption. Within each model, accounting for reasonably possible changes in assumptions such as a 1% increase in discount rate, decrease in long-term growth rates, or a 10% fall in annual EBITDA does not eliminate headroom.

#### (V) Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility to complete the development so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- That the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to reliably measure development expenditure.

#### (J) LEASES

The Group leases various premises, land, fleet vehicles, motor vehicles and plant and equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease terms are typically made for the following fixed periods:

- Land and property: up to 60 years
- Fleet vehicles, motor vehicles and plant and machinery: 2 to 7 years

Lease assets are recognised as a right-of-use asset, with a corresponding liability also recognised at the date at which the leased asset is available for use by the Group.

#### (I) Lease liabilities

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities for the Group include the net present value of fixed lease payments due over the lease term. The Group remeasures lease liabilities if there is a change in the cash flows resulting in a change in index or rate used to determine lease payments.

Lease payments are discounted using the interest rate implicit in the lease if readily available. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Payments made in relation to lease interest charges are presented within interest paid within cash flows from operating activities in the Consolidated Statement of Cash Flows. Principal lease repayments made are recognised within cash flows from financing activities.

#### (II) Right-of-use assets

Right-of-use assets for the Group are measured at cost. This is determined as the initial measurement of the lease liability and the balance of any lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset. The useful life of right-of-use assets are as follows:

- Land and buildings: 8 to 14 years
- Plant, fleet and motor vehicles: 2 to 7 years

#### (III) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low-value. Low-value assets comprise of tools, IT equipment and small items of office equipment. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the Consolidated Statement of Total Comprehensive Income and presented within cash flows from operating activities within the Consolidated Statement of Cash Flows.

#### (K) FINANCIAL INSTRUMENTS

The Group determines the classification of financial assets and financial liabilities at initial recognition.

The principal financial assets and liabilities of the Group are as follows:

#### (I) Trade and other receivables (excluding prepayments)

Trade and other receivables are initially stated at fair value and subsequently measured at amortised cost.

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. All trade receivables are expected to be settled in one year or less.

Trade and other receivables are reported net of an allowance for expected credit losses. Losses are calculated by reviewing lifetime expected credit losses using historic and forward-looking data on credit risk. Expected loss allowances are recorded in a separate provision account with the loss being recognised within administrative expenses in the Consolidated Statement of Total Comprehensive Income. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

#### (II) Trade and other payables (excluding statutory non-financial liabilities)

Trade and other payables are initially stated at fair value and subsequently measured at amortised cost using the effective interest method.

#### (III) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits. Short-term deposits are those deposits with a maturity of three months or less, held for the purpose of meeting short-term cash commitments, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

## Notes to the Financial Statements continued

### 2. Summary of material accounting policies continued

#### (IV) Loans and borrowings

Loans and borrowings are initially recognised at fair value, net of attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance income and finance expense.

Borrowing costs incurred by the Group which are directly attributable to the construction of a qualifying asset are capitalised as part of the asset, until the point at which the qualifying asset is determined substantially complete.

Strategic projects with an expected timeline to completion of greater than one year are considered qualifying assets by the Group.

Interest capitalised is determined either by way of interest incurred on specific borrowings entered in respect of qualifying assets, or through the determination of a capitalisation rate which is based on the interest on general borrowings of the Group, being the Group's Revolving Credit Facility, which is then applied to expenditure on qualifying assets. In the current period to 31 December 2025, the Group capitalised interest of £2.5m in respect of qualifying assets (2024: £2.1m).

#### (V) Derivative financial instruments (excluding those designated as cash flow hedges)

The Group uses derivative financial instruments, in particular forward foreign exchange contracts and options, to manage the financial risks arising from the business activities and the financing of those activities. The Group does not use derivative financial instruments for speculative purposes. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The energy costs of the Group are closely managed to ensure the impact of fluctuating energy prices is minimised. As such, forward contractual commitments are in place for both gas and electricity.

Under normal circumstances, the Group takes delivery of all energy purchased under each contract, meeting the requirements under IFRS 9 Financial Instruments of the own use exemption. These are then accounted for as executory contracts through the Consolidated Statement of Total Comprehensive Income in line with consumption.

If, due to unforeseen circumstances, the Directors do not at the balance sheet date expect to take delivery of all volumes committed for future periods, thus necessitating excess volumes to be sold back to the market, any open contracts for which this applies are valued at their fair value with any gain or loss recognised in the income statement for the period then ended.

#### (VI) Cash flow hedges

When a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, the effective portion of the gain or loss on the hedging instrument is recognised in Other Comprehensive Income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in Other Comprehensive Income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. For any other cash flow hedges, the amount accumulated in Other Comprehensive Income is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

#### (L) ASSETS HELD FOR SALE

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

In order to be classified as such, the sale of the asset must be highly probable, and available for immediate sale in its present condition. The Group must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets classified as held for sale are presented separately as current items in the Consolidated Balance Sheet and are not depreciated or amortised once classified as such.

In the current year, management considers the associated assets held at its Cradley and Somercotes sites to meet the classification of held for sale.

#### (M) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less any costs expected to be incurred in sale. The Group applies an inventory provision for damaged, obsolete, excess and slow-moving inventory.

Raw materials are measured at the weighted average cost. This method perpetually applies a cost weighting to obtain an average cost of purchased inventory and inventory on hand in proportion to quantity.

Finished goods are measured at standard cost. Cost comprises: direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of a normalised operating capacity.

#### (N) PROVISIONS

Provisions are recognised in the Consolidated Balance Sheet when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle that obligation and the amount can be reliably measured. If the effect is material, the provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The change in provisions due to passage of time is recognised as a net finance expense.

Provisions for rebates are included within accrued liabilities and other payables.

Provisions are not made for future operating losses.

## Notes to the Financial Statements continued

### 2. Summary of material accounting policies continued

Provisions for restructuring costs, product liability, legal claims and carbon emissions obligations are all made based on the best estimate of the likely committed cash outflow, using relevant information available at the reporting date. Management engages third-party valuation experts, as appropriate, when material and complex estimates are required.

#### (O) SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds.

#### (P) NET FINANCE EXPENSE

##### (I) Finance expense

Finance expense comprises interest payable on borrowings from external and related parties, direct issue costs, interest paid on lease liabilities and unwinding of discount on long-term provisions. Finance expense is recognised in the Consolidated Statement of Total Comprehensive Income as it accrues using the effective interest method.

##### (II) Finance income

Finance income comprises interest receivable on funds invested.

#### (Q) CURRENT AND DEFERRED INCOME TAX

Income tax for the periods presented comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Total Comprehensive Income, unless it relates to items recognised directly in equity.

The current income tax charge is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

#### (R) EMPLOYEE BENEFITS

The Group operates a defined contribution pension plan under which the Group pays fixed contributions. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense.

#### (S) SHARE-BASED PAYMENTS

The Group operates a number of equity-settled share-based compensation plans. The fair value of the employee services received in exchange for the grant of shares or options is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of shares or options granted. At each balance sheet date the Group revises its estimates of the number of shares or options that are expected to vest and recognises the impact of the revision on original estimates, if any, in the Consolidated Statement of Total Comprehensive Income, with a corresponding adjustment to equity.

#### (T) OWN SHARES HELD BY EMPLOYEE BENEFIT TRUST

The Group has established two separate employee benefit trusts for the purposes of satisfying awards under the Group's share-based incentive schemes. Shares in the Group acquired by the Trusts are deducted from equity until shares are cancelled, reissued or disposed.

#### (U) ACCOUNTING FOR CARBON CREDITS

The Group's factories operate under the UK (Emission Trading Scheme) carbon pricing system. Purchased carbon credits are recorded at cost within intangible assets. A liability is recognised based on the level of emissions recorded in the relevant compliance period. Up to the level of allowances held, the liability is measured at the cost of purchase. Where the liability to surrender carbon credits exceeds the carbon allowances held, the provision is recognised for the shortfall measured at the prevailing market price and remeasured at the reporting date. Subsequent movements in the provision are recognised in the Statement of Total Comprehensive Income.

Due to the nature of carbon credits purchases being to satisfy obligations incurred through the Group's operations, the purchase and settlement of carbon credits are included in cash flows from operating activities within the Consolidated Statement of Cash Flows.

#### (V) GOVERNMENT GRANTS

Government grants (including research and development credits) are recognised within the income statement on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants are presented as part of the income statement and are deducted in reporting the related expense.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised within the income statement in the period in which they become receivable. Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

#### (W) ALTERNATIVE PERFORMANCE MEASURES

In order to provide the most transparent understanding of the Group's performance, the Group uses alternative performance measures (APMs) which are not defined or specified under IFRS and may not be comparable with similarly titled measures used by other companies. The Group believes that its APMs provide additional helpful information on how the trading performance of the business is reported and internally assessed by management and the Board.

Management and the Board use several profit and non-profit-related APMs in assessing Group performance and profitability.

These 'adjusted results' are presented before both adjusting and exceptional items as outlined below. A full reconciliation for each APM from adjusted through to statutory results is shown in note 31.

##### (I) Exceptional items

The Group presents as exceptional items on the face of the Consolidated Statement of Total Comprehensive Income, those material items of income and expense, which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better elements of financial performance in the period.

## Notes to the Financial Statements continued

### 2. Summary of material accounting policies continued

In the current year, management considers restructuring costs incurred as a result of site closures to meet this definition. Restructuring costs were inclusive of impairments to asset values, site clearance and termination costs. In the prior year, restructuring costs in relation to market decline, and aborted transaction costs were determined by management to meet this definition.

Exceptional items are further detailed in note 8.

#### (II) Adjusting items

Adjusting items are disclosed separately in the Annual Report and Accounts where management believes it is necessary to show an alternative measure of performance in presenting the financial results of the Group. The term adjusted is not defined under IFRS and may not be comparable with similarly titled measures used by other companies. In the current year, management has presented the below as adjusting items:

- The realised gain recognised within the Statement of Total Comprehensive Income for the sale of excess energy in 2025, where committed volume exceeded actual consumption by the Group, totalling £1.2m; and
- The fair value of forward energy contracts held where committed future volume is expected by management, as at 31 December 2025, to exceed total consumption by the Group. For these future contracts, the Group can no longer apply the own use exemption under IFRS 9 and instead recognises these as derivatives held at fair value on the balance sheet at 31 December 2025. The impact of this fair value treatment, being a charge of £7.2m in Statement of Total Comprehensive Income for the statutory versus adjusted results, has been presented as an adjusting item for the year ended 31 December 2025. Further details around future forward energy contracts classified as derivative financial instruments can be found in note 23.

The Group has historically presented APMs as a measure of before exceptional items. Due to the inclusion of adjusting items since 2023, management has moved to present APMs which are calculated before both exceptional and adjusting items. The Group no longer uses APMs which consider only exceptional items and the Consolidated Financial Statements have been presented to align with this. Management believes this presents a consistent view of performance which is in line with that reviewed internally and our banking covenants.

### 3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Consolidated Financial Statements under IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

### (A) ACCOUNTING ESTIMATES

#### (I) Provisions

Provisions for restoration and decommissioning obligations are made based on the best estimate of the likely committed cash outflow. Management seeks specialist input from third-party experts to estimate the cost to perform necessary remediation work at the reporting date. These experts undertake site visits in years where scoping identifies there is a change in operations in the year which could suggest a change in these estimates, or at sites that have not been visited recently. Desktop reviews are undertaken to inform the estimates for other sites. If the cost estimates increased by 10% the value of provisions would change by c.£1.5m (2024: c.£1.0m). The useful lives of quarrying sites are based on the estimated mineral reserve remaining and manufacturing facilities linked to the useful life of site property, plant and equipment. If the useful lives of quarrying sites reduced by 5 years the value of provisions would change by c.£1.0m (2024: £0.9m).

The estimation of inflation and discount rates is also considered to be judgemental and can have a significant impact on net present value. Management references information from the Bank of England when making such estimates. If the inflation or discount rate were changed and the spread between them increased by 1% the value of provisions would increase and decrease respectively by c.£1.7m (2024: c.£1.8m).

#### (II) Fair value of energy contracts

Where the Group holds forward energy purchases for which committed volumes are expected to exceed total consumption for the Group, these forward contracts are held at fair value. This is further detailed within (K) Financial instruments. In estimating fair value, management utilises future energy price forecasts from third-party experts which are modelled against contracted volume. If the future estimated energy prices were to vary by 10% across all periods modelled, the fair value gain would increase or decrease by £0.4m.

### (B) ACCOUNTING JUDGEMENTS

#### (I) Inventory valuation and provisioning

Inventory carrying value is stated after recognising inventory provisions. The accounting for potential inventory obsolescence is assessed using past sales data, with manual adjustments for new products to calculate provisions for slow-moving inventory. This requires a degree of commercial judgement when determining saleability and price of certain finished goods.

#### (II) Exceptional and adjusting items

As referenced in note 8 and 31, the Group has disclosed certain exceptional and adjusting items within the Annual Report and Accounts. In determining whether something is classified as exceptional or adjusting, management makes reference to nature, size and expected infrequency, with the decision to include or exclude being a matter of judgement.

#### (III) Capitalisation of borrowing costs: qualifying assets

As referenced within (K) Financial instruments, borrowing costs incurred by the Group which are directly attributable to the construction of a qualifying asset are capitalised as part of the asset. The determination of a qualifying asset by management is considered to be a critical judgement.

Strategic projects with an expected timeline to completion of greater than one year are considered qualifying assets. In the current year, the Wilnecote brick factory redevelopment and the Accrington brick slip factory have been recognised as qualifying assets.

## Notes to the Financial Statements continued

### 4. Segmental reporting

Management has determined the operating segments based on the management reports reviewed by the Executive Committee that are used to assess both performance and strategic decisions. Management has identified that the Executive Committee is the chief operating decision maker in accordance with the requirements of IFRS 8 'Operating segments'.

The Executive Committee considers the business to be split into three operating segments: Bricks, Blocks and Bespoke Products.

The principal activity of the operating segments are:

- Bricks: Manufacture and sale of bricks to the construction sector;
- Blocks: Manufacture and sale of concrete blocks and permeable block paving to the construction sector; and
- Bespoke Products: Manufacture and sale of bespoke products to the construction sector.

The Executive Committee considers that for reporting purposes, the operating segments above can be aggregated into two reporting segments: Bricks and Blocks and Bespoke Products. The aggregation of Bricks and Blocks is due to these operating segments having similar long-term average margins, production processes, suppliers, customers and distribution methods.

The Bespoke Products range comprises precast concrete (marketed under the 'Bison Precast' brand), which is typically made-to-measure or customised to meet the customer's specific needs. The precast concrete products are complemented by the Group's full design and nationwide installation services.

Costs which are incurred on behalf of both segments are held at the centre and these, together with general administrative expenses, are allocated to the segments for reporting purposes using a split of 80% Bricks and Blocks and 20% Bespoke Products. Management considers that this is an appropriate basis for the allocation.

The revenue recognised in the Consolidated Statement of Total Comprehensive Income is all attributable to the principal activity of the manufacture and sale of bricks, both dense and lightweight blocks, precast concrete, concrete paving and other complementary building products.

Substantially all revenue recognised in the Consolidated Statement of Total Comprehensive Income arose within the UK.

## Notes to the Financial Statements continued

### 4. Segmental reporting continued

#### Segment revenue and results

	Note	2025			2024		
		Bricks and Blocks £m	Bespoke Products £m	Total £m	Bricks and Blocks £m	Bespoke Products £m	Total £m
Segment revenue		307.7	81.0	388.7	276.7	71.5	348.2
Inter-segment eliminations				(2.7)			(3.9)
<b>Revenue</b>				<b>386.0</b>			<b>344.3</b>
<b>EBITDA before adjusted items</b>		<b>56.9</b>	<b>4.7</b>	<b>61.6</b>	49.0	3.0	52.0
Depreciation and amortisation	13, 14, 25	(18.1)	(1.5)	(19.6)	(19.1)	(1.7)	(20.8)
<b>Operating profit before adjusted items</b>		<b>38.8</b>	<b>3.2</b>	<b>42.0</b>	29.9	1.3	31.2
Allocated exceptional items	8	(3.4)	(3.3)	(6.7)	(0.1)	(0.1)	(0.2)
Unallocated exceptional items	8			–			(2.7)
Allocated adjusting items	31	(6.0)	–	(6.0)	5.6	–	5.6
<b>Operating profit</b>				<b>29.3</b>			<b>33.9</b>
Finance expense	9			(6.0)			(9.1)
<b>Profit before tax</b>				<b>23.3</b>			<b>24.8</b>

#### Segment assets

	Note	2025			2024		
		Bricks and Blocks £m	Bespoke Products £m	Total £m	Bricks and Blocks £m	Bespoke Products £m	Total £m
Intangible assets	13	10.1	1.4	11.5	9.7	1.9	11.6
Property, plant and equipment	14	258.4	4.4	262.8	255.4	8.4	263.8
Assets held for sale	15	0.5	2.5	3.0	–	–	–
Inventories	16	75.6	3.0	78.6	79.0	3.0	82.0
Right-of-use assets	25	17.9	0.9	18.8	19.4	1.1	20.5
<b>Segment assets</b>		<b>362.5</b>	<b>12.2</b>	<b>374.7</b>	363.5	14.4	377.9
Unallocated assets				42.4			64.5
<b>Total assets</b>				<b>417.1</b>			<b>442.4</b>

Property, plant and equipment, intangible assets, right-of-use assets and inventories are allocated to segments and considered when appraising segment performance. Trade and other receivables, income tax assets, cash and cash equivalents and derivative assets are centrally controlled and unallocated.

## Notes to the Financial Statements continued

### 4. Segmental reporting continued

#### Other segment information

	Note	2025			2024		
		Bricks and Blocks £m	Bespoke Products £m	Total £m	Bricks and Blocks £m	Bespoke Products £m	Total £m
Intangible asset additions	13	3.6	–	3.6	0.1	–	0.1
Property, plant and equipment additions	14	16.1	0.4	16.5	27.7	0.2	27.9
Right-of-use asset additions	25	4.9	0.2	5.1	2.5	0.2	2.7

#### Customers representing 10% or greater of revenues

	2025			2024		
	Bricks and Blocks £m	Bespoke Products £m	Total £m	Bricks and Blocks £m	Bespoke Products £m	Total £m
Customer A	–	–	–	35.6	0.4	36.0
Customer B	16.2	22.9	39.1	–	–	–

## Notes to the Financial Statements continued

### 5. Operating profit

Profit from operations is stated after charging

	Note	2025 £m	2024 £m
Depreciation and amortisation	13, 14, 25	19.6	20.8
Lease expense	25	2.2	3.2
Impairment of property, plant and equipment	14	2.3	–
Share-based payments	28	1.4	1.0

Depreciation and amortisation in the current year includes depreciation on right-of-use assets recognised through IFRS 16. Lease expenses relate to short-term leases and leases of low-value assets outside of the scope of IFRS 16, as detailed within note 25.

During the year, the Group recognised a research and development credit of £1.9m (2024: £1.4m) in respect of qualifying spend of £8.0m (2024: £7.0m) on research and development.

#### Auditor's remuneration

	2025 £m	2024 £m
<i>Audit services:</i>		
Fees payable for the audit of the Company and Consolidated Financial Statements	0.1	0.1
Fees payable for the audit of the subsidiary Financial Statements	0.4	0.4
	<b>0.5</b>	0.5

Non-audit services in the year totalled £0.1m (2024: £0.2m).

### 6. Other operating (expense)/income

	Note	2025 £m	2024 £m
Other income		0.6	0.8
Realised gain/(loss) on sale of surplus energy	31	1.2	(1.5)
Movements in the fair value of energy contract derivatives	31	(7.2)	7.1
		<b>(5.4)</b>	6.4

The other income balance contains amounts relating to rental income, revenue from waste contracts and foreign exchange gains/losses incurred on operating expenses.

### 7. Employee costs

Employment costs for the Group during the year

	Note	2025 £m	2024 £m
Wages and salaries		86.2	76.3
Pension costs		6.4	5.9
Social security costs		9.1	7.2
Share-based payments	28	1.4	1.0
Redundancies and terminations	8	2.5	0.2
		<b>105.6</b>	90.6

The total share-based payments cost in the year includes a national insurance contribution of £0.1m (2024: contribution of £0.1m).

#### Average number of employees

	2025 Number	2024 Number
Administration	130	110
Production and distribution	1,331	1,364
	<b>1,461</b>	1,474

The prior year comparative has been restated following a review which identified an error in the original categorisation of employees across administration and production.

#### Pension costs

Throughout the period under review the Group provided pension benefits to employees through defined contribution schemes and by way of a retirement allowance to some members of senior management.

## Notes to the Financial Statements continued

### 8. Exceptional items

	Note	2025 £m	2024 £m
Restructuring costs		(6.7)	(0.2)
Aborted corporate transaction		–	(2.7)
		<b>(6.7)</b>	<b>(2.9)</b>

#### 2025 exceptional items

During the year, the Group exited from two non-core businesses, the Formpave block paving business and the Bison Bespoke Precast operation. As a consequence of these operation closures, asset values at these sites are no longer supportable by value-in-use assessments. Instead, in assessing the carrying value of assets at these sites, management has relied on estimates of fair value less costs to sell.

Following these assessments, the Group recognised impairments of £2.3m (£1.0m at Formpave and £1.3m at Bison Bespoke Precast) against certain items of plant and machinery, along with £0.8m against the right-of-use land asset at Formpave. In addition, inventory at Formpave has been impaired by £0.9m to reflect management's assessment of realisable values. Further restructuring costs of £2.7m include redundancies of £2.5m (£0.7m at Formpave and £1.8m at Bison Bespoke Precast) and a provision of £0.2m for site clearance works at Bison Bespoke Precast. Further details of these impairments can be found in note 14.

#### 2024 exceptional items

Exceptional items in 2024 relate to restructuring costs of £0.2m and professionals fees associated with an aborted corporate transaction of £2.7m.

#### Presentation of exceptional items

	Cost of sales £m	Distribution costs £m	Administrative expenses £m	Total £m
<b>2025</b>				
Restructuring costs	(6.7)	–	–	(6.7)
	<b>(6.7)</b>	–	–	<b>(6.7)</b>
<b>2024</b>				
Restructuring costs	(0.1)	–	(0.1)	(0.2)
Aborted corporate transaction	–	–	(2.7)	(2.7)
	<b>(0.1)</b>	–	<b>(2.8)</b>	<b>(2.9)</b>

#### Tax on exceptional items

The restructuring costs incurred in the year, including redundancies and legal costs, were tax deductible.

### 9. Finance expense

	Note	2025 £m	2024 £m
Interest payable on loans and borrowings		<b>4.2</b>	7.4
Interest payable on lease liabilities	25	<b>0.9</b>	1.0
Other finance expenses		<b>0.1</b>	0.1
Amortisation of capitalised financing costs		<b>0.8</b>	0.6
		<b>6.0</b>	9.1

Interest payable on loans and borrowings is presented net of borrowings costs which have been capitalised against qualifying assets. In the year to 31 December 2025, interest of £2.5m (2024: £2.1m) was capitalised against qualifying assets, with an average capitalisation rate of 5.7%.

### 10. Taxation

	Note	2025 £m	2024 £m
<b>Current tax</b>			
UK corporation tax on profit for the year		<b>4.9</b>	3.2
Prior year adjustment on UK corporation tax		<b>0.4</b>	(2.4)
<b>Total current tax</b>		<b>5.3</b>	0.8
<b>Deferred tax</b>			
Origination and reversal of temporary differences	26	<b>1.3</b>	4.1
Effect of changes in tax rates	26	–	–
Effect of prior period adjustments	26	<b>(0.3)</b>	2.4
<b>Total deferred tax</b>		<b>1.0</b>	6.5
<b>Income tax expense</b>		<b>6.3</b>	7.3

## Notes to the Financial Statements continued

### 10. Taxation continued

	2025 £m	2024 £m
<b>Current tax</b>		
Profit before taxation	23.3	24.8
Expected tax charge	5.8	6.2
Expenses not deductible for tax purposes	0.4	1.1
Effect of prior period adjustments	0.1	–
<b>Income tax expense</b>	<b>6.3</b>	7.3

The effective tax rate (ETR) used for statutory measures is 27.1% (2024: 29.5%) and the adjusted ETR is 26.2% (2024: 27.1%). Deferred tax is calculated at the rate at which the provision is expected to reverse. The UK main rate of corporation tax increased to 25% on 1 April 2023. There has been no further changes to the rate of corporation tax since the Finance Bill 2023.

### 11. Dividends

	2025 £m	2024 £m
<b>Amounts recognised as distributions to equity holders in the year</b>		
Interim dividend of 1.9p per share (2024: 1.0p)	4.0	2.1
Final dividend of 2.0p per share in respect of prior year (2024: 2.0p)	4.2	4.2
	<b>8.2</b>	6.3

The Directors are proposing a final dividend for 2025 of 4.3p per share, making a total payment for the year of 6.2p (2024: 3.0p). This is subject to approval by the shareholders at the AGM and has not been included as a liability in the Consolidated Financial Statements.

### 12. Earnings per share

The calculation of earnings per Ordinary share is based on profit or loss after tax and the weighted average number of Ordinary shares in issue during the year. Adjusted earnings per share is presented as an alternative performance measure to provide an additional year-on-year comparison. A reconciliation between adjusted and statutory results is presented within note 31.

For diluted earnings per share, the weighted average number of Ordinary shares in issue is adjusted to assume conversion of all dilutive potential Ordinary shares. The Group has four types of dilutive potential Ordinary shares: those share options granted to employees under the Sharesave scheme; unvested shares granted under the Deferred Annual Bonus Plan; unvested shares granted under the Share Incentive Plan; and unvested shares within the Performance Share Plan that have met the relevant performance conditions at the end of the reporting period. If, for any of the above schemes, the average share price for the year is lower than the option price, these shares become anti-dilutive and are excluded from the calculation.

	Note	Adjusted		Statutory	
		2025 £m	2024 £m	2025 £m	2024 £m
Operating profit for the year		42.0	31.2	29.3	33.9
Finance expense	9	(6.0)	(9.1)	(6.0)	(9.1)
<b>Profit before tax</b>		<b>36.0</b>	22.1	<b>23.3</b>	24.8
Income tax expense	10	(9.4)	(6.0)	(6.3)	(7.3)
<b>Profit for the financial year</b>		<b>26.6</b>	16.1	<b>17.0</b>	17.5
Weighted average number of shares (millions)		211.0	210.6	211.0	210.6
Effect of share incentive awards and options (millions)		1.3	0.7	1.3	0.7
Diluted weighted average number of shares (millions)		212.3	211.3	212.3	211.3
<b>Earnings per share</b>		<b>Pence</b>	Pence	<b>Pence</b>	Pence
Basic earnings		12.6	7.6	8.1	8.3
Diluted earnings		12.5	7.6	8.0	8.3

Adjusted earnings per share is presented as an APM and is calculated by excluding both exceptional and adjusting items as detailed within note 31 to these Consolidated Financial Statements. The associated adjusted tax charge is calculated using the rate excluding these exceptional and adjusting items, being 26.2% (2024: 27.1%).

## Notes to the Financial Statements continued

### 13. Intangible assets

	Brand £m	Carbon credits £m	Other intangibles £m	Total £m
<b>Cost</b>				
At 1 January 2025	11.1	2.9	24.7	38.7
Additions	–	3.6	–	3.6
Asset reclass	–	–	–	–
Disposals	–	(2.7)	(0.1)	(2.8)
At 31 December 2025	11.1	3.8	24.6	39.5
<b>Accumulated amortisation and impairment</b>				
At 1 January 2025	(4.7)	–	(22.4)	(27.1)
Charge for the year	–	–	(0.9)	(0.9)
At 31 December 2025	(4.7)	–	(23.3)	(28.0)
<b>Net book value</b>				
At 1 January 2025	6.4	2.9	2.3	11.6
At 31 December 2025	6.4	3.8	1.3	11.5

	Brand £m	Carbon credits £m	Other intangibles £m	Total £m
<b>Cost</b>				
At 1 January 2024	11.1	8.9	24.6	44.6
Additions	–	–	0.1	0.1
Asset reclass	–	–	0.1	0.1
Disposals	–	(6.0)	(0.1)	(6.1)
At 31 December 2024	11.1	2.9	24.7	38.7
<b>Accumulated amortisation and impairment</b>				
At 1 January 2024	(4.7)	–	(20.7)	(25.4)
Charge for the year	–	–	(1.7)	(1.7)
At 31 December 2024	(4.7)	–	(22.4)	(27.1)
<b>Net book value</b>				
At 1 January 2024	6.4	8.9	3.9	19.2
At 31 December 2024	6.4	2.9	2.3	11.6

## Notes to the Financial Statements continued

### 13. Intangible assets continued

The brand category comprises the acquired Thermalite and Bison Precast brands, components of the Bricks and Blocks and Bespoke Products reportable segments respectively.

The other intangibles category consists of purchases of clay rights, merchant relationships and software development costs. These are attributable to both reportable segments. Additions relating to the upgrading of Group IT systems were less than £0.1m in the year (2024: £0.1m). No own work has been capitalised within software additions during the year (2024: £nil).

Carbon credits are purchased to satisfy compliance obligations of the Group, and whilst there is no obligation to utilise this within the next 12 months; a proportion of the year end balance is expected to be surrendered within 2026. Due to the nature of carbon credits being part of the Group's operating activities, any purchases made during the year are included in cash flows from operating activities within the Consolidated Statement of Cash Flows.

#### *Impairment of intangible assets*

##### *Intangible assets with indefinite useful lives*

Intangible assets with indefinite useful lives consist of the Thermalite brand (net book value £6.0m) which is allocated to the Aircrete blocks CGU within the Bricks and Blocks reportable segment and the Bison Precast brand (net book value £0.4m) which is allocated to the Bespoke Products segment. Both brands are considered to have no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. These assets are not amortised but are subject to annual impairment tests. The Group estimates recoverable amount using a value-in-use model by projecting pre-tax cash flows over the indefinite useful life. The key assumptions underpinning recoverable amounts are forecast revenue, EBITDA margin, capital expenditure and the discount rate. The forecast revenues and EBITDA in the models are based on management's past experience and future expectations of performance. Maintenance capex is based on planned levels in the short-term and recent trends in the longer-term. A pre-tax discount rate of 13.6% in 2025 (2024: 12.9%) has been derived from a weighted average cost of capital (WACC) calculation and benchmarked against similar organisations operating within the sector and used to discount cash flows. EBITDA growth rates over the next five years vary by CGU between 4.2% and 7.1% and are based on management's past experience and expectations of future market performance. These compare to growth rates at 31 December 2024 of between 14.2% and 19.4%.

Terminal growth rate of 2.0% for 2025 (2024: 2.0%) is consistent across CGUs and reflects management's past experience, expectations of future market performance, longer-term industry forecasts and inflationary expectations.

The recoverable amounts in respect of indefinite life intangibles, as assessed by management using the above assumptions, is greater than the carrying amount, with sufficient headroom under forecast and sensitised scenarios, and therefore no impairment has been recognised in 2025 (2024: £nil).

The Group has considered the assumptions used within the scenario analysis exercise undertaken to better understand the possible range of risks and opportunities our business could face under different future climate forecasts made in accordance with the recommendations of the Task Force on Climate-related Financial Disclosure. In doing so, the Group has concluded that there is no material impact necessary for inclusion within modelling scenarios for impairment purposes. Given the profitability and short payback period of the CGUs of the Group, no issues were identified that would impact the carrying values of either tangible or intangible assets.

Should the costs associated with carbon emissions increase over time, this would be experienced across the industry and the Group would therefore expect to be able to recover this through its pricing strategy where possible. Primary mitigation, however, remains the focus on reducing our emissions and delivering on the plan and targets outlined within the Sustainability Report within this Annual Report and Accounts.

Whilst recognising the risks associated with the longer-term demand for our products, our commitment to innovation and developing to meet the evolving needs of our customer base, paired with the acknowledged climate-related opportunities that the thermal properties of our products offer, leads the Group to believe that the useful lives of its brands are not currently impacted by climate-related risk.

## Notes to the Financial Statements continued

### 14. Property, plant and equipment

	Land and buildings £m	Plant and machinery £m	Total £m
<b>Cost</b>			
At 1 January 2025	185.7	315.5	501.2
Additions	3.5	13.0	16.5
Asset reclass <sup>2</sup>	0.1	(0.1)	–
Reclassification to assets held for sale <sup>1</sup>	(4.7)	(5.9)	(10.6)
Disposals	–	(3.4)	(3.4)
Change in the value of decommissioning assets	0.6	–	0.6
At 31 December 2025	185.2	319.1	504.3
<b>Accumulated depreciation and impairment</b>			
At 1 January 2025	(59.1)	(178.3)	(237.4)
Charge for the year	(2.8)	(10.0)	(12.8)
Reclassification to assets held for sale <sup>1</sup>	2.1	5.5	7.6
Asset impairments	–	(2.3)	(2.3)
Disposals	–	3.4	3.4
Change in the value of decommissioning assets	–	–	–
At 31 December 2025	(59.8)	(181.7)	(241.5)
<b>Net book value</b>			
At 1 January 2025	126.6	137.2	263.8
<b>At 31 December 2025</b>	<b>125.4</b>	<b>137.4</b>	<b>262.8</b>

1. Assets associated with Cradley and Somercotes sites have been reclassified as held for sale, after management assessments that the primarily economic benefit from these assets would come from a disposal. Further details of these reclassifications can be found in note 15.

2. Asset reclasses represent transfers of assets between categories where assets under construction were previously reported within plant and machinery.

	Land and buildings £m	Plant and machinery £m	Total £m
<b>Cost</b>			
At 1 January 2024	180.1	310.3	490.4
Additions	9.0	18.9	27.9
Asset reclass <sup>2</sup>	0.2	(0.3)	(0.1)
Reclassification to assets held for sale	–	–	–
Disposals	(2.7)	(13.4)	(16.1)
Change in the value of decommissioning assets	(0.9)	–	(0.9)
At 31 December 2024	185.7	315.5	501.2
<b>Accumulated depreciation and impairment</b>			
At 1 January 2024	(59.1)	(181.6)	(240.7)
Charge for the year	(2.8)	(10.1)	(12.9)
Reclassification to assets held for sale	–	–	–
Asset impairments	–	–	–
Disposals	2.7	13.4	16.1
Change in the value of decommissioning assets	0.1	–	0.1
At 31 December 2024	(59.1)	(178.3)	(237.4)
<b>Net book value</b>			
At 1 January 2024	121.0	128.7	249.7
At 31 December 2024	126.6	137.2	263.8

## Notes to the Financial Statements continued

### 14. Property, plant and equipment continued

Land and buildings comprise sites used for administration, distribution, manufacturing and mineral extraction. Each asset is used to generate operating cash flows and rates of depreciation reflect this use. Quarries and manufacturing facilities are classified under land and buildings. Quarrying enables manufacturing and is not carried out for any other economic purpose. The two are therefore not considered to be distinct.

At 31 December 2025, capital commitments not yet incurred totalled £5.0m (2024: £9.2m).

Included within property, plant and equipment are assets under the course of construction of £41.2m (2024: £48.8m), comprising of £11.6m (2024: £15.3m) for land and buildings and £29.6m (2024: £33.5m) for plant and machinery.

	Land and buildings		Plant and machinery	
	2025 £m	2024 £m	2025 £m	2024 £m
<b>Strategic:</b>				
Desford brick factory	–	4.1	–	0.1
Wilnecote brick factory redevelopment	10.6	8.5	27.7	21.8
Accrington brick slip development	–	1.4	–	10.4
<b>Maintenance:</b>				
Other assets	1.0	1.3	1.9	1.2
	11.6	15.3	29.6	33.5

### Impairment of tangible assets

Any impairment of tangible assets is determined in line with Group accounting policies.

In the current year, the Group has recognised impairments of £2.3m, against certain items of plant and machinery. These impairments were in relation to the strategic closures of two non-core businesses, being Formpave in Coleford, Gloucestershire (£1.0m) and the Bison Bespoke Precast business in Somercotes, Derbyshire (£1.3m). As a consequence of the site closures, asset values at these sites are not supportable by value-in-use assessments. Instead, in assessing the carrying values of assets at these sites, management has relied on estimates of fair value less costs to sell. As observable transaction evidence was unavailable for these assessments, fair values are based on unobservable inputs using the best information available and management assumptions (level 3 hierarchy). Impairments against plant and machinery held at Formpave and Bison Bespoke Precast businesses have been recorded as an exceptional items. For further details, see note 8. In addition, an accelerated depreciation charge of £0.2m was recognised as an operating expense in relation to an asset at a manufacturing site that remains in operation, where a clear indication of impairment was identified.

The Group has considered the assumptions used within the scenario analysis exercise undertaken to better understand the possible range of risks and opportunities our business could face under different future climate forecasts made in accordance with the recommendations of the Task Force on Climate-related Financial Disclosure. In doing so, the Group has concluded that there is no material impact necessary for inclusion within modelling scenarios for impairment purposes. Given the profitability and short payback period of the CGUs of the Group, no issues were identified that would impact the carrying values of either tangible or intangible assets.

### 15. Assets held for sale

In the current year, management considers the associated assets held at its Cradley and Somercotes sites to meet the classification of assets held for sale, being available for immediate sale in their present condition and a sale highly probable.

In both instances the fair value of the asset less costs to sell has been assessed as exceeding the asset's carrying value, and there were no liabilities directly associated with the assets. No impairment charge was associated with these assets reclassified as held for sale during the year.

Site	Classification	2025 £m	2024 £m
Somercotes	Land and buildings	2.1	–
Somercotes	Plant and machinery	0.4	–
Cradley	Land and buildings	0.5	–
		3.0	–

### 16. Inventories

	2025 £m	2024 £m
Raw materials	10.8	11.3
Work in progress	1.8	1.9
Finished goods	62.7	66.6
Other inventory	3.3	2.2
	78.6	82.0

Costs relating to raw materials and consumables included within cost of sales during the year were £81.0m (2024: £73.4m). Employment expenses within cost of sales totalled £65.2m (2024: £59.4m).

The balance in other inventory mainly comprises packaging and consumables.

Write-downs of inventories recognised as an expense in the year were £2.7m (2024: £3.8m). Reversals of previous inventory write-downs in the period were £1.3m (2024: £2.8m). Reversals of inventory write-downs are primarily due to changes in provision estimates and judgements for obsolete or slow-moving inventory. There is no significant difference between the replacement cost of inventories and their carrying amounts.

## Notes to the Financial Statements continued

### 17. Trade and other receivables

	2025 £m	2024 £m
Trade receivables	31.7	34.4
Other receivables	1.0	1.2
Prepayments	2.7	3.4
	<b>35.4</b>	39.0

#### The ageing profile of trade receivables is:

	2025 £m	2024 £m
Trade receivables not yet due	27.4	28.6
1 to 30 days past due	2.8	3.2
31 to 60 days past due	0.5	0.9
61 to 90 days past due	0.5	1.0
Over 90 days past due	0.5	0.7
	<b>31.7</b>	34.4

Included within trade receivables are balances which are past due at the balance sheet date but have not been provided for. These balances relate to customers who have no recent history of default and whose debts are considered to be recoverable.

Procedures are in place to ensure that customer creditworthiness is assessed and monitored sufficiently and that appropriate credit limits are in place and enforced. Provisions for impairment are calculated by reviewing lifetime expected credit losses as further detailed in note 23. An analysis of the provision movement in the current year is as follows:

	2025 £m	2024 £m
At the start of the year	0.7	0.7
Statement of Total Comprehensive Income charge	-	-
Written off	-	-
<b>At the end of the year</b>	<b>0.7</b>	0.7

### 18. Cash and cash equivalents

	2025 £m	2024 £m
Cash at bank and in hand	6.1	15.2

Cash at bank and in hand is held in pounds sterling and euros. As at 31 December 2025, £0.3m was held in euros (2024: £0.2m).

### 19. Trade and other payables

	2025 £m	2024 £m
Trade payables	39.7	39.9
Payroll tax and other statutory liabilities	7.3	9.1
Accrued liabilities and other payables	22.8	19.7
	<b>69.8</b>	68.7

The other payables balance contains predominantly amounts owed in relation to rents, rates and pension liabilities.

## Notes to the Financial Statements continued

### 20. Loans and borrowings

	2025 £m	2024 £m
<b>Current loans and borrowings:</b>		
Interest	0.2	0.7
<b>Non-current loans and borrowings:</b>		
Capitalised financing costs	(0.4)	(0.6)
Revolving credit facility	62.0	100.0
	<b>61.8</b>	100.1

The Group's credit facility comprises a committed revolving credit facility (RCF) of £170m which, following the exercise of the extension option during 2025, extends to June 2028. The Group also benefits from an uncommitted overdraft facility of £10.0m.

Interest is calculated using SONIA plus a margin, with the margin grid ranging from 1.65% at a leverage of less than 0.5 times, extending to a margin of 2.75% when leverage exceeds 2.5 times.

The facility is subject to covenant restrictions of net debt/adjusted EBITDA (as measured before the impact of IFRS 16) of less than three times and interest cover of greater than four times.

On exercising the extension of our facility, the Group elected to remove the link to long-term sustainability targets. The Group had missed these targets following the sudden decline in its markets in 2023 and the resultant impact on efficiency, meaning that the sustainability link was increasing borrowing and compliance costs. The Group remains committed to its long-term sustainability journey and the linkage of financing to these targets did not influence decision-making in this area. The removal of the sustainability link was assessed under the relevant modification guidance and was not considered to constitute a substantial modification.

The facility remains secured by fixed charges over the shares of Forterra Building Products Limited and Forterra Holdings Limited.

### 21. Notes to the Consolidated Statement of Cash Flows

	Note	2025 £m	2024 £m
<b>Cash flows from operating activities</b>			
Profit before tax		23.3	24.8
Finance expense	9	6.0	9.1
Exceptional items	8	6.7	2.9
Adjusting items	31	6.0	(5.6)
<b>Adjusted operating profit</b>		<b>42.0</b>	31.2
<i>Adjustments for:</i>			
Depreciation and amortisation	13, 14, 25	19.6	20.8
Movement in provisions		0.2	(5.6)
Purchase of carbon credits	13	(3.6)	–
Settlement of carbon credits	13	2.7	6.0
Share-based payments	28	1.4	1.0
Other non-cash items		(1.4)	(1.9)
<i>Changes in working capital:</i>			
Inventories		2.5	13.8
Trade and other receivables		3.5	(8.0)
Trade and other payables		1.8	2.8
<b>Adjusted cash generated from operations</b>		<b>68.7</b>	60.1
Cash flows relating to operating exceptional items		(1.8)	(6.5)
Cash flows relating to operating adjusting items		1.2	(1.8)
<b>Cash generated from operations</b>		<b>68.1</b>	51.8

## Notes to the Financial Statements continued

### 22. Net debt

	Note	2025 £m	2024 £m
Cash and cash equivalents	18	6.1	15.2
Loans and borrowings	20	(61.8)	(100.1)
Lease liabilities	25	(19.9)	(20.9)
<b>Net debt</b>		<b>(75.6)</b>	(105.8)

#### Reconciliation of net debt

	Note	2025 £m	2024 £m
<b>Adjusted cash generated from operations</b>		<b>68.7</b>	60.1
Payments made in respect of exceptional items		(1.8)	(6.5)
Receipts/(payments) arising in respect of adjusting items		1.2	(1.8)
<b>Cash generated from operations</b>		<b>68.1</b>	51.8
Interest paid		(8.0)	(10.0)
Tax (paid)/credit		(1.1)	0.4
Net cash outflow from investing activities		(14.5)	(25.6)
Dividends paid	11	(8.2)	(6.3)
Purchase of shares by Employee Benefit Trust		(0.7)	–
Proceeds from sale of shares by Employee Benefit Trust		–	5.1
New lease liabilities	25	(5.1)	(2.7)
Other financing movement		(0.3)	(1.1)
Decrease in net debt		30.2	11.6
Net debt at the start of the year		(105.8)	(117.4)
<b>Net debt at the end of the year</b>		<b>(75.6)</b>	(105.8)

### 23. Financial instruments

	Note	2025 £m	2024 £m
<b>Financial assets</b>			
Cash and cash equivalents	18	6.1	15.2
Trade and other receivables (excluding prepayments)	17	32.7	35.6
Derivative financial assets		0.7	7.9
		39.5	58.7

	Note	2025 £m	2024 £m
<b>Financial liabilities</b>			
Trade and other payables (excluding non-financial liabilities)	19	62.5	59.6
Loans and borrowings	20	61.8	100.1
Lease liabilities	25	19.9	20.9
Derivative financial liabilities		–	0.1
		144.2	180.7

Cash and cash equivalents, trade and other receivables, trade and other payables and derivative financial instruments as referenced above are derived directly from operations. Loans and borrowings and lease liabilities are arranged periodically to finance operating and investing activities.

All financial assets and liabilities are held at amortised cost, with the exception of derivatives which are held at fair value based on future energy price forecasts from third-party experts and modelled against contracted volume. These instruments are measured at fair value using level 2 valuation techniques subsequent to initial recognition.

#### Capital management

The Group manages capital (being loans and borrowings, cash and cash equivalents and equity) to ensure a sufficiently strong capital base to support the Group remaining a going concern, maintain investor and creditor confidence, provide a basis for future development of the business and maximise the return to stakeholders.

The Group manages its loans and borrowings to ensure continuity of funding. A key objective is to ensure compliance with the covenants set out in the Group's bank facility agreements.

In managing capital, the Group may purchase its own shares on the open market. These purchases meet the Group's obligation to employees under the Group's share-based payment schemes.

There has been no change in the objectives, policies or processes with regard to capital management during the years ended 31 December 2024 and 31 December 2025.

## Notes to the Financial Statements continued

### 23. Financial instruments continued

#### Financial risk management

The Group's activities expose it to a variety of financial risks including market risk, credit risk and liquidity risk. The Group uses derivative financial instruments to periodically manage risks if it is judged to be prudent. The risk management framework governing the management of these and all other business risks is set by the Board of Forterra plc.

#### Foreign exchange risk

The functional and presentational currency of the Group is pounds sterling, although some transactions are executed in euros. The transactional amounts realised or settled are therefore subject to the effect of movements in these currencies against pounds sterling. Foreign currency exposure is centrally managed by the Group's Treasury function using forward foreign exchange contracts and currency options.

#### Principal rate of exchange: euro/sterling

	2025 £m	2024 £m
Year end	1.15	1.20
Average	1.17	1.18

#### Cash flow hedges

The Group has previously entered into forward currency contracts which are designated as cash flow hedges. When undertaken, these are entered into to mitigate the Group's exposure to fluctuations in foreign currency exchange rates in relation to committed spend on property, plant and equipment.

The Group has, during both the current and prior year held foreign forward contracts over purchases of equipment for the redevelopment of its Wilnecote facility, the payments for which are denominated in euro. At 31 December 2025, no balances remained undrawn under these forward contracts (2024: €4.5m). All contracts open for Wilnecote during 2025 were fully utilised in the period to 31 December 2025.

The Group classifies its forward foreign exchange contracts as cash flow hedges and holds them at fair value. The fair value of the cash flow hedges in place at 31 December 2025 was £nil (2024: liability of £0.1m), which is adjusted against the cash flow hedge reserve. During the year, an income of £0.2m (2024: loss of £0.1m) has been recognised in Other Comprehensive Income in relation to these contracts.

#### Interest risk

The Group has secured its borrowings from a group of leading banks under a revolving credit facility. These facilities allow the Group to meet short, medium and long-term financing requirements at a margin over SONIA. The Group manages interest risk on an ongoing basis and reviews options available to hedge part of the variable rate risk.

A sensitivity analysis has been performed based on the exposure to interest rates at the balance sheet date. Based on the average borrowings drawn down in 2025, a 1.0% increase or decrease in interest rates, with all other variables held constant, would increase or decrease profit before taxation by £0.9m (2024: £1.2m) for the year ended 31 December 2025.

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises on cash balances (including bank deposits and cash and cash equivalents) and credit exposure to customers through trade and other receivables. A financial asset is in default when the counterparty fails to pay its contractual obligations.

Financial assets are impaired when there is no reasonable expectation of recovery.

To dilute and mitigate the financial credit risk associated with cash balances, the Group deposits cash and cash equivalents with multiple highly rated counterparties.

Credit risk associated with trade receivables results from normal commercial operations. Procedures are in place to ensure that customer creditworthiness is assessed and monitored sufficiently and that appropriate credit limits are in place and enforced.

Trade and other receivables are stated net of management estimated expected credit losses.

With respect to trade and other receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Impairments of trade receivables in the year were less than £0.1m (2024: less than £0.1m).

## Notes to the Financial Statements continued

### 23. Financial instruments continued

#### **Commodity price risk**

##### *Forward purchased energy contracts*

The substantial energy requirements of the Group are closely managed to ensure that the impact of fluctuating energy costs can be removed as far as possible; allowing management to have some certainty over likely energy costs and providing a reasonable basis on which to budget. Contracts with energy suppliers are entered into allowing prices to be fixed, by month, for volumes the Group expects to use. Under normal circumstances, the Group takes delivery of and consumes all of the gas and electricity under each contract, and in doing so satisfies the requirements under IFRS 9 to follow the own use exemption in accounting for these. As such, the costs associated with the purchase of gas and electricity are accounted for in the Statement of Total Comprehensive Income at the point of consumption, and contracts are not held at fair value.

The decline in the Group's market conditions during 2023, and subsequent reductions made to production resulted in open forward contracts for some periods where the committed volume of gas exceeded budgeted total consumption. In these instances, the quantities which have been 'over purchased' are sold back to the market, crystallising a realised gain or loss. As was the case in prior years, any open contracts where management expects to sell surplus gas back to the market fail the own use exemption, and in accordance with IFRS 9, are accounted for as derivatives. As at 31 December 2025 the Group has recognised a current asset of £0.7m (2024: £5.1m) in relation to these contracts. No non-current asset has been recognised (2024: £2.8m). The values are calculated with reference to all forward purchased contracts within which a sale back to the market is expected to occur, and reflect not only the portion of such contracts expected to be sold, but also the fair value of the remaining quantity which is expected to be consumed by the Group during the normal course of business.

For the purposes of internal reporting to management and the Board, the Group continues to measure these contracts as if the own use exemption could still be applied, recognising energy costs at the contracted rate in the period of consumption. In order to allow users of the accounts to review this operationally aligned reporting, the movement due to the fair value treatment of energy derivatives since 31 December 2024, being a charge of £7.2m in the statutory versus adjusted results, has been presented as an adjusting item in these Consolidated Financial Statements. Further details can be found in note 31.

The Group has not historically, and has no future plans to, intentionally purchase gas or electricity to sell and these current circumstances are solely the result of market conditions.

#### **Liquidity risk**

The Group's borrowing facilities are available to ensure that there is sufficient liquidity to exceed maximum forecast cash flow requirements in all reasonably possible circumstances. The Group monitors cash flow on a weekly basis to ensure that headroom exists within current agreed facilities and updates the Executive Committee on liquidity and the sources of cash flow performance and forecasts.

## Notes to the Financial Statements continued

### 23. Financial instruments continued

The maturity profile of contractual undiscounted cash outflows, including expected interest payments, which are payable under financial liabilities at the balance sheet date is set out below:

	Less than one year £m	One to two years £m	Two to three years £m	Three to four years £m	Four to five years £m	Greater than five years £m	Total £m
<b>2025</b>							
Trade and other payables (excluding non-financial liabilities)	62.5	–	–	–	–	–	62.5
Loans and borrowings	5.3	14.6	56.8	–	–	–	76.7
Lease liabilities	7.4	6.9	4.0	2.0	0.7	0.5	21.5
	<b>75.2</b>	<b>21.5</b>	<b>60.8</b>	<b>2.0</b>	<b>0.7</b>	<b>0.5</b>	<b>160.7</b>
<b>2024</b>							
Trade and other payables (excluding non-financial liabilities)	59.6	–	–	–	–	–	59.6
Loans and borrowings	33.3	25.1	54.6	–	–	–	113.0
Lease liabilities	6.5	6.2	5.6	2.8	1.1	0.7	22.9
Derivative liabilities	0.1	–	–	–	–	–	0.1
	99.5	31.3	60.2	2.8	1.1	0.7	195.6

The maturity profile for loans and borrowings is structured around management's viability modelling. There is no material difference between the carrying value and fair value of the Group's financial assets and liabilities.

A reconciliation of liabilities arising from financing activities has been detailed below:

	Note	At 1 January 2025 £m	Cash flow £m	Interest charge <sup>1</sup> £m	Disposal £m	Capitalised interest £m	New leases £m	At 31 December 2025 £m
<b>2025</b>								
Loans and borrowings	20	100.1	(45.8)	5.0	–	2.5	–	61.8
Lease liabilities	25	20.9	(6.9)	0.9	(0.1)	–	5.1	19.9
<b>2024</b>								
Loans and borrowings	20	109.2	(19.2)	8.0	–	2.1	–	100.1
Lease liabilities	25	24.2	(6.9)	1.0	(0.1)	–	2.7	20.9

1. Interest charged is shown inclusive of the amortisation of capitalised finance costs.

## Notes to the Financial Statements continued

### 24. Provisions for other liabilities and charges

	Restoration and decommissioning £m	Other provisions £m	Carbon credits £m	Restructuring costs £m	Total £m
At 1 January 2025	9.8	1.1	3.9	–	14.8
Charged/(credited) to the Consolidated Statement of Total Comprehensive Income:					
– Additional provision	1.1	0.4	3.3	2.5	7.3
– Release of provision	–	(0.3)	(0.1)	–	(0.4)
– Unwind of discount	0.2	–	–	–	0.2
Utilised amounts	–	(0.3)	(2.7)	(1.8)	(4.8)
<b>At 31 December 2025</b>	<b>11.1</b>	<b>0.9</b>	<b>4.4</b>	<b>0.7</b>	<b>17.1</b>

Analysed as:

	2025 £m	2024 £m
Current	8.4	6.6
Non-current	8.7	8.2
	<b>17.1</b>	14.8

The other provisions balance is made up of provisions for lease dilapidations and product liability provisions.

Non-current provisions are discounted at a rate of 4.1% (2024: 4.0%). The unwind of discount in the year is shown as a finance expense.

#### Restoration and decommissioning

The Group is required to restore quarrying sites to a state agreed with the planning authorities after extraction of raw materials ceases, and to decommission manufacturing facilities that have been constructed. Provisions for restoration and decommissioning obligations are made based on the best estimate of the likely committed cash outflow. Management seeks specialist input from third-party experts to estimate the cost to perform any necessary remediation work at the reporting date. These experts undertake site visits during the year, either where scoping identifies there is a change in operations which could change estimates, or to sites that have not been visited recently. Desktop reviews are undertaken to inform the estimates for remaining sites.

The useful lives of quarrying sites are based on the estimated mineral reserve remaining and manufacturing facilities linked to the useful life of site property, plant and equipment. Estimates of appropriate inflation and discount rates are judgemental and can have a significant impact on net present value. Management references information from the Bank of England when making such estimates. These provisions are discounted by applying a discount rate that reflects the passage of time. Estimates are revised annually and, in the case of decommissioning provisions, are adjusted against the asset to which the provision relates. Assets are then subject to impairment assessments at a CGU level. Future costs are expected to be incurred over the useful life of the sites, which is a period of up to 34 years.

The following table shows the timeline in which undiscounted costs in relation to the restoration and decommissioning provision are expected to become current:

	Current £m	1 to 20 years £m	21 to 40 years £m	40 years plus £m	Total £m
Restoration and decommissioning	2.4	5.2	3.5	–	11.1

## Notes to the Financial Statements continued

### 25. Leases

The Group leases various premises, land, fleet vehicles, motor vehicles and plant and equipment. Lease terms are negotiated on an individual basis, and terms and conditions can vary.

In addition, the Group also leases machinery on a short-term basis (less than 12 months) and office equipment of low financial value. These leases are recognised on a straight-line basis as an expense in the Consolidated Statement of Total Comprehensive Income.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Land and buildings £m	Plant, fleet and motor vehicles £m	Total £m
At 1 January 2024	2.1	22.0	24.1
Additions	0.2	2.5	2.7
Disposals	–	(0.1)	(0.1)
Depreciation expense	(0.6)	(5.6)	(6.2)
At 1 January 2025	<b>1.7</b>	<b>18.8</b>	<b>20.5</b>
Additions	<b>1.2</b>	<b>3.9</b>	<b>5.1</b>
Impairment	<b>(0.8)</b>	–	<b>(0.8)</b>
Disposals	<b>(0.1)</b>	–	<b>(0.1)</b>
Depreciation expense	<b>(0.3)</b>	<b>(5.6)</b>	<b>(5.9)</b>
<b>At 31 December 2025</b>	<b>1.7</b>	<b>17.1</b>	<b>18.8</b>

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

	2025 £m	2024 £m
At the start of the year	<b>(20.9)</b>	(24.2)
New leases	<b>(5.1)</b>	(2.7)
Interest	<b>(0.9)</b>	(1.0)
Payments	<b>6.9</b>	6.9
Disposal of leases	<b>0.1</b>	0.1
<b>At the end of the year</b>	<b>(19.9)</b>	(20.9)

Payments above of £6.9m (2024: £6.9m) include £6.0m (2024: £5.9m) of capital repayment and £0.9m (2024: £1.0m) of interest paid.

	2025 £m	2024 £m
Current	<b>(6.7)</b>	(5.8)
Non-current	<b>(13.2)</b>	(15.1)
	<b>(19.9)</b>	(20.9)

The following are the amounts recognised in the Consolidated Statement of Total Comprehensive Income:

	2025 £m	2024 £m
Depreciation of right-of-use-assets	<b>5.9</b>	6.2
Interest payable on lease liabilities	<b>0.9</b>	1.0
Expenses relating to short-term leases	<b>2.2</b>	3.2
	<b>9.0</b>	10.4

Leases of low financial value for the year ended 31 December 2025 were less than £0.1m (2024: less than £0.1m). During the years ended 31 December 2025 and 31 December 2024, the Group did not hold any lease contracts with variable payment terms.

The Group has several land and property lease contracts that include termination options, known as 'break clauses'. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these clauses are reasonably certain to be exercised.

At 31 December 2025, the Group has determined it is reasonably certain that any break clause would not be exercised, and full lease terms have been considered within the present value calculations.

At 31 December 2025, lease commitments that were contracted but had not yet commenced totalled less than £0.1m (2024: £0.1m).

### 26. Deferred tax

The analysis of deferred tax liabilities is as follows:

	2025 £m	2024 £m
Deferred tax liabilities to be incurred after more than 12 months	<b>14.0</b>	12.9

## Notes to the Financial Statements continued

### 26. Deferred tax continued

The movement in deferred tax assets/(liabilities) is as follows:

	Fixed assets £m	Provisions £m	Intangible assets £m	Share-based payments £m	Other £m	Total £m
At 1 January 2024	(9.8)	3.4	(1.0)	1.1	–	(6.3)
(Charged)/credited to Consolidated Statement of Total Comprehensive Income	(3.3)	(0.3)	–	–	(0.5)	(4.1)
Effect of changes in tax rates	–	–	–	–	–	–
Effect of prior period adjustments	(2.4)	–	–	–	–	(2.4)
Other movements	0.2	(0.2)	–	–	–	–
Tax on items taken directly to equity	–	–	–	(0.1)	–	(0.1)
<b>At 31 December 2024</b>	<b>(15.3)</b>	<b>2.9</b>	<b>(1.0)</b>	<b>1.0</b>	<b>(0.5)</b>	<b>(12.9)</b>
(Charged)/credited to Consolidated Statement of Total Comprehensive Income	(1.2)	0.2	–	0.3	(0.6)	(1.3)
Effect of changes in tax rates	–	–	–	–	–	–
Effect of prior period adjustments	0.3	–	–	–	–	0.3
Other movements	(0.1)	0.1	–	–	–	–
Tax on items taken directly to equity	–	–	–	(0.1)	–	(0.1)
<b>At 31 December 2025</b>	<b>(16.3)</b>	<b>3.2</b>	<b>(1.0)</b>	<b>1.2</b>	<b>(1.1)</b>	<b>(14.0)</b>

Deferred tax is calculated on temporary differences between the tax base of assets and liabilities and their carrying amounts, using the corporation tax rate applicable to the timing of their reversal.

Deferred tax assets and liabilities are only offset where there is a legally enforceable right to offset and there is an intention to settle the balances net.

## Notes to the Financial Statements continued

### 27. Share capital and other reserves

#### Share capital

Called up issued and fully paid Ordinary shares.

	2025 Number	2025 £m	2024 Number	2024 £m
<b>Allotted, called up and fully paid 1p Ordinary shares</b>				
At the start of the year	212,803,389	2.1	212,803,389	2.1
<b>At the end of the year</b>	<b>212,803,389</b>	<b>2.1</b>	212,803,389	2.1

#### Reserve for own shares

Own shares represent the cost of Forterra plc shares purchased in the market and held by employee benefit trusts to satisfy the future exercise of options under the Group's share option schemes. At 31 December 2025, two trusts were in place and consolidated within the Consolidated Financial Statements.

The first trust holds 265,717 Ordinary shares (2024: 299,106), relating to shares granted under two free share awards. The first of these was granted on 25 May 2016, the second on 10 February 2021. Shares granted under the 2016 award were issued by the Company. To satisfy the 2021 award, a total of 291,483 shares were purchased by the Company through the Trust. The total weighted average cost for shares held by the Trust at 31 December 2025 was 231p per share (2024: 165p), which is reflected in the reserve for own shares within the Consolidated Statement of Changes in Equity. The market value of shares held by the Trust at 31 December 2025 was £0.5m (2024: £0.5m).

The second trust holds 2,167,669 (2024: 1,889,884) shares at an average cost of 248p per share (2024: 260p), reflected within the reserve for own shares within the Consolidated Statement of Changes in Equity. The market value of these shares at 31 December 2025 was £4.0m (2024: £3.1m).

#### Capital redemption reserve

The capital redemption reserve records the nominal value of shares repurchased by the Company.

#### Cash flow hedge reserve

The cash flow hedge reserve reflects the gains and losses arising on forward foreign exchange contracts which are designated as cash flow hedges.

### 28. Share-based payments

#### Total cost of share schemes:

	2025 £m	2024 £m
Share Incentive Plan (SIP)	–	(0.2)
Performance Share Plan (PSP)	0.8	0.8
Sharesave Plan (SAYE)	0.6	0.4
	<b>1.4</b>	<b>1.0</b>

The total cost of share schemes in the year includes a national insurance contribution of £0.1m (2024: credit of £0.1m). The total national insurance liability, relating to share-based payments, held within the Consolidated Balance Sheet as at 31 December 2025 was £0.4m (2024: £0.3m).

#### Summary of share option and share award arrangements

The Group operates a number of share schemes for the benefit of employees, all of which are equity-settled (although the rules of the PSP and DABP allow for cash settlement in exceptional circumstances).

#### Share awards

##### Share Incentive Plan (SIP)

On 25 May 2016, 442,068 deferred free shares were awarded to all employees in service at this date. Shares to the value of £500 were issued which vested in May 2019, three years after the date of grant, subject to a three-year service condition. Further to this, on 10 February 2021, an additional £500 award was made to all serving employees, subject to the same service condition as in 2016. A total of 314,075 shares were granted under this award. Unexercised shares are held by the Employee Benefit Trust on behalf of the Group's employees and detailed within note 27.

#### Share options

##### Performance Share Plan (PSP)

Performance-based awards granted to the Executive Directors and designated senior management which vest three years after the date of grant at 1p per share. The total number of shares vesting is dependent upon both service conditions being met and the performance of the Group over the three-year period. All in-flight PSPs are currently structured with 40% of the award subject to an EPS performance condition, 40% of the award subject to a TSR performance condition and 20% of the award subject to sustainability targets. In addition to this, a holding period applies to vested PSP awards for the Executive Directors of Forterra plc, under which they are required to retain the number of vested awards, net of tax, for at least two years from the date of vesting.

## Notes to the Financial Statements continued

### 28. Share-based payments continued

#### Deferred Annual Bonus Plan (DABP)

A portion of the Executive Directors' annual bonus award is deferred into shares under a DABP, with a deferral period of three years. These awards are accrued as a bonus in the year to which they relate and are converted into deferred share awards after the year end. A DABP award of £0.2m was granted during 2025 (2024: £nil). At 31 December 2025 an amount of £0.2m (2024: £0.2m) has been recorded in accruals and is expected to be awarded in 2025 relating to bonuses achieved in the year.

#### Sharesave (SAYE)

This HM Revenue & Customs approved scheme is available to all employees, with schemes offered annually since 2016. Employees make monthly contributions of up to £500 per month into a linked savings account where these may be exchanged three years from each grant date for shares at an option price discounted by 20% from the offer date.

The aggregate number of share awards outstanding for the Group is shown below:

	PSP Number of options	DABP Number of options	SAYE Number of options
At 1 January 2024	2,965,742	124,257	9,583,122
Awards granted	1,407,772	–	1,532,961
Awards exercised	(254,789)	–	(2,295,037)
Awards lapsed/forfeited	(825,667)	–	(2,376,330)
At 31 December 2024	<b>3,293,058</b>	<b>124,257</b>	<b>6,444,716</b>
Awards granted	<b>1,965,064</b>	<b>99,618</b>	<b>981,153</b>
Awards exercised	<b>(10,940)</b>	<b>(59,715)</b>	<b>(16,610)</b>
Awards lapsed/forfeited	<b>(1,054,681)</b>	<b>–</b>	<b>(1,061,813)</b>
<b>At 31 December 2025</b>	<b>4,192,501</b>	<b>164,160</b>	<b>6,347,446</b>

Options were exercised on a regular basis throughout the year. The average share price during the year was 183p (2024: 171p).

Neither the EPS nor the TSR performance conditions for the 2022 PSP award, which was due to vest in March 2025, were met. The shares therefore did not vest and have been shown within lapsed/forfeited in the above table.

Share options either outstanding or not yet exercised at the end of the year have the following vesting dates:

	2025 Number of options	2024 Number of options
<b>PSP</b>		
25 April 2020	<b>3,874</b>	3,874
17 September 2023	<b>25,558</b>	36,498
17 March 2025	<b>–</b>	723,540
3 April 2026	<b>1,097,087</b>	1,191,007
1 May 2027	<b>1,216,225</b>	1,338,139
18 March 2028	<b>1,849,759</b>	–
<b>DABP</b>		
17 March 2025	<b>–</b>	59,715
16 March 2026	<b>64,542</b>	64,542
19 March 2028	<b>99,618</b>	–
<b>SAYE</b>		
1 December 2024	<b>–</b>	273,823
1 December 2025	<b>348,683</b>	393,076
1 December 2026	<b>3,952,861</b>	4,327,801
1 December 2027	<b>1,144,871</b>	1,450,016
1 December 2028	<b>901,029</b>	–
	<b>10,704,107</b>	9,862,031

The weighted average remaining contractual life of share options outstanding at 31 December 2025 was 1 year 6 months (2024: 1 year 10 months).

The average exercise price for share options outstanding ranges from 1p to 210p (2024: 1p to 238p).

## Notes to the Financial Statements continued

### 28. Share-based payments continued

The fair value per option granted in the year has been calculated using the following assumptions:

	2025		2024	
	PSP (Performance and service condition)	SAYE (Service condition)	PSP (Performance and service condition)	SAYE (Service condition)
Date of grant	19 March 2025	2 October 2025	1 May 2024	2 October 2024
Option pricing model	Monte Carlo	Black-Scholes	Monte Carlo	Black-Scholes
Share price on grant date (pence)	160.50	184.00	163.00	170.00
Exercise price (pence)	1.00	151.00	1.00	140.00
Expected volatility (%)	28.6%	27.7%	29.0%	30.0%
Vesting period (years)	3.00	3.15	3.00	3.15
Expected option life to exercise (years)	3.00	3.40	3.00	3.40
Expected dividend yield (%)	–	4.3%	–	4.9%
Risk-free interest rate (%)	4.2%	4.0%	4.3%	3.7%
Fair value per option (pence)	128.80	45.00	133.40	41.00

Fair value per option under the PSP is calculated as the average for the TSR and non-market conditions.

Expected volatility is a measure of expected fluctuations in the share price over the expected life of an option. The measures of volatility used by the Group in its pricing models has been derived through analysis of the Group's historic share price in order to provide an estimate of future volatility.

### 29. Group subsidiaries

Forterra plc had the following subsidiaries as at 31 December 2025:

	Registration number	Country of incorporation	Holding	Nature of holding	% of class held	Principal activity
Forterra Holdings Limited	09983078	England & Wales	Ordinary £0.01	Direct	100%	Holding Company
Forterra Building Products Limited	08960430	England & Wales	Ordinary £0.01	Indirect	100%	Trading
Red Bank Limited	10082033	England & Wales	Ordinary £1.00	Indirect	100%	Dormant
London Brick Company Limited	10081930	England & Wales	Ordinary £1.00	Indirect	100%	Dormant
Cradley Special Brick Company Limited	10082008	England & Wales	Ordinary £1.00	Indirect	100%	Dormant
Butterley Brick Limited	10082046	England & Wales	Ordinary £1.00	Indirect	100%	Dormant
Formpave Limited	10081922	England & Wales	Ordinary £1.00	Indirect	100%	Dormant

All entities have a place of business in the UK. The registered office address for all entities is the same as for Forterra plc, being 5 Grange Park Court, Roman Way, Northampton, NN4 5EA.

All subsidiary undertakings are included in the Consolidated Financial Statements. The proportion of the voting rights in the subsidiary undertakings held directly by the Company do not differ from the proportion of Ordinary shares held.

## Notes to the Financial Statements continued

### 30. Related party transactions

#### Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Directors of the Company and the Directors of the Group's subsidiary companies fall within this category.

	2025 £m	2024 £m
Emoluments including taxable benefits	3.5	2.7
Share-based payments	0.8	0.7
Pension and other post-employment benefits	0.2	0.2
	4.5	3.6

Information relating to Directors' emoluments, pension entitlements, share options and long-term incentive plans appear in the Remuneration Committee Report within pages 96 to 123.

### 31. Alternative performance measures

APM	Definition and/or purpose
Adjusted EBITDA, adjusted EBITDA margin, adjusted operating profit (EBIT), adjusted profit before tax, adjusted earnings per share, adjusted operating cash flow	These APMs are calculated by excluding both exceptional and adjusting items
Adjusted operating cash conversion	Operating cash conversion is calculated as adjusted operating cash flow/adjusted EBITDA
Net (debt)/cash before leases	Net (debt)/cash before leases is presented as the total cash and cash equivalent and borrowings, inclusive of capitalised financing costs and excluding lease liabilities at the balance sheet date

## Notes to the Financial Statements continued

### 31. Alternative performance measures continued

Group: Revenue, EBITDA, EBITDA margin, Operating profit, Profit before tax

	Adjusted £m	Exceptional items £m	Exceptional items £m	Adjusting items £m	Adjusting items £m	Statutory £m
		Restructuring costs	Aborted corporate transaction	Realised gain on sale of surplus energy	Energy contract derivatives	
<b>2025</b>						
Revenue	386.0	-	-	-	-	386.0
EBITDA	61.6	(6.7)	-	1.2	(7.2)	48.9
EBITDA margin %	16.0%	-	-	-	-	12.7%
Operating profit (EBIT)	42.0	(6.7)	-	1.2	(7.2)	29.3
Profit before tax	36.0	(6.7)	-	1.2	(7.2)	23.3
	Adjusted £m	Exceptional items £m	Exceptional items £m	Adjusting items £m	Adjusting items £m	Statutory £m
		Restructuring costs	Aborted corporate transaction	Realised loss on sale of surplus energy	Energy contract derivatives	
<b>2024</b>						
Revenue	344.3	-	-	-	-	344.3
EBITDA	52.0	(0.2)	(2.7)	(1.5)	7.1	54.7
EBITDA margin %	15.1%	-	-	-	-	15.9%
Operating profit (EBIT)	31.2	(0.2)	(2.7)	(1.5)	7.1	33.9
Profit before tax	22.1	(0.2)	(2.7)	(1.5)	7.1	24.8

## Notes to the Financial Statements continued

### 31. Alternative performance measures continued

#### Segmental: Revenue, EBITDA, EBITDA margin

##### Bricks and Blocks

	Adjusted £m	Exceptional items £m	Adjusting items £m	Adjusting items £m	Statutory £m
		Restructuring costs	Realised gain on sale of surplus energy	Energy contract derivatives	
<b>2025</b>					
Revenue	307.7	-	-	-	307.7
EBITDA	56.9	(3.4)	1.2	(7.2)	47.5
EBITDA margin %	18.5%	-	-	-	15.4%

	Adjusted £m	Exceptional items £m	Adjusting items £m	Adjusting items £m	Statutory £m
		Restructuring costs	Realised loss on sale of surplus energy	Energy contract derivatives	
<b>2024</b>					
Revenue	276.7	-	-	-	276.7
EBITDA	49.0	(0.1)	(1.5)	7.1	54.5
EBITDA margin %	17.7%	-	-	-	19.7%

##### Bespoke Products

	Adjusted £m	Exceptional items £m	Adjusting items £m	Adjusting items £m	Statutory £m
		Restructuring costs	Realised gain on sale of surplus energy	Energy contract derivatives	
<b>2025</b>					
Revenue	81.0	-	-	-	81.0
EBITDA	4.7	(3.3)	-	-	1.4
EBITDA margin %	5.8%	-	-	-	1.7%

	Adjusted £m	Exceptional items £m	Adjusting items £m	Adjusting items £m	Statutory £m
		Restructuring costs	Realised loss on sale of surplus energy	Energy contract derivatives	
<b>2024</b>					
Revenue	71.5	-	-	-	71.5
EBITDA	3.0	(0.1)	-	-	2.9
EBITDA margin %	4.2%	-	-	-	4.1%

## Notes to the Financial Statements continued

### 31. Alternative performance measures continued

Reconciliation of adjusted operating cash flow to statutory operating cash flow:

2025	Adjusted £m	Adjusting items £m	Exceptional items £m	Statutory £m
<b>EBITDA</b>	<b>61.6</b>	<b>(6.0)</b>	<b>(6.7)</b>	<b>48.9</b>
Purchase and settlement of carbon credits	(0.9)	-	-	(0.9)
Other cash flow items <sup>1</sup>	0.2	7.2	4.9	12.3
Changes in working capital:				
- Inventories	2.5	-	-	2.5
- Trade and other receivables	3.5	-	-	3.5
- Trade and other payables	1.8	-	-	1.8
<b>Operating cash flow</b>	<b>68.7</b>	<b>1.2</b>	<b>(1.8)</b>	<b>68.1</b>

1. For reconciliation purposes, 'Other cash flow items' is reported as the sum of: loss on disposal of property, plant and equipment and leases, movement in provisions, share-based payments and other non-cash items as are detailed within note 21.

#### Adjusted operating cash conversion

The calculation for operating cash conversion has been amended in the current year. Previously this metric was calculated as adjusted operating cash flow, less capital expenditure (excluding spend on strategic projects), divided by adjusted operating profit. In the current year the calculation has been defined as adjusted operating cash flow divided by adjusted EBITDA. In making this amendment, management believe the revised KPI shown is more line with managements view of performance.

	2025 £m	2024 £m
Adjusted operating cash flow	68.7	60.1
Adjusted EBITDA	61.6	52.0
<b>Adjusted operating cash conversion</b>	<b>111.5%</b>	115.6%

### 32. Post balance sheet events

Within the year end results, the Company has announced the commencement of a share buyback programme. The aggregate price of all shares purchased in 2026 will be no more than £20 million (excluding stamp duty and expenses) and any Ordinary shares purchased under the programme will be cancelled immediately.

## Company Balance Sheet as at 31 December 2025

	Note	2025 £m	2024 £m
<b>Non-current assets</b>			
Investment in subsidiary	6	314.2	313.3
Deferred tax assets	7	0.4	0.4
		<b>314.6</b>	313.7
<b>Current assets</b>			
Debtors	8	0.1	–
<b>Total assets</b>		<b>314.7</b>	313.7
<b>Current liabilities</b>			
Creditors – amounts falling due within one year	9	(1.5)	(0.8)
Amounts owed to Group undertakings	9	(6.1)	(4.7)
Income tax liability	9	(0.2)	–
<b>Total liabilities</b>		<b>(7.8)</b>	(5.5)
<b>Net assets</b>		<b>306.9</b>	308.2
<b>Capital and reserves</b>			
Ordinary shares	10	2.1	2.1
Own share reserve		(6.0)	(5.4)
Capital redemption reserve		0.2	0.2
Retained earnings		310.6	311.3
<b>Total equity</b>		<b>306.9</b>	308.2

As permitted by Section 408 of the Companies Act 2006, an entity profit or loss account is not included as part of the published Financial Statements of Forterra plc. The Company profit for the financial year ended 31 December 2025 was £6.2m (2024: £19.1m).

The notes on pages 175 to 177 are an integral part of these Financial Statements.

Approved by the Board of Directors on 10 March 2026 and signed on their behalf by:

**Neil Ash**  
Chief Executive Officer

**Ben Guyatt**  
Chief Financial Officer

## Company Statement of Changes in Equity for the year ended 31 December 2025

	Note	Ordinary shares £m	Own share reserve £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
<b>Balance at 1 January 2024</b>		2.1	(14.2)	0.2	301.2	289.3
Total comprehensive income for the year		-	-	-	19.1	19.1
Dividends paid	5	-	-	-	(6.3)	(6.3)
Purchase of shares by Employee Benefit Trust		-	-	-	-	-
Proceeds from sale of shares by Employee Benefit Trust		-	5.1	-	-	5.1
Share-based payments charge		-	-	-	1.0	1.0
Share-based payments exercised		-	3.7	-	(3.7)	-
Tax on share-based payments		-	-	-	-	-
<b>Balance at 31 December 2024</b>		2.1	(5.4)	0.2	311.3	308.2
Total comprehensive income for the year		-	-	-	<b>6.2</b>	<b>6.2</b>
Dividends paid	5	-	-	-	<b>(8.2)</b>	<b>(8.2)</b>
Purchase of shares by Employee Benefit Trust		-	<b>(0.7)</b>	-	-	<b>(0.7)</b>
Proceeds from sale of shares by Employee Benefit Trust		-	-	-	-	-
Share-based payments charge		-	-	-	<b>1.4</b>	<b>1.4</b>
Share-based payments exercised		-	<b>0.1</b>	-	<b>(0.1)</b>	-
Tax on share-based payments		-	-	-	-	-
<b>Balance at 31 December 2025</b>		<b>2.1</b>	<b>(6.0)</b>	<b>0.2</b>	<b>310.6</b>	<b>306.9</b>

# Notes to the Company Financial Statements

## 1. General information

Forterra plc is a public limited company which is listed on the London Stock Exchange and is domiciled and incorporated in the United Kingdom under the Companies Act 2006. The registered office is 5 Grange Park Court, Roman Way, Northampton, NN4 5EA.

## 2. Accounting policies

### (A) BASIS OF PREPARATION

The separate Company Financial Statements have been prepared in accordance with applicable accounting standards, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

As permitted by Section 408 of the Companies Act 2006, an entity profit or loss account is not included as part of the published Financial Statements of Forterra plc. The Company profit for the financial year ended 31 December 2025 was £6.2m (2024: £19.1m).

As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement and related party transactions. Where required, equivalent disclosures are given in the Consolidated Financial Statements.

The Financial Statements are presented in pounds sterling, rounded to the nearest hundred thousand and are prepared under the historical cost convention.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least one year from the date that the Financial Statements are signed. The Company therefore adopts the going concern basis in preparing its Financial Statements.

A detailed going concern assessment for the Group is included within note 2 to the Consolidated Financial Statements.

### (B) INVESTMENTS

Investments are included in the balance sheet at the deemed cost of acquisition upon the Group restructure. Where appropriate, a provision is made for any impairment.

Capital contributions arising where subsidiary employees are awarded share options to be settled over the Company's equity result in increases to the cost of investment.

### (C) TAXATION

Charges for income tax are based on earnings for the period and take account of deferred taxation on timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

### (D) FINANCIAL INSTRUMENTS

The Company follows the financial instrument framework provided with FRS 102, applying the recognition and measurement principles of sections 11 and 12. The Company determines the classification of financial assets and financial liabilities at initial recognition. The principal financial assets and liabilities of the Company are as follows:

#### (I) Financial assets

Basic financial assets, including amounts due from Group undertakings and other debtors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction. In this instance the asset is measured at the present value of future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method and assessed for objective evidence of impairment or impairment reversal at the end of each reporting period.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, are settled or substantially all the risks and rewards of ownership of the asset are transferred.

#### (II) Financial liabilities

Basic financial liabilities, including amounts owed to Group undertakings and other payables, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction. In this instance the debt is measured at the present value of the future payments, discounted at a market rate of interest.

Trade and other payables and amounts due to Group undertakings are subsequently carried at amortised cost, using the effective interest rate method.

### (E) SHARE-BASED PAYMENTS

The Company operates a number of equity-settled share-based compensation plans, under which the Company receives services from the Executive Directors in exchange for equity instruments granted by the Company. The services received and corresponding increase in equity are measured at the fair value of the equity instruments granted, on the date granted. The Company also compensates certain key management and other employees for services provided to Forterra Building Products Limited. The services provided are recognised as an increase in the cost of investment in subsidiaries and a corresponding increase in equity; which is measured at the fair value of the equity instruments granted, on the date granted.

The cost of the equity-settled transactions is subsequently recognised over the vesting period, which ends at the date that the plan participant becomes fully entitled to the award. Fair values are determined using appropriate pricing models by external valuers. At the end of each reporting period the Company revises its estimates of the number of awards that are expected to vest based on non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the profit or loss account, with a corresponding adjustment to equity.

Further details regarding the share-based payment schemes are set out in note 28 to the Consolidated Financial Statements.

### (F) OWN SHARES HELD BY EMPLOYEE BENEFIT TRUST

The Company has established two separate employee benefit trusts for the purposes of satisfying awards under share-based incentive schemes. Shares in the Company acquired by the trusts are deducted from equity until shares are cancelled, reissued or disposed.

### (G) SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds.

### (H) RELATED PARTIES

The Company discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Directors, separate disclosure is necessary to understand the effect of the transactions on the Financial Statements.

## Notes to the Company Financial Statements continued

### 3. Significant accounting judgements and estimates

#### (A) IMPAIRMENT OF INVESTMENTS

The Directors periodically review investments for possible impairment when events or changes in circumstances indicate, in management's judgement, that the carrying amount of an asset may not be recoverable. The Company did not record any impairment charges during the period ended 31 December 2025.

### 4. Employee information

The Company has no employees other than the Directors. Full details of the Directors' remuneration and interests are set out in the Annual Report on Remuneration on pages 96 to 123 and includes the amounts received or receivable by each Director in the period. The long-term incentives as detailed on page 110 were recognised in the Company profit and loss account as an expense over the three-year period to which the awards relate. The Company recognised a charge of £0.5m (2024: £0.4m) in relation to share-based payments for the period.

### 5. Dividends

	2025 £m	2024 £m
<b>Amounts recognised as distributions to equity holders in the year</b>		
Interim dividend of 1.9p per share (2024: 1.0p)	4.0	2.1
Final dividend of 2.0p per share in respect of prior year (2024: 2.0p)	4.2	4.2
	<b>8.2</b>	6.3

The Directors are proposing a final dividend for 2025 of 4.3p per share, making a total payment for the year of 6.2p (2024: 3.0p). This is subject to approval by the shareholders at the AGM and has not been included as a liability in the Financial Statements.

### 6. Investment in subsidiary

	2025 £m	2024 £m
Balance at the start of the year	313.3	312.7
Capital contribution relating to share-based payments	0.9	0.6
<b>Balance at the end of the year</b>	<b>314.2</b>	313.3

The companies in which the Company has an interest at the year end are shown below:

	Country of incorporation	Holding	Nature of holding	% of class held	Principal activity
Forterra Holdings Limited	England & Wales	Ordinary £0.01	Direct	100%	Holding Company
Forterra Building Products Limited	England & Wales	Ordinary £0.01	Indirect	100%	Trading
Red Bank Limited	England & Wales	Ordinary £1.00	Indirect	100%	Dormant
London Brick Company Limited	England & Wales	Ordinary £1.00	Indirect	100%	Dormant
Cradley Special Brick Company Limited	England & Wales	Ordinary £1.00	Indirect	100%	Dormant
Butterley Brick Limited	England & Wales	Ordinary £1.00	Indirect	100%	Dormant
Formpave Limited	England & Wales	Ordinary £1.00	Indirect	100%	Dormant

The address of the registered office of all direct and indirect subsidiaries of Forterra plc, is 5 Grange Park Court, Roman Way, Northampton, England, NN4 5EA.

### 7. Deferred tax

	2025 £m	2024 £m
Deferred tax assets to be recovered after more than 12 months	0.4	0.4

### 8. Current assets

	2025 £m	2024 £m
Debtors	0.1	–

### 9. Current liabilities

	2025 £m	2024 £m
Creditors – amounts falling due within one year	(1.5)	(0.8)
Amounts owed to Group undertakings	(6.1)	(4.7)
Income tax liability	(0.2)	–
	<b>(7.8)</b>	(5.5)

Amounts owed to Group undertakings are non-interest bearing, unsecured and repayable on demand.

## Notes to the Company Financial Statements continued

### 10. Capital and reserves

	2025 Number	2025 £m	2024 Number	2024 £m
Ordinary Shares of £0.01	<b>212,803,389</b>	<b>2.1</b>	212,803,389	2.1

The Ordinary shares are voting, non-redeemable shares and rank equally as to dividends, voting rights and any return of capital on winding up.

Movements in the share capital and reserve for own shares are set out in note 27 to the Consolidated Financial Statements.

### 11. Related party transactions

The Company is exempt from disclosing related party transactions with companies that are wholly owned within the Group. Transactions with related parties which are not wholly owned are disclosed within note 30 to the Consolidated Financial Statements. Remuneration to key management personnel has been disclosed within note 30 to the Consolidated Financial Statements.

### 12. Controlling party

Forterra plc is not under the control of an ultimate controlling party.

### 13. Post balance sheet events

Within the year end results, the Company has announced the commencement of a share buyback programme. The aggregate price of all shares purchased in 2026 will be no more than £20 million (excluding stamp duty and expenses) and any Ordinary shares purchased under the programme will be cancelled immediately.

## Group Five-Year Summary

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
<b>Five-year summary</b>					
Revenue	<b>386.0</b>	344.3	346.4	455.5	370.4
Adjusted EBITDA	<b>61.6</b>	52.0	58.1	89.2	70.4
Adjusted operating profit	<b>42.0</b>	31.2	38.1	72.7	54.0
Adjusted profit before tax	<b>36.0</b>	22.1	31.1	70.6	50.7
Profit before tax (statutory)	<b>23.3</b>	24.8	17.1	72.9	56.8
Adjusted operating cash flow	<b>68.7</b>	60.1	(5.3)	89.0	81.2
Net (debt)/cash (before leases)	<b>(55.7)</b>	(84.9)	(93.2)	(5.9)	40.9
Adjusted earnings per share (pence)	<b>12.6</b>	7.6	11.4	26.4	17.5
Dividends per share (pence)	<b>6.2</b>	3.0	4.4	14.7	9.9

## Additional Information

### Calendar

The following dates have been announced:

2026 Annual General Meeting	19 May 2026
Payment of final 2025 dividend	6 July 2026
2026 Interim results announcement	28 July 2026

### Registrars

MUFG Corporate Markets

### Statutory auditor

Ernst & Young LLP

### Brokers

Deutsche Numis  
Investec Bank plc

### Bankers

HSBC Bank plc  
National Westminster Bank plc  
Barclays plc  
Clydesdale Bank plc (trading as Virgin Money)

### Financial PR

FTI Consulting

### Company information

Registered in England and Wales  
Company number 09963666

### Registered and corporate office


Forterra plc  
5 Grange Park Court  
Roman Way  
Northampton  
NN4 5EA  
Tel: 01604 707600  
[www.forterrapl.co.uk](http://www.forterrapl.co.uk)






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